

## Draft decree tightens supervision over FDI projects

The supervision over foreign-invested projects in Vietnam would be tightened, if a Ministry of Planning and Investment-drafted decree is approved.

While Decree No. 113/2009/ND-CP, which the draft is designed to replace, applies only to projects with the state funding accounting for at least 30 percent of the total investment capital and projects using other sources of capital, the draft decree would govern not only state budget-funded projects but also foreign direct investment (FDI) projects, offshore **investment projects**, public-private partnership (PPP) projects and state-funded projects other than public investment projects.

“The changes are going to create uniformity in the state management of all investment activities,” said Nguyen Xuan Tu, director of the Ministry of Planning and Investment’s Department of Supervision and Evaluation of Investment.



For public investment projects, the draft decree says that in addition to state management agencies in charge of public investment, agencies and persons authorized to make investment decision or investment policy decision would be also required to supervise and examine the investment process so as to assure investment objectives and efficiency.

The draft also adds provisions on supervision and evaluation of the process of elaborating, appraising and approving investment policy. This means that investment projects using state capital would be supervised right from the preparation stage.

FDI projects, PPP projects and offshore investment projects would also be supervised in the same manner.

For FDI projects, supervision would be carried out not only through the grant of investment certificates but also during the process of capital contribution and project implementation, focusing on projects’ compliance with regulations on environmental protection, use of land and natural resources, application of investment incentives and business conditions, etc.

As for PPP projects, supervision would be conducted throughout the process of project elaboration, appraisal, approval and implementation. Agencies assigned to make investment preparation; investors and state agencies competent to sign project contracts; persons authorized to make investment decisions; agencies granting investment certificates and public investment management agencies would be jointly held responsible for investing, supervising and evaluating the effectiveness of these PPP projects.

Offshore investment projects, especially those using state capital, would also be closely managed. Specifically, project owners would be required to make monthly or quarterly reports to management agencies on the project implementation, transfer of investment capital abroad and profits back to Vietnam, use of state capital, if any, operation of projects, fulfillment of financial obligations toward the Vietnamese State, employment of Vietnamese laborers, among others.-

