

**MINISTRY OF AGRICULTURE
AND RURAL DEVELOPMENT**
No. 45/QD-BNN

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, 30 September 2004.

**DECISION BY THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT ON
THE ISSUANCE OF THE REGULATION ON MANAGEMENT AND UTILISATION OF
EXTERNAL ASSISTANCE IN THE SECTOR OF AGRICULTURE AND RURAL
DEVELOPMENT**

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT

- Pursuant to Decree No. 86/2003/ND-CP dated 18 July 2001 by the Government stipulating functions, responsibilities, powers and organizational structure of the Ministry of Agriculture and Rural Development;
- Pursuant to Decree No. 17/2001/ND-CP dated 4 May 2001 by the Government issuing the Regulation on Management and Utilization of the official development assistance (ODA); Decision No. 64/2001/QD-TTg dated 26 April 2001 by the Prime Minister issuing the Regulation on Management and Utilization of External NGO's Aid; and Decision No. 112/2001/QD-TTg dated 21 August 2001 by the Prime Minister on organization and management of international conferences and seminars in Vietnam;
- Considering the request from the Chief of the Office, the Director General of the International Cooperation Department and the Director General of the Personnel Management Department, of the Ministry of Agriculture and Rural Development;

DECIDES

Article 1. To issue hereby the “Regulation on Management and Utilization of External Assistance for the Sector of Agriculture and Rural Development” with 7 Chapters and 29 Articles, in association with this Decision.

Article 2. This Decision shall take effect after 15 days starting from the date of its publication on the Official Gazette of the Socialist Republic of Vietnam, and shall replace Decision No. 132/QD-BNN-HTQT dated 22 September 1999 by the Minister of Agriculture and Rural Development regarding the issuance of the Regulation on Management of Programmes and Projects Funded by External Donors that Fall under the Jurisdiction of the Ministry of Agriculture and Rural Development.

Article 3. The Chief of the Office and the Director General of the International Cooperation Department of the Ministry of Agriculture and Rural Development, and heads of related units are responsible for implementing this Decision.

Recipients:

- Office of the Government;
- Ministry of Planning and Investment;
- Ministry of Foreign Affairs;
- Ministry of Finance;
- Ministry of Justice;
- Ministry of Trade;
- State Bank of Vietnam;
- Vice Ministers of Agriculture and Rural Development;
- Directorates, Departments and Units of the Ministry of Agriculture and Rural Development;
- Project Management Units;
- Departments of Agriculture and Rural Development of Provinces and Cities; and
- International Cooperation Department for filing.

**ACTING MINISTER OF AGRICULTURE AND
RURAL DEVELOPMENT**

(signed)
Cao Duc Phat

MINISTRY OF AGRICULTURE AND
RURAL DEVELOPMENT

SOCIALIST REPUBLIC OF VIETNAM
Independence –Freedom- Happiness

REGULATION

FOR MANAGEMENT AND UTILISATION
OF EXTERNAL ASSISTANCE IN THE SECTOR
OF AGRICULTURE AND RURAL DEVELOPMENT

(Issued in connection with the Decision No.: 45/2004/QĐ-BNN

dated 30 September 2004

By the Minister of the Ministry of Agriculture and Rural Development)

Chapter I

GENERAL PROVISIONS

Article 1. Scope of coverage

1. This Regulation provides the judgment over activities in attraction, management and utilization of sources of Official Development Assistance (acronymed as ODA), Non-government Organization assistance (acronymed as NGO) and other forms of non-project assistance (not commercial) from external resources, managed by the Ministry of Agriculture and Rural Development.
2. Those foreign direct investment projects (acronymed as FDI) are not subject to this regulation.

Article 2. Objects for application

All the units that directly belong to the Ministry of Agriculture and Rural Development (namely, departments, the Inspectorate and the Office of the Ministry of Agriculture and Rural Development) and units that are affiliated to the Ministry of Agriculture and Rural Development (namely, State management sub sector-based directorates, institutes, national parks, centers) hereunder shall be referred to as units, and local authorities that are involved in management and utilization of the ODA funds and NGO's funds, and other types of external non-project aid under the management of the Ministry of Agriculture and Rural Development.

Article 3. Definition of terms

In this Regulation, the terms are understood as in the following definitions:

1. **"Program"** is a collective body of activities, a set of co-related projects and possibly related to many technical and economic sectors, various territories, entities in the implementation under inter sector approach with comparatively long duration of implementation or through phases, with resources for implementation and possibly be mobilized from different sources, in different modes.
2. **"Project"** is a collective body of interactive activities to aim at certain number of pre-defined objectives, to be implemented in a due time and with defined resources. Projects include investment projects, technical assistance projects and bilateral cooperative projects in science and technology study.
3. **"Investment project"** is the project that creates, expands (upgrades) or

rehabilitates certain facilities to achieve the growth in quantity or to maintain, improve upgrade the quality of the products and/or services in a certain defined duration.

4. **"Technical assistance project"** is the project that focuses on provision of the technical element software, including the institutional capacity strengthening, human resources development, technology transfer or knowledge, experience transfer, technical inputs for the preparation and implementation of a program, and investment project.
5. **"ODA project/ program"** is a program, project using the resources of Official Development Assistance (ODA).
6. **"International Agreement on ODA"** is a written agreement co-signed by the entrusted representative(s) of the state or authorized agency of the Vietnamese government and by representatives of the donors on issues related to ODA, including government-to-government Agreements, Protocols, Program Documents, Project documents and exchange written letters between the parties with equal validity.
7. **"Investment owner"** (or termed as Program/ Project Executing Agency) is the Ministry of Agriculture and Rural Development for Programs/ projects that directly managed and implemented by those units that belong to or are directly affiliated to the Ministry of Agriculture and Rural Development, and sector-based projects that are assigned by the Government to the Ministry of Agriculture and Rural Development the tasks of management and implementation.
8. **"Project Implementing Agency"** (or can be termed as Programme owner) are those units that belong to or are directly affiliated to the Ministry of Agriculture and Rural Development, or local authorities that are assigned by the Minister of Agriculture and Rural Development the tasks of direct management and use of donors' funds and counterpart funds to implement programmes/ projects according to approved activities and plans.
9. **Programme/ Project Management Unit** (hereunder referred to as PMU for short) or the "Project Office" are the agencies that represent the Project Implementing Agency, are fully authorized to act on behalf of the Project Implementing Agency in fulfilling their given authority and tasks, from the beginning to the end of the project life, including final settlement of accounts, checking-and-taking-over, handing-over and bringing the project to exploitation and utilization.
10. **The Director of Project Management Unit** (hereunder shall be referred to as Project Director for short) is the head of the Project Management Unit/ Unit, shall act on behalf of the Project Implementing Agency (and the project executing agency) in managing and running programme/ project activities, be accountable to the Project Implementing Agency for programme/ project activities and the results gained in the implementation of the programme/ project, and be accountable to the Project Implementing Agency and law for his/ her acts.
11. **"Programme/ Project Executive Committee or "Programme/ Project Steering Committee"** (hereunder shall be referred to as the **Project Steering Committee for short**), composed of representatives of inter-sectoral agencies, is created to support the host agency in steering and guiding the implementation of project activities, considering and submitting to competent levels requests for project adjustments.
12. **"Counterpart funds"** are the values of resources (in cash and kind, and labor) mobilized in the country for the preparation and implementation of ODA Program/ projects to meet the demands of Program/ project.
13. **"Agreement on international non-government assistance"** is the initial memorandum (without legislative binding) on the documented notification of the

international non-government assistance between the Vietnamese representative and the donor.

14. **“Project Document (Program/project) of international non-government assistance”** is the official document, representing the commitment of the Vietnamese side and the donor side on a specific program or project, in which objectives, activities, outputs, and resources for use, due time and implementation plans, obligations, benefits and responsibilities of the concerned parties are clearly defined.
15. **“Non-project aid”** is the type of aid that does not belong to the given Program/project, and is provided through direct support to sector-based budget, package of aid, trust funds, in kind (i.e. goods, materials, equipment), cash or expertise (including volunteer expertise), types of aid that do not belong to the given project to conduct research work, conferences and seminars, training workshops, study tours, and for humanitarian and charitable purposes (generally referred to as humanitarian aid).
16. **“Emergency Aids”** is the aids classified as non-project aids to be implemented immediately after emergencies (natural disasters or other catastrophes) that may last 2 months as maximum after the end of incident. After the above-mentioned duration, if the aids continue, the aids are considered as post emergency aids for aftermath’s recovery.
17. **The “Regulation on Investment Management”** is regulation for the management over the investment and construction, issued following the Decree No. 52/1999/NĐ-CP dated 8/7/1999 by the Government, revised and supplemented with some provisions in the Decree No. 12/2000/NĐ-CP dated 05/05/2000 and the Decree No. 07/2003/NĐ-CP dated 30/01/2003 by the Government.
18. **The “Regulation on Tendering/Bidding”** is the Bid Regulation promulgated with the Decree No. 88/1999/NĐ-CP dated 01/09/1999 by the Government revised and supplemented with some provisions in the Decree No. 14/2000/NĐ-CP dated 05/05/2000 and the Decree No. 66/2003/NĐ-CP dated 12/06/2003 by the Government
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19. **The “Regulation on ODA management”** is the regulation for management and utilization of the Official Development Assistance sources promulgated with the Decree No. 17/2001/NĐ-CP dated 04/05/2001 by the Government.
20. **The “Regulation on NGO management”** is the regulation for management and utilization of international non-government assistance promulgated with Decision No. 64/2001/QĐ-TTg dated 25/04/2001 by the government Prime Minister.

Article 4. External assistance resources

1. The official development assistance (ODA) and other sources of overseas individuals and organizations supporting agriculture and rural development sector in the form of Program/ project comprise:

+ Grants/Non-refundable aid;

+ Loans with favorable conditions such as loans without interest but only service charge, loans with commitment fee, low interests or the combination of low interest rate loans with average interest rate loans, with grace period and long duration for return.

2. The resources of international non-project assistance represent the forms of financial support (in foreign currencies or VND), equipment supply, technology (machine, operational know-how), materials (goods, plant seeds, breeds and species), development studies, technical assistance, experts and training, emergency aids.

Article 5. Principles in the management and utilization of external assistance for the

agriculture and rural development

1. The external resources are of important capitals in addition to the government budget; it is used to support the implementation of priority objectives in strengthening and development of the agriculture and rural development sector.

2. Mobilization, attraction and use of external donors' funds for the sector of agriculture and rural development shall be subject to unified management by the Ministry of Agriculture and Rural Development, from the central to local levels, and on a nation-wide scale.

3. The process of mobilization, attraction, utilization of external resources must involve the participation of related organizations, local authorities and local people that are project beneficiaries; to ensure openness and transparency in terms of authority and responsibilities of the stakeholders; to ensure harmonization in principles and procedures for assistance between the Vietnamese side and the Donors.

4. The attraction, management and utilization of the external resources must comply with regulations of the Law on state budget, the Regulation on management and utilization of Official Development Assistance (ODA Management Regulation), the Regulation on management and utilization of non-government assistance (NGO Management Regulation), the Regulation on management over the foreign loans and debt payments, and the existing regime of financial management.

In case of international treaties, which are signed between the Vietnamese government and donors, if their regulations are different from the those specified in this Regulation, the implementation shall follow the regulations in that international Treaty.

Chapter II

IN THE IDENTIFICATION OF PROGRAM AND PROJECT

THE PRIORITY SHOULD BE GIVEN TO PROMOTING, ATTRACTING EXTERNAL ASSISTANCE

Article 6. Program/ project proposals should attract and mobilize external assistance funds

During the 4th week of every June, the organizations, units and provinces is expected to refer to master plans, sector-wide socio-economic action plans (annual plans, 5 year plan, 10 year plan) of the sector and the assignments given to organizations, units and provinces, to initiate list of proposed Program/ projects that need priority for promotion and attraction of external assistance and to fill in the Project Registration Form (type of draft Outline) for sending it to the International Cooperation Department (ICD) and the Department of Planning where an integrated collation/synthesis is prepared for submission to the Ministry.

Article 7. Selection of priority Programmes/ projects to attract and promote the external assistance

1. Areas identified as priority for promoting the external resources:

Based on the sector-wide development strategies and planning, every year the Department of Planning shall submit to the Minister of Agriculture and Rural Development proposed sector-wide priority areas for mobilization of external support for approval, and publicizing those proposals to provide a basis for consideration and selection of programmes and projects.

2. Steps for priority programs/ projects:

a. Prior to the 10th of August every year, the Ministry of Agriculture and Rural Development establishes a council to select priority Programs/ projects for the sector that need to mobilize external support. The programmes/ projects selection council is composed of representatives from functional departments and sectoral directorates,

chaired by a Vice Minister, and for which the International Cooperation Department operates as a standing agency. The mandates, powers and duration of this Council shall be stipulated in the Decision for its establishment.

- b. During the 3rd week of September every year, the Minister of Agriculture and Rural Development shall hold a meeting with the collective body of the leadership of the Ministry to discuss and to approve the list of priority Programmes/ projects of the sector and send the registration document to the Ministry of Planning & Investment (enclosed with each draft Outline of Program/ project as specified by Regulation on the Annex 2 Circular 06/2001/TT-BKH dated 20.9.2001 by the Minister of the Ministry of Planning & Investment).
- c. The coordination meeting of foreign Donors for Programmes/ projects of the agriculture and rural development sector is to be held every year.

3. As for the emergency aids to overcome the aftermaths of natural disasters, floods and for other aids beyond the approved list of priority projects, the organizations, units, and provinces produce the proposal document to for presentation to the Minister so that report could be submitted to the government for review and decision.

4. Regarding those sources of aid that are obtained as a result of negotiations conducted by the unit itself with its external counterpart(s) for the purposes of scientific research work and experiments of the unit itself, the head of the unit shall make its own decisions on the selection of those sources, and shall be accountable for such decisions on an individual basis. The outcomes of negotiations on programmes/ projects shall be reported to the Ministry of Agriculture and Rural Development in writing as ruled by the Regulation on Management of ODA by the Government, the Regulation on Management of NGO's by the Prime Minister, regulatory documents providing guidance by the Ministry of Finance and other related Ministries and sectoral agencies.

Article 8. Provision of Code number to the Program/ projects of the sector

Programs/ projects after being included in the list of priority Programs/ projects of the sector shall register with the Ministry of Agriculture and Rural Development for their Programme/ Project code numbers, and information of specific Programme/ project code numbers shall be stored by the International Cooperation Department, as specified by the Decision No. 95/2001/QĐ-BNN dated 21 September 2001 issued by the Minister of the Ministry of Agriculture and Rural Development.

Article 9. Notification of the List of funded Programs/ projects

The Ministry of Agriculture and Rural Development is responsible for notifying, in writing, units and local authorities that have registered their proposals for programmes/ projects about the list of priority programmes/ projects of the sector that have been approved by the Government and the funds for which have been committed by donors.

Chapter III

PREPARATION, ESTABLISHMENT, APPRAISAL

OF THE PROGRAM/ PROJECT CONTENTS

Article 10. Preparation of Programs/ projects

1. Establish the committee to prepare Program/ project or the contact unit for project preparation (hereafter referred to as the Project Preparation Committee):

- a. Once an official notification in writing about the approved List of priority Programmes/

projects and the donors agree to review, the Minister issues decision to establish the Program/Project Preparation Committee including the Head of the committee, professional experts, representatives of Management Boards of Program-project, who shall be assigned the implementation by the Ministry.

- b. The tasks of the Project Preparation Committee are specified in Clause 2 Article 13 of the Regulation on ODA management and in the provisions this Regulation.
- c. The Project Preparation Committee works on plans for the Program/Project Preparation as specified in Article 14 of the Regulation on ODA management and in the provisions of this Regulation.

2. The identification of the external resources and counterpart funds for the preparation of Program/project is specified in regulations of the Article 12 of the Regulation on ODA management issued by the government and provisions in the Regulation for NGO management issued by the Prime Minister.

Article 11. Contents of the program, and investment project.

1. The contents of pre-feasibility studies and feasibility studies are ruled by Articles 15 and 16 of the Regulation on Management of ODA issued by the Government and rules and regulations by the donor.

2. Reports on the programmes/ projects of investment must clearly state domestic funds, external funds, terms and conditions that have been agreed upon by the donor, and whether the funds for monitoring, supervision and evaluation of programmes/ projects come from the donor's funds or from the counterpart funds, strictly as per the Regulation on Management of Investment Programmes/ Projects by the Government and rules and regulations by the donor.

3. Programs, investment and construction projects implementation must go through tendering process to select technical consulting services, contractors for construction work, procurement of equipment, materials, erection and installation, and provision of services to the Project as ruled by the Regulation on Tendering/ Bidding issued by the Government, instructing/ guiding documents issued by the Ministry of Planning & Investment, and rules and regulations by the donor.

Article 12. Contents of Technical Assistance Program/ project Documents.

1. **Technical Assistance** Programs/ projects in the agriculture and rural development sector comprise such types as: a) institutional issues, policy, legislation; b) human resources development/ training for the sector; c) techniques and technology transfers, scientific research cooperation; d) knowledge and experience exchange in the Programme/ project implementation.

2. The contents of the technical assistance Program/ project document follow the specifications in the Article 17 of the Regulation on ODA Management issued by the Government, Annex 3 of Circular No. 06/2001/TT-BKH dated 20/9/2001 issued by the Minister Ministry of Planning & Investment and requirements of the donors.

The Program/ project document must clearly defines the funding resources for the Monitoring & Evaluation and acceptance, whether it comes from the external assistance or counterpart funds of Vietnam.

Article 13. On non-project assistance, international conventions and workshops.

1. On non-project aid/ assistance:

Those units that enjoy donors' non-project support, direct support to sector-wide budgets, package of aid or through trust funds, non-project assistance for research work, information

and experience sharing, training/ upgrading workshops in technical/ professional issues (excluding those included in Articles 11 and 12) must submit their reports to the Ministry of Agriculture and Rural Development via the International Cooperation Department, highlighting the modality, content, donors and recipients/ beneficiaries, programme/ project life, and total budgets. If the assistance is realized in kind (i.e. goods, materials, equipment) and in cash, it is compulsory to state clearly the quantities and the list of aid items, and total estimated values of aid in kind and in cash.

2. Regarding humanitarian aid:

Upon being stricken by natural calamities and disasters, units and local authorities should mobilize emergency relief's from the international community based on levels of damages actually done in terms of human life, assets, and works and facilities that belong to the agriculture and rural development sector, and submit their reports/proposals to the Ministry of Agriculture and Rural Development via the International Cooperation Department for synthesis thereof to be submitted to the Minister of Agriculture and Rural Development to be further submitted to the Government for approval on mobilizing emergency relief's from the international community.

3. On international conventions and workshops.

The arrangement for international conventions and workshops with funds from external resources to the ministerial units must be implemented as specified in the Decision No. 112/2001/QĐ-TTg dated 21.8.2001 issued by the Prime Minister on the arrangement and management of international conventions and workshops in Vietnam.

Article 14. Appraisal of Programs/ projects.

1. Conditions for appraisal:

a. The programme/ project must be the one included in the priority list approved by the Minister of Agriculture and Rural Development and coded under the Article 8 of this Regulation and in the agreement with the donors to fund. If the project is not found in the list, it can only go through appraisal once a written notice is issued by the Prime Minister with agreement in principle.

b. Valid document of the Program/ project, comprises:

(i) Presentation sheet (official letter) with proposal to receive the project, prepared by the organization, unit and province that proposed and registered to receive the project.

(ii) Project documents or the pre-feasibility study reports, and feasibility study reports are made into 8 copy sets (of which there must be at least 1 set of original documents) as in the case of programmes/ projects that are subject to approval by the Prime Minister, and made into 5 sets of documents (of which there must be at least 1 set of original documents) as in the case of programmes/ projects that are subject to approval by the Minister of Agriculture and Rural Development. The contents of the document are presented in Vietnamese language in conformity with the proposed Outlines of Programs/ projects that have been approved by the Prime Minister.

(iii) The draft Treaty or Agreement on the project shall be signed by the Vietnamese representative and the donor representative. The quantity of the document for signature should be made at least into 5 copies in Vietnamese and other language required by the donor.

2. Contents for appraisal:

a. The contents for appraisal of construction investment project are specified in the regulations in the Article 27 of the Regulation on management of investment and construction issued by the Government and the Circular No. 04/2003/TT-BKH dated 17/06/2003 issued by the Minister Ministry of Planning & Investment.

- b. Among other contents are the rectification of the Project rationale, the clarity of its feasibility, objectives, financial mechanism, implementation arrangements, social-economic impacts, security, environment and compensation for resettlement.

3. Appraisal Duration (since the date of full receipt of valid documents):

The duration for appraisal of a construction investment project is calculated since the date of valid document receipt:

- a. For investment projects of group A, the appraisal duration must not be longer than 60 working days.
- b. For investment projects of B group, the appraisal duration must not be longer than 30 working days.
- c. For investment projects of C group and other else projects, the appraisal duration must not be longer than 15 working days.

4. Organization for appraisal.

- a. The Minister establishes a Council to appraise foreign funded Programmes/ projects.
- b. The members participating in the appraisal take the accountability before law and the Minister on the individual comments about the foreign funded Programmes/ projects.
- c. The results after the appraisal are presented in a written Appraisal Report and attached with the Document as specified in Item b, Clause 1 in this Article for submission to the approval of the Minister.

Article 15. Funds for preparation, establishment and appraisal of Programs/ projects.

1. Funds for preparation of ODA Programs/ projects are specified in the Article 12 of the Regulation on ODA Management, specifically in the followings:

- a. Funds for preparation of ODA Program/ projects under the state budgeted category shall be planned and integrated into the sector annual budgets by the Ministry of Agriculture and Rural Development. In cases where a certain project is not within the planning period, the Ministry of Agriculture and Rural Development shall send official requests to the Ministry of Planning & Investment, and the Ministry of Finance to apply for an advance fund disbursement from the central contingency budgets.
- b. If funds for preparation of ODA Program/ projects under loan schemes from the Budget or partially provided, the Project Implementing Agency shall harmonize the funds for balanced disbursements of funds in compliance with rules and regulations of the Ministry of Finance. In cases where units belonging to the Ministry of Agriculture and Rural Development are the owners of investment programmes/ projects, the Department of Planning of the Ministry of Agriculture and Rural Development shall be responsible for budget planning and allocation.
- c. Funds for preparation of technical assistance projects (fully or partially funded preparation of ODA Programs/ projects) shall be borne by the programme/ project beneficiary. The Ministry of Agriculture and Rural Development is responsible for including such funds in the annual plans for submission to the Ministry of Planning and Investment, and the Ministry of Finance for synthesis and monitoring purposes.

2. The funds for appraisal of investment project is specified in the Article 32 of the Regulation on Management of Investment and Decision No. 15/2001/QĐ-BXD dated 20/07/2001 issued by the Minister of the Ministry of Construction on the promulgation of the Set Norms of Investment &

Construction, Circular No. 109/2000/TT-BTC dated 13/11/2000 issued by the Minister of The Ministry of Finance instructing how to collect, pay and use the fees for construction investment appraisal.

For other projects, the funds for setting up and appraisal are taken from the external assistance or state budget allocated for the project, or from the legal funds of the unit preparing the project or from the Project Implementing Agency unit.

3. Depending on each Program/ project, the counter part fund could comprise all or some components and be spent in the following regulations:
 - a. Preparation of foreign funded Program/ project as specified in Item a, Clause 12 in Article 5 of the Regulation on ODA Management of the Government.
 - b. The fund for implementation preparation and implementation of the foreign funded Program/ is specified in Item b, Clause 12 in Article 5 of the Regulation on ODA Management of the Government..
 - c. The counterpart funds to NGO Program-project are specified in the Law on Budget and Government Decree on the delegation of management levels, establishment, liquidation of state budget.
4. The funds for appraisal, feasibility study of Program-project, major Components shall be managed by the Program-project preparation Committee; organizations, units owning the Program-project that self develop and prepare the project contents are entitled to retain and manage the fund for appraisal.

Chapter IV

NEGOTIATING, SIGNING

AND APPROVING PROGRAMS/ PROJECTS

Article 16. Negotiating, signing and approving Program/ project documents.

1. Initial contacts to identify Programmes/ projects and the assistance resources to prepare the document and to sign project documents.
2. The organizations, units and provinces prepare Program/ project documents; complete the procedures to submit to the Minister for permission from the Government to negotiate with the donors.
3. The organizations, units propose projects to submit to the Minister in order to form a negotiation delegation and preparation of documents for submission to the Minister or the Prime Minister for approval and signing with Donors.
4. The necessary documents for approval and signing comprise one of the following documents: Treaty or Agreement, Protocol, Memorandum, Proceeding, Letter of Commitment of the donor, Contract with feasibility study report or the project dossiers, authorization letter (in case the signatory is authorized).
5. After negotiation completion, the head of the negotiation delegate shall send written report to the Minister on the results of the negotiation, contents and agreement documents in order to prepare for signing with the foreign donors.

The International Cooperation Department prepares the document for submission to The Minister for approval or the Minister submits it to the Prime Minister for approval and preparation for the next processes.

6. For Program/ projects, represented by another sector negotiation delegation, the Ministry of Agriculture and Rural Development being only a participating member, the Programme/ Project Preparation Committee in conjunction with the International Cooperation Department are responsible for preparation of documents related to the sector, submission thereof to the leadership of the Ministry of Agriculture and Rural Development as a basis for participation in the negotiations, and after the negotiations having been completed, the ICD shall send the documents to related units for implementation.

Article 17. Levels of authority and signature mandates for signing Program-project Document

1. The negotiation and international agreement signing on external assistance shall be authorized in writing by the Chairman of the State (for international treaties in the name of the Country), by the Government (for international treaties to be signed in the name of the Government).
2. The negotiation and international agreement signing in the name of the Ministry of Agriculture and Rural Development on Development Assistance resources shall be authorized by the Minister in writing.
3. For those programmes/ projects that involve many implementing countries (or regional programmes/ projects that involve many implementing sectors and local authorities), and for which the Ministry of Agriculture and Rural Development operates as one of the participating parties, the Minister of Agriculture and Rural Development can authorize the heads of units to directly participate in negotiations on sector-related issues.

Article 18. Management over the signed document, exchange of documents and sample materials

1. The documents signed by the Ministry of Agriculture and Rural Development under the authorization of the Government shall be retained for archives in the Ministry of Foreign Affairs, and the original set of documents shall be archived by the Office of the Ministry of Agriculture and Rural Development.
2. Other signed documents shall be managed in the following way:
 - d. **The original version shall be kept in the Ministry office.**
 - e. The copied versions shall be kept in the International Cooperation Department and related units.
3. The archives, contact, communication, information provision, dossiers, samples of matters related to foreign country shall be implemented under the existing laws of the state and the Ministry of Agriculture and Rural Development.
4. After the Program/project has been approved and signed, the Program/project preparation Committee is responsible for handing over all the documents and papers related to Program/ project implementation to the Project Director. When the project has been terminated and brought into exploitation/ utilization, the Project Director shall have to hand over all the signed documents and project documents/ papers to the Ministry of Agriculture and Rural Development for archival purposes as ruled by law.

Article 19. Approval authorization

1. The Prime Minister shall approve projects of Group A, technical assistance Programs/ projects with a level of capital higher than US\$ 1 million as stipulated in Clause 1, Article 20, and the Regulation on ODA Management of the Government and in Clause 1, Article 6 of the Regulation on NGO Management issued by the Prime Minister.
2. The Minister of the Ministry of Agriculture and Rural Development approves the construction investment projects of Group B, C and Group A in case of being authorized by the Prime Minister,

for technical assistance projects with capital lower than US\$ 1, it is implemented as specified in Clause 2, Article 20 the Regulation on ODA Management issued by the Government and in Clause 2, Article 6, the Regulation on NGO Management issued by the Prime Minister.

3. The Minister of Agriculture and Rural Development shall authorize the heads of units to approve those projects with a level of capital of less than 500 million VND, and after having signed such projects they shall have to report in writing to the Ministry of Agriculture and Rural Development.

Chapter V

MANAGEMENT OF THE PROGRAMS/ PROJECTS

Article 20. Assignment of Responsibilities

1. The International Cooperation Department:

- a) The International Cooperation Department is the focal point agency to assist the Minister of Agriculture and Rural Development in mobilizing and attracting donors' support and funds to the priority Programs/ projects.
- b) In coordination with the Personnel Management Department, shall make a proposal for the establishment of the Project Preparation Committee, the Project Steering Committee, the Project Management Unit (i.e. the Project Office), and nomination of the Project Director, to be submitted to the Minister of Agriculture and Rural Development for approval.
- c) Shall take the lead responsibility in synthesis of Programs/ projects of international cooperation, international economic integration and the task of foreign affairs in the sector to submit it to the Minister.
- d) Shall participate or take the lead responsibility in the preparation of legal documents, the regulations for project management, international agreements/ treaties related to the international economic cooperation and international economic integration to be submitted to the Minister of the Ministry of Agriculture and Rural Development.
- e) Shall take the lead responsibility or coordinate with related units for the development of documents for donor funded projects as assigned by the Minister of Agriculture and Rural Development; and development of programs for international economic integration and selection/ choice of partners for implementation.
- f) Shall participate in the councils of appraisal and acceptance of proposed schemes, programs/ projects of basic survey, planning projects, investment projects for development of agriculture, forestry, salt production, irrigation and rural development, and other agriculture-related areas funded by external donors.
- g) Shall be responsible for administration of project dossiers and project code numbers as per Decision No. 95/2001/BNN by the Minister of Agriculture and Rural Development.
- h) Shall provide instructions, monitor, and control the implementation of international cooperation Program/ projects and the implementation of this Regulation.

2. The Department of Planning:

- a) Shall identify the strategies, master plans and plans that need external assistance for the Program-project of socio-economic development in the sector.
- b) Shall be responsible for assisting the Ministry of Agriculture and Rural Development in assessing the appropriateness of objectives and contents of the project against the sector-wide development strategies and plans; budget plans in relation to preparation and implementation of programmes/ projects.
- c) Shall integrate the plans of counterpart funds and external funds to collate them with the progress of all the projects in the Ministry of Agriculture and Rural Development and

the sector for management and balance of annual investment plans and provide the Project Implementing Agency with instructions for implementation.

3. The Department of Finance:

- a) Shall provide guidance and instructions to Project Implementing Agencies for their development of the regulation on finance control, cost norms for external donor funded projects being implemented by organizations, units affiliated to the Ministry.
- b) Shall provide the Project Management Units (Project Offices) with instruction to make financial plans, disbursements, accounting modes, financial reports for submission to the Ministry and the Ministry of Finance in accordance with the approved contents, and progress.
- c) Shall take responsibility to support the Ministry in appraising approving the cost estimates, expenditure liquidation related to the preparation of Programmes/ projects.
- d) Shall submit to the Ministry of Agriculture and Rural Development for approval of annual estimated expenditures for Programmes/ projects; consider and approve the detailed cost estimates for project activities authorized by the Minister of Agriculture and Rural Development.
- e) Shall conduct routine and unscheduled/ ad hoc accounting audits in Project Management Units, or project offices according to instructions by the leadership of the Ministry of Agriculture and Rural Development; appraise and submit to the Ministry of Agriculture and Rural Development the annual settlement of project accounts for approval; and settle all accounts of completed projects.
- f) At the project completion, shall guide the handing over of project properties, assets and results to units to manage and use in compliance with law.

4. The Department of Organization and Personnel

- a. Shall submit the proposal to the Minister for the establishment of Project preparation Committee, Project Executive Committee or the Project Steering Committee, Project Management Unit (Project Office) and get the personnel ready for participation into the Project Preparation Committee, Project Steering Committee, Project Management Unit, which use the external assistance.
- b. Shall guide and support to clear all the procedures related to the organization and personnel of the Program/ project Preparation Committee, Project Steering Committee, Project Management Unit (Project Office).
- c. Shall instruct Project Management Units to compile their Regulation for organization and operation, monitor and control the implementation of those Regulations.

5. The Department of Science & Technology

- a. Shall guide the development of projects, organize for the appraisal of contents of science, technology, rural environment in foreign funded Programmes/ projects before submitting them to the competent levels for approval.
- b. Shall participate in monitoring and supervising the implementation of cooperation R&D projects in science, technology and rural environment that fall under the jurisdiction of the Ministry of Agriculture and Rural Development.
- c. Shall review and work on procedures and formalities for the exchanges of samples (plant, animal, microbiology, etc.), technology and science documents related to rural environment under the activities of agriculture and rural development.

6. The Department of Legislation

- a. In coordination with the International Cooperation Department shall compile the documents for international cooperation and international economic integration, the Regulation on managing the foreign funded Program-project of the sector.
- b. Shall coordinate with the International Cooperation Department to develop and appraise the contents of legal documents related to preparation, negotiations and the signing of Programs/projects.

7. The Inspectorate of the Ministry of Agriculture and Rural Development

Shall conduct inspections of the implementation of programmes/ projects upon detecting manifestations of violations of law at the requests of the leadership of the Ministry of Agriculture and Rural Development.

8. The Directorate of Construction Management

- a) Shall perform its functions and mandates on management of foreign funded investment construction projects strictly in compliance with Clause 5, Article 2 of the Decision No. 95/2003/QĐ-BNN dated 4 September 2003 by the Minister of Agriculture and Rural Development governing the functions, responsibilities, authority and organizational structure of the apparatus of the Directorate of Construction Project Management.
- b) Shall appraise designs and drawings for construction, and make sure that estimated costs for construction items are in line with technical designs (or construction designs), and that approved total estimated budgets are within the budget limitations allocated by the Ministry of Agriculture and Rural Development.

9. Other State management sub sector-based directorates, with their given functions, responsibilities and mandates, shall take the lead responsibility or coordinate with the International Cooperation Department and other related units to perform the following tasks:

- a) Shall guide and instruct Project Implementing Agencies to develop and to implement projects in compliance with existing laws of Vietnam, and in compliance with agreements, treaties and commitments signed by Vietnam with foreign countries and international organizations regarding areas of specialization that fall under the jurisdiction of respective directorates.
- b) Shall appraise technical contents of projects that fall under the jurisdiction of respective directorates.
- c) Shall monitor, supervise and coordinate activities of foreign funded programmes/ projects with domestic activities to fulfill the specialized tasks that fall under the jurisdiction of respective directorates.

Article 21. Organization and manpower for the implementation of Programs/ projects

1. Project Implementing Agency

After the programme/ project has been signed, and prior to the date for the programme/ project agreement to take effect, the Minister of Agriculture and Rural Development shall appoint one unit that belongs, or is affiliated, to the Ministry of Agriculture and Rural Development to be the Project Implementing Agency who then shall be charged with management and implementation of the programme/ project.

2. Project Executive Committee (Project Steering Committee)

- a. Based on the requirements, contents and the scope of each Project, a Project Steering Committee can be created. The Minister of Agriculture and Rural Development shall decide on the establishment of a Project Steering Committee to be chaired either by a Vice Minister or a Department Director.
- b. The members of the Project Steering Committee are representatives from related ministries, sectors, local authorities and units related to the project as ruled by the Government; and if possible representatives of Donors can participate in such a Project Steering Committee.
- c. Project Steering Committee is responsible for assisting the host agency in the following:
 - Orientation for mechanism, policies, action plans and the implementation arrangements for Programs/ projects;
 - Approval of periodical tranches of budget for the whole year;
 - Decision on major measures to ensure the project implementation, monitoring, review and evaluation of the project; and
 - Review for amendments/ adjustments of the project when necessary.

3. Project Management Unit (Project Office).

- a. Project Management Unit (for ODA projects) or the Focal Point Unit (for NGO projects) is the representative agency for the Project Implementing Agency established in the decision by the Minister of the Ministry of Agriculture and Rural Development. The Project Management Unit has its own stamp, accounts at a bank and at the State Treasury as specified by the Project Implementing Agency (excluding otherwise agreed upon by the Donor and documented accordingly in the Project Agreement). Based on reality and specific conditions, the Minister of Agriculture and Rural Development can assign the responsibility of management and implementation of newly approved programmes/ projects to the Central Project Offices (i.e. the Agricultural Projects Management Board, the Forestry Projects Management Board, and the [water sector] Central Project Office). In this case, the Director of the CPO shall create a unit charged with management and implementation of the programme/ project and accountable to the Minister of Agriculture and Rural Development for all the issues and problems related to the implementation of the newly approved programme/ project.
- b. The functions, responsibilities, tasks, organizational structure, personnel and operation of the Project Management Unit is specified in Clause 1 Part V of the Circular No. 06/2001/TT-BKH dated 20.9.2001 by the Minister Ministry of Planning & Investment and Article 25 in the Regulation on ODA Management issued by the Government.
- c. The personnel of the Project Management Unit consists of a Project Director (who can also be called Head of the Project Management Unit), a Deputy Project Director (applied to an ODA loan project), a coordinator, and a chief accountant who are considered and approved by the Minister of Agriculture and Rural Development. Project officers of the Project Management Unit shall be considered and recruited by the Project Director in compliance with the Regulation on Management of ODA Resources, the Regulation on Management of NGOs, and guiding documents issued by the Ministry of Planning and Investment.

4. The Project Director, as the head of the Project Management Unit, shall be authorized by the Project Implementing Agency (and the Project Executing Agency) to be the bank account holder for the programme/ project; act on behalf of the Project Implementing Agency in running the operation of the programme/ project; be responsible for management of staff members of the Project Management Unit in implementation of the programme/ project activities and contents; and be accountable to the Project Implementing Agency and the law for his/her acts.

The responsibilities of the Project Director are as follows:

- (a) Developing the action plans and budgets (monthly, quarterly, semi-annual and annual) of the project, for submission to the competent levels as ruled by law;
- (b) Developing plans and carrying out procedural preparatory work to obtain counterpart funds from the state budget, and to obtain external funds as scheduled in the project document.
- (c) Honoring and complying with financial, statistical and accounting operations and practices, checks and inspections as stipulated by existing rules and regulations by the State.
- (d) Preparing periodical reports (as specified in approved project document) and ad hoc reports (when/if required) to be submitted to the Ministry of Agriculture and Rural Development (i.e. to the Planning Department, the Directorate of Construction Project Management, the Department of Finance, and the International Cooperation Department) using the prescribed forms and formats given by the Ministry of Agriculture and Rural Development, and related Ministries, and demands of the international partners for financial reports and audits.
- (e) Taking the lead responsibility in recruiting national and international experts/

consultants in line with Terms of Reference, providing the facilities and co-workers for realization of the scheduled mission.

- (f) Arranging the competitive bidding process to select the consultants for designing, contractors for construction works, procurement of equipment, materials and services for the project in compliance with existing rules and regulations of the State and of the Donor.
- (g) Arranging the work forces, vehicles, logbooks, etc., to monitor and supervise the implementation of activities and items of the Project.
- (h) Managing the performance of the project experts/ consultants.
- (i) Making arrangements for monitoring and evaluation (M&E) of the progress in project implementation, and conducting preliminary and overall reviews on the progress in project implementation periodically, and upon termination of the project; and submitting reports thereof to the Ministry of Agriculture and Rural Development and the Donor.
- (j) Undertaking other assignments given by the Minister of Agriculture and Rural Development.

Article 22. Revision, amendment of the contents of Programmes/ projects

The approved Program/ projects during the inception if certain revisions and adjustments are needed, they shall be implemented as follows:

1. The Project Management Unit shall submit an explanatory document highlighting those contents and plans that need revisions and adjustments which have been approved (finalized) by the Project Steering Committee to the Ministry of Agriculture and Rural Development (i.e. the Department of Planning and the International Cooperation Department) for consideration and approval.
2. The type of appraisal is conducted as specified in Clause 2, Article 31 of the Regulation on ODA Management promulgated by the government and Clause 3 Part V of the instructing Circular No. 06/2001/TT-BKH, dated 20/9/2001 issued by the Minister Ministry of Planning & Investment.
3. The decision-making on the revision of Program/ project is specified in Article 31 of the Regulation on ODA Management promulgated by the government and Clause 3 Part V of the instructing Circular No. 06/2001/TT-BKH, dated 20/9/2001 issued by the Minister Ministry of Planning & Investment. In case of revision and amendment of the signed international Treaty on ODA, the conduct shall follow the regulations in the Ordinance on signing and executing International Treaties.

Chapter VI

MONITORING AND EVALUATING THE IMPLEMENTATION AND THE RESULTS OF THE PROGRAM, PROJECTS

Article 23. Monitoring, controlling and evaluating the Program/ project implementation

1. Project Steering Committee shall be responsible for steering the Project Management Unit to perform the approved contents of the program/projects, monitoring, auditing the activities of foreign funded Program/ projects to review the implementation progress, disbursement, effectiveness to make routine report to the Minister and the state bodies governing the ODA, NGO assistance and to propose measures for solving problems in necessity.
2. The International Cooperation Department shall be the focal point unit for monitoring and guiding

the investors in their supervision and evaluation works, or if/when needed, proposing to the leadership of the Ministry of Agriculture and Rural Development the recruitment of consultants to assess the implementation of the foreign funded programme/ project of the sector.

3. The Project Management Unit shall be directly responsible for management and implementation of the project; conducting annual, mid-term and end-of-term reviews; monitoring the progress and effectiveness in disbursement of funds, and submitting periodical reports to the Minister of Agriculture and Rural Development (including the International Cooperation Department, the Department of Finance and the Department of Planning) and State management agencies as ruled by law and in compliance with regulations of the Ministry of Agriculture and Rural Development.
4. In the cases where the Central Project Office (CPO) is authorized by the Minister of Agriculture and Rural Development to manage foreign funded programmes/ projects, the Chairperson of the CPO shall have to conduct annual, mid-term and end-of-term reviews; monitor and supervise the progress and effectiveness in disbursement of funds as ruled by law.

Article 24. Reporting the Program/ project implementation

1. Every quarter, 6 month, every year and at the completion of the project, the Project Implementing Agency shall report in the formatted form as specified in the Annex 4, Annex 5, Annex 7, Annex 8 and Annex 9 of the Circular No. 06/2001/TT-BKH, dated 20/9/2001 issued by the Minister Ministry of Planning & Investment, to send them to the Ministry of Planning & Investment, The Ministry of Finance, The Ministry of Domestic Affairs (as of administration reform projects)

Every month, for Programmes/ projects of Group A, the Project Implementing Agency shall report in the formatted form as specified in the Annex 6 to send it to the Project Management Unit, the Department of Planning and the International Cooperation Department of the Ministry and also send it to the Ministry of Finance, the Ministry of Planning & Investment.

2. The Project Management Unit shall be responsible for submitting written reports on the implementation of Programs/ projects as required by the Regulation on ODA Management, and guiding documents issued by the Ministry of Finance and the Ministry of Planning and Investment to the agencies charged with synthesis of general affairs of the Government and to the Department of Planning and the Department of Finance of the Ministry Agriculture and Rural Development.
3. The Department of Planning shall be responsible for the development of quarterly, semi-annual, annual and end-of-term reports on the programme/ project to be submitted to the Ministry of Planning and Investment using the given forms and formats as specified in the regulation of ODA Management, the Regulation on NGOs Management, and guiding documents issued by the Ministry of Finance and the Ministry of Planning and Investment.

Article 25. Checking and handing over and utilizing Program-project results

1. For civil construction Programmes/ projects:

The Project Implementing Agency shall abide by the regulations on checking and handing over the results gained by the programme/ project either partially or fully, registration of properties and assets, and settling project accounts of donor funds in accordance with rules and regulations on capital construction programmes/ projects.

2. For Technical assistance Program/ projects:

The Project Implementing Agency shall arrange the acceptance, the operation and the utilization, prepare the measures for maintenance and bring into full use of effectiveness of the Program-project

3. All the Program/ projects before the finishing for utilization (construction investment projects) or after the implementing period (technical assistance) shall go through processes of acceptance and

utilization as specified in this Article and the regulations on the use of external assistance.

4. The funds for Program/ project acceptance must be inserted in the Project document as specified in Clause 12 of Article 5 and Article 11 of the Regulation on ODA Management issued by the Government.

Article 26. Auditing and Inspecting the procurement, management and utilization of the external support.

1. The Project Implementing Agencies and PMUs with assignment to manage the projects are responsible for auditing, inspecting the procurement, management, and utilization of the external assistance in the agriculture and rural development sector in line with laws and ministerial regulations.
2. In case of necessity the Minister shall make a separate decision to establish an inspection team, task force working group to audit and inspect the foreign funded Program/ projects as specified by laws.
3. Any units and individuals charged with promotion, attraction and utilization of external resources happen to cause negative practices, or breaches of regulations in ODA and NGO management, non-project activities shall be administratively disciplined or taking liability as specified by laws.

Chapter VII

EXECUTIVE PROVISIONS

Article 27. Projects developed before the date of validity of this Regulation.

The foreign funded Programmes/ projects in the process of implementation in organizations, units and provinces before the date of validity of this Regulation, if a code number has not been registered in the Ministry should proceed the procedures for code number registration as specified in the Decision no. 95/2001/QĐ-BNN dated 21.9.2001 by The Minister of the Ministry of Agriculture and Rural Development.

Article 28. Projects developed after the date this Regulation comes into force

Since the date this Regulation comes into force, institutions, units and provinces that are setting up foreign funded Program/ projects within the agriculture and rural development sector shall follow the sequence and procedures of this Regulation and the regulations in the Regulation on ODA Management, the Regulation on NGO Management issued by the Government.

Article 29. Revising and amending this Regulation

In the course of implementation, should any obstacle arise, organizations, units and local authorities should report them in a timely manner to the International Cooperation Department for synthesis to be submitted to the Minister of Agriculture and Rural Development for consideration and decisions on any possible revision and amendment of the Regulation to better reflect the reality.

ACTING MINISTER OF AGRICULTURE

AND RURAL DEVELOPMENT

Cao Duc Phat