

No. 03/2007/TT-BKH

*Hanoi, 12 March, 2007*

**CIRCULAR ON  
GUIDING THE ORGANISATIONAL STRUCTURE,  
FUNCTIONS AND RESPONSIBILITIES OF  
ODA PROGRAM OR PROJECT MANAGEMENT UNITS**

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Pursuant to the Decree No. 61/2003/ND-CP issued on 06 June, 2003 by the Government on the functions, responsibilities, authorities and organizational structure of the Ministry of Planning and Investment;

Pursuant to Clause 4 of Article 25 of the Decree No. 131/2006/ND-CP issued on 09 November, 2006 by the Government promulgating Regulation on Management and Utilization of Official Development Assistance;

The Ministry of Planning and Investment hereby issues the Circular guiding the organizational structure, functions and responsibilities of ODA Program or Project Management Units as follows:

**I. GENERAL PROVISIONS**

**1. Scope of Adjustment:**

This Circular guides the organizational structure, functions and responsibilities of ODA Program or Project Management Units (hereafter called PMU) for ODA Technical Assistance (TA) and ODA investment programs and projects; responsibilities of Line Agencies, Project Owners and State ODA Management Agencies to PMUs.

This Circular shall not apply to the following cases:

- a) ODA funds provided in the form of budget support (where ODA resources are transferred directly to the State budget and administered in accordance with the existing laws and regulations on State budget management);
- b) The Project Owner applies the form of hiring consultants for management and implementation of the ODA investment programs.

**2. The Modalities of Management for Implementation of ODA Programs and Projects**

The modalities of management for implementation of ODA programs and projects include:

- a) The Line Agency directly manages and executes the implementation or assigns a competency unit under the management authority of the Project Owner to directly manage and execute the implementation of the technical assistance project.

b) The Project Owner directly manages and executes the implementation of the investment program or project.

c) The Project Owner hires a consulting organization to manage and execute the implementation of the investment program or project (Manager of the investment program or project) in accordance with the existing laws and regulations.

If the case of directly managing and executing the implementation of the program or project in the forms of a) and b), the Line Agency or the Project Owner shall have to establish a PMU pursuant to the regulations stipulated in this Circular who hereafter is called the PMU-Establishing Agency.

With regards to the small and simple technical assistance programs and projects with total budget (including counterpart funds) less than 1 billion Vietnamese dong (the donor currency converted to Vietnamese dong by the official exchange rate of the State Bank of Vietnam at the time of establishment of PMU), the Line Agency or the Project Owner can use its functional apparatus for managing and executing the implementation of the program or project instead of establishing PMU. .

With regards to the small and simple investment programs and projects with total of investment capital (including counterpart funds) less than 1 billion Vietnamese dong (the donor currency converted to Vietnamese dong by the official exchange rate of the State Bank of Vietnam at the time of establishment of PMU), the Project Owner can use its functional apparatus for managing and executing the implementation of the program or project or can employ the specialized and experienced consultants to assist the management for implementation of the project or program instead of establishing PMU.

### **3. Principles of Organization and Operation of PMUs**

a) Principles of Organization and Operation of PMUs:

- PMUs are established to assist the Line Agency or the Project Owner in management for implementation of programs and projects.

- The assignment of tasks and the empowerment to PMU shall be specified in the decision on establishment of the PMU or in specific written authorization documents of the PMU-Establishing Agency.

- Subject to existing Vietnamese laws and regulations and international treaties on ODA signed with the donors;

- PMU and the Head of PMU are responsible to the PMU-Establishing Agency and before the law for their behavior in undertaking the assigned tasks;

- Accountable to the PMU-Establishing Agency, State ODA management agencies, law protecting agencies, people's elected bodies, socio-political organizations and donors for all issues under its authorities;

- All of the PMU activities shall be publicized and under supervision pursuant to the existing laws and regulations;

- Effective management and utilization and for avoidance of loss and waste of project or program resources;

- Subject to the legal regulations on prevention and fighting against corruption; taking necessary measures to prevent and fight against corruption.

b) Management scope of PMUs:

One PMU can manage many ODA programs and projects at the same time when subject to the following conditions:

- PMU must have capability and proficiency, and must be organized into functional units to serve common requirements of all projects (procurement, site clearance, planning, finance, organization, administration and personnel management, etc.)

- PMU must obtain the permission from the PMU-Establishing Agency with separate decisions of establishment of PMU for respective programs or projects pursuant to this Circular.

## **II. FUNCTIONS, TASKS OF PMUs**

### **1. General functions and tasks**

a) Planning tasks: Formulating the overall and detailed annual implementation plan of the program or project (disbursement plan, expenditure plan, procurement plan, etc) with clear identification of resources available, progress of implementation, completion date, quality targets and criteria for accepting the outputs with regard to respective activities of the program or project as the basis for monitoring and evaluation. The overall implementation plan shall be prepared by the PMU within 3 months prior to the starting date of the program or project and must be approved by the PMU-Establishing Agency. The detailed annual plan shall be formulated upon the agreement with the donor and must be submitted to the PMU-Establishing Agency for approval in accordance with the schedule of making annual plans of the Line Agency or Project Owner, ensuring the achievement of implementation progress as specified in ODA specific international treaty of the program or project.

b) Managing process of preparation for programs and projects:

- *For technical assistance programs and projects:*

Process management relating to preparation for technical assistance programs and projects of PMUs shall include the study of technical assistance program or project documents or the international treaties on ODA signed with donor, procedures, guidelines and conditions for implementation of the programs or projects (cost-norms; accounting, auditing; reporting, etc.) .

- *For investment programs and projects:*

The management of process of preparation for investment programs and projects of the PMUs shall be implemented in accordance with the existing laws and regulations on investment and construction management, taking into account the typical requirements of ODA programs and projects (moving, resettlement, site clearance; assessment on environment and social impacts) based on the international treaties signed with the donor.

c) Task of Procurement and Contract management:

- Undertake procurement tasks as assigned by the PMU-Establishing Agency in accordance with the laws and regulations on procurement and the regulations on procurement of the donor;

- Manage the fulfillment of obligations stated in contracts signed between competent authorities and with contractors (in terms of schedule, volume, quality, safety and environmental sanitation). Monitor, supervise and evaluate activities and results of activities of contractors. Timely resolution of problems emerging in the process of contract implementation under its authority;

- Organize the transfer of the program or project outputs; undertake financial reconciliation pursuant to the legal regulations.

d) Tasks of Finance, Assets and Disbursement Management:

Perform finance and assets management and carry out the disbursement procedures pursuant to the legal regulations and as required by the donor.

d) Tasks of Administration, Coordination and Accountability;

- Organize the office and manage the personnel of the PMU;
- Establish an internal information system, collect, categorize and store all original information, documents relating to the program or project and the PMU pursuant to the legal regulations;
- Prepare for the PMU-Establishing Agency to publicize the contents, organization, and implementation schedule and budget of the program or project to the direct beneficiaries of the program or project (for technical assistance programs and projects) and the local authority, people's elected bodies, socio-political organizations and NGOs in the project area (for investment programs and projects);
- Accurately and truly provide information to law enforcement agencies, inspecting and auditing agencies, the donor, mass media and relevant individuals within its assigned tasks and responsibilities, except information with limited dissemination as required by law;
- Act as the legal representative of the PMU-Establishing Agency in civil transactions as delegated in the Regulations on Organization and Operation of PMU and in authorization documents;
- Take the focal point role of the PMU-Establishing Agency and other agencies participating in the program or project implementation in liaising with the donor on the relevant issues during the program or project implementation;
- Take the focal point role in coordinating with functional units of the PMU-Establishing Agency that participate in the program or project activities.

e) Tasks of Monitoring, Evaluating and Reporting the Status of Program or Project Implementation

- Organize the assessment on PMU performance;
- Organize the monitoring and evaluation in accordance with the existing regulations, including:
  - + Preparing program or project progress reports as stipulated; providing and sharing information through the national monitoring and evaluation system for ODA.
  - + Hiring consultants to conduct initial, mid-term and terminal evaluation reports in line with the contents of the approved feasibility study, or program or project document; acting as the focal point for coordinating with the donor or competent management authorities to evaluate the program or project.
- Report the status of program or project implementation on periodical and ad hoc basis in accordance with existing regulations to the PMU-Establishing Agency for reporting to the Ministry of Planning and Investment, the Ministry of Finance and the Peoples' Committee of the provinces where the program or project is implemented for monitoring, supervising and supporting the implementation process.

g) Tasks on Organization of Receipt and Transfer of the Completed Program or Project and Financial Reconciliation

- Make preparation for the Line Agency or the Project Owner to receive and transfer the completed program or project to the recipient unit for operation and exploitation pursuant to the existing regulations in the regard.

- Prepare reports on the program or project completion and financial reconciliation within the time frame as stipulated in Item 3.5, Article 3, Part III of this Circular.

## **2. Special tasks**

a) Based on the contents, size, and nature of individual programs and projects and taking into account PMU capacity, the PMU-Establishing Agency can delegate its authorities in making decisions or signing documents in the process of management for implementation of the program or project to the PMU. The delegation can be made right at the start-up of the program or project or by different phases and must be stipulated in the Regulation on Organization and Operation of PMU or in specific authorization documents.

b) In the case where the international treaty on ODA signed with the donor stipulates the project management structure, tasks and responsibilities of the PMU, these stipulations must be specified and fully reflected in the Regulation on Organization and Operation of PMU.

## **3. Other tasks**

PMUs shall carry out other tasks under the framework of the program or project as assigned by the PMU-Establishing Agency.

# **III. THE ORGANIZATIONAL STRUCTURE AND ORGANIZATION FOR IMPLEMENTATION OF PMU**

## **1. Basic Requirements for Organization and Personnel of PMU**

a) PMU should have an appropriate organizational structure with adequate personnel of suitable capacities and experiences that ensure the effective and sustainable management for implementation of the program or project. In some cases, in accordance with donor guidelines, the key positions of PMU should be reached in agreement with the donor.

b) The functions, tasks, responsibilities and authorities of each office and division; the working relationships among offices and divisions should be stipulated clearly and specifically in the Regulation on Organization and Operation of PMU.

c) Each title and position in the PMU should have Terms of Reference (TOR) developed and publicly announced by the PMU Director to the PMU and functional units of the PMU-Establishing Agency with clear specification of professional capacity requirements, scope of responsibilities, powers, incentives, mechanism of reporting and evaluating performance results.

d) Key positions in the PMU include Director, Deputy Director(s), Chief Accountant or Accountant shall be appointed and dismissed by the PMU-Establishing Agency. With regard to investment programs and projects, if these positions are selected from the officers of the Line Agency of the Project Owner, agreement with the Line Agency for this arrangement shall be required. Other positions in the PMU shall be recruited and dismissed by the Director of the PMU.

đ) PMU staff are transferred from the apparatus of the PMU-Establishing Agency should obtain the agreement of this Agency. PMU can recruit its staff from outside on contractual basis. The recruitment of the PMU staff must base on qualifications and criteria in terms of professional capacity, experiences, and personal qualities specifically identified in the TORs.

e) Requirements for PMU Director

*- For technical assistance programs and projects*

The PMU Director (the National Project Director – if there is one) shall have adequate quality, professional capacity, working experiences in program or project management for implementation, good understanding about the donor policies and procedures, capability in managing and coordinating the activities of the program or project. The person of high

proficiency in the foreign language appropriate to the program or project shall have more advantage. The PMU Director must be of the working age that allows him/her to complete the implementation of the program or project in the period specified in the program or project document. The PMU Director (National Project Director – if there is one) can hold concurrent positions.

The PMU-Establishing Agency shall set the qualifications and criteria and develop TOR for position of PMU Director and in consultation with the donor (if necessary).

The PMU-Establishing Agency shall select and decide on the appointment of the PMU Director among the staff under their management who meets all qualifications, criteria and the requirements of TOR.

The PMU-Establishing Agency shall be responsible to provide support and favorable conditions to the PMU Director so that he/she can organize and implement the program or project effectively.

*- For investment programs and projects*

PMU Director has adequate quality, professional capacity, leadership capacities and working experiences in program or project management for implementation. . The person of high proficiency in the foreign language appropriate to the program or project shall have more advantage. The PMU Director must be in the working age that allows him/her to complete the implementation of the program or project in the period specified in the program or project document.

The Project Owner shall take a pro-active role in setting the qualifications and criteria and develop TOR for position of PMU Director and in consultation with the donor (if necessary).

This position can be selected from the staff of the Project Owner or its Line Agency or can be recruited through a public selection process. The recruitment must be completed before issuing the decision on establishment of PMU.

## **2. Organizational Structure of PMU**

Based on the contents, size, characteristics and scope of the program or project, the PMU Director shall prepare and submit to the PMU-Establishing Agency the organizational structure of the PMU.

The organizational structure of PMUs usually contains the following sections:

- a) Administrative, organizational, logistic section;
- b) Functional section including planning, bidding, finance, disbursement, site clearance and other required activities;
- c) Technical section, including review and supervision of designs, construction works, environment or by technical components of the program or project.

The organizational model of each section in the PMU organizational structure can be selected among the forms such as offices, divisions or functional groups.

With regards to those PMUs that manage many projects at the same time, their organizational structures must comply to stipulations in point b), Article 3, Part I of this Circular. Each program or project must have a Deputy Director (or Project Manager) in charge, with a specific TOR for this position, and must be recruited in the same way as with the Project Director.

### **3. Organization for Implementation**

#### **3.1. Establishment of PMU**

a) Legal basis:

The establishment of PMUs shall be based on the following legal basis:

- The functions, tasks and authorities of the Line Agency or of the Investment Owner;
- The investment decision or the approval decision of the program or project;
- International treaties on ODA signed with the donor;
- Regulations stipulated in this Circular.

b) Establishment of PMU:

The Line Agency or the Project Owner shall issue a decision on the establishment of PMU within 10 working days after the program or competent authorities approve project document. The pro-format of Decision on the establishment of PMU set out in Annex I (for technical assistance programs and projects), in Annex II (for investment programs and projects).

In the case of supplementing the tasks of management for implementation of a new program or project, the PMU-Establishing Agency issues the Decision of Supplementing Tasks of Management for Implementation of a New Program or Project to the existing PMU pursuant to the regulations of this Circular.

c) Issuance of the Regulation on the Organization and Operation of the PMU:

The PMU-Establishing Agency shall be responsible for the issuance of the Regulation on the Organization and Operation of the PMU within 15 working days after the date of issuance of decision on the establishment of PMU. The pro-format of the Regulation on the Organization and Operation of the PMU set out in Annex III.

d) The PMU-Establishing Agency shall be responsible to send the Decision on PMU establishment and the Regulation on PMU Organization and Operation to the Ministry of Planning Investment, the Ministry of Finance and the State Bank of Vietnam (pursuant to the regulation on the responsibilities of the State Bank of Vietnam stipulated in Article 42 of Decree 131/2006/ND-CP of 9 November, 2006) within 15 working days of the issuance of the above mentioned decisions to form basis for the State management of PMU activities.

#### **3.2. Seal and Bank Account of PMU**

a) PMU shall be allowed to register and use its own seal pursuant to the legal regulations to serve the implementation of the program or project.

b) PMU shall be allowed to open program or project account (s) at the State Treasury and commercial banks pursuant to the legal regulations and international treaty on ODA signed with the donor.

#### **3.3. Expenditures for PMU Operation**

Expenditures for PMU operation shall be taken from the funds allocated for investment preparation (in the stage of the program or project preparation) and from the counterpart funds allocated for preparation of implementation and for implementation (in the stages of preparation of implementation and implementation of the program or project) which were defined in investment decision or decision on the approval of the program or project; or partly or totally taken from the ODA funds as stipulated in the international treaty on ODA signed with the donor.

For technical assistance and investment combined programs or projects:

- With regard to ODA grant funds provided by the donor in the form of an independent technical assistance program or project to prepare for an investment project, the expenditures for PMU operation shall be defined in the technical assistance program or project document approved by the competency authority or in the specific international treaty on program or project signed with the donor.

- With regards to the grant or loan ODA funds for technical assistance provided by the donor in the total budget of the investment program or project, the expenditures for PMU operation shall be pursuant to the legal regulations.

The management cost norms of the programs and projects are in accordance with the existing laws and regulations.

### **3.4. PMU Properties and Assets**

- PMU shall be provided with properties and assets to serve the management of the program or project pursuant to the existing laws and regulations and the international treaty on ODA signed with the donor.

- Property and assets of the PMU must be used economically and efficiently for the regulated purposes. PMU shall be not allowed to rent, lend, gift or use its property and assets for private gain.

- PMU shall report to the PMU-Establishing Agency on the property and assets transferred, gifted or left by consultants, contractors and suppliers for PMU to manage pursuant to the legal regulations.

- The properties and assets of PMU after completion of the program or project or not used in process of implementation must be settled pursuant to the legal regulations.

### **3.5. Program or Project Termination and PMU Dissolution**

Termination time of ODA programs and projects are stipulated in the international treaties on ODA or agreements signed with the donors.

After completion of ODA programs and projects, within 06 months, the PMU of the technical assistance program or project shall finish the program or project completion report and the report on the financial reconciliation of the program or project to submit to the Line Agency (in the case where the Line Agency exercises direct management) or for the Project Owner to submit the Line Agency (in the case where the Line Agency assign a unit under its management authority to be the Project Owner).

After completion of ODA programs and projects, within 06 months, the PMU of the investment program or project shall have to finish the program or project completion report and the report on the financial reconciliation of the program or project for the Project Owner to submit the Agency that made decision on investment of the program or project.

At the same time the PMU shall complete the process of settlement of PMU's property and assets pursuant to the legal regulations

After the program or project completion the competency authorities approve report and the report on the financial reconciliation of the program or project and settlement of the program or project assets is completed, the PMU-Establishing Agency shall issue the decision on the program or project termination and PMU dissolution.

In the case where the PMU is not able to accomplish the above-mentioned requirements in the given time, based on the written justification of the PMU, the PMU-Establishing Agency shall give permission for extension of 06 months as maximum to PMU for completing the remaining work. The Project Owner shall have to arrange budget to maintain the operation of the PMU in the extension period.



In respect of the PMU that manages many programs or projects at the same time, the agency that issued the decision on establishment of the PMU shall issue the decision on termination of each program or project and simultaneously make adjustments on the functions and tasks of the PMU in accordance with the regulations of this Circular.

In the case of changes in terms of the Line Agency or the Project Owner:

- The Line Agency or the Project Owner that transfers and the Line Agency or the Project Owner that receives the program or project shall carry out the hand-over procedures as regulated.
- The Line Agency or the Project Owner that transfers the program or project shall issue the decision on PMU dissolution.
- The Line Agency or the Project Owner that receives the program or project shall issue the decision on establishment of PMU.

#### **4. Treatment and Incentive Regimes**

a) The treatment and incentive regime for the Directors and other positions in PMUs who work on the basis of holding concurrent positions or secondment must be in line with existing regulations with reference to the nature of work, work intensity, and real working time to encourage capable staff to work on a long term and professional basis for the program or project.

b) The treatment and incentive regime for Directors and other positions in PMUs recruited from outside shall be based on the nature of the work, their capacities and working experiences in agreements on the contractual basis and in consensus with the donor (in the case where ODA is used).

### **IV. RESPONSIBILITIES OF THE LINE AGENCIES, THE PROJECT OWNERS AND THE STATE ODA MANAGEMENT AGENCIES TO PMUS**

#### **1. Line Agencies**

The Line Agencies shall be legally responsible for the whole process from receiving, managing, implementing and utilizing the results of the ODA programs and projects.

*a) For technical assistance programs and projects that the Line Agency directly manages and executes the implementation:*

- Issue of decisions on establishment and dissolution of PMU.
- Appoint and dismiss the Director and key positions of PMU.
- Issue of Regulation on Organization and Operation of PMU.
- Regularly inspect and monitor PMU activities in accordance with the contents of this Circular and the Regulation on Organization and Operation of PMU in areas of procurement; negotiation and signing contracts; withdrawal and disbursement; payment; financial management; property and asset management; implementation of financial and tax obligations applied to the program or project. The results of inspection and supervision of PMU activities must be publicly announced in the Line Agency and shared with the agencies in charge and the donor.
- Timely solution of problems arising in process of operation of the PMU under its authorities.
- Monitor and urge the PMUs to fulfill the reporting obligations in accordance with the legal regulations.

- Monitor and supervise PMU to ensure implementation of program or project in accordance with the schedule and required quality.

- Ensure timely provision of adequate budget and physical conditions (office, equipment, communication facilities, etc.) to the operation of PMU.

- Periodically evaluate performance of PMU.

- Strengthen institutional and human resource capacities for PMU.

*b) For technical assistance programs and projects that the Line Agency assigns a unit under its management authority to be the Project Owner to directly manage and execute the implementation:*

- Take legal responsibility for decisions related to issues within its authority in the implementation of the program or project.

- Clearly stipulate the order, schedule and coordination among functional bodies under its authority in the process of reviewing, making decisions and approving the issues submitted by the Project Owner to avoid delays and consequent negative effects on the progress of the program or project.

- Through the Project Owner regularly inspect and monitor PMU activities in accordance with the contents of this Circular and the Regulation on Organization and Operation of PMU issued by the Project Owner and with the existing laws and regulations in areas of procurement; negotiation and signing contracts; withdrawal and disbursement; payment; financial management; property and asset management; implementation of financial and tax obligations applied to the program or project. The results of inspection and supervision of PMU activities must be publicly announced in the Line Agency and shared with the agencies in charge and the donor.

*c) For investment ODA programs and projects*

- Take legal responsibility for decisions related to issues within its authority in the implementation of the program or project.

- Clearly stipulate the order, schedule and coordination among functional bodies under its authority in the process of reviewing, making decisions and approving the issues submitted by the Project Owner to avoid delays and consequent negative effects on the progress of the program or project.

- Through the Project Owner regularly inspect and monitor PMU activities in accordance with the contents of this Circular and the Regulation on Organization and Operation of PMU issued by the Line Agency in areas of procurement; negotiation and signing contracts; withdrawal and disbursement; payment; financial management; property and asset management; implementation of financial and tax obligations applied to the program or project. The results of inspection and supervision of PMU activities must be publicly announced in the Line Agency and shared with the agencies in charge and the donor.

## **2. Project Owner:**

a) Implement the tasks, responsibilities and authorities of the Project Owner in accordance with the existing regulations.

b) With regards to PMU, the Project Owner has the following tasks:

- Issuance of decisions on establishment and dissolution of PMU.

- Appoint and dismiss the Director and key positions of PMU.

- Issuance of Regulation on Organization and Operation of PMU.

- Regularly inspect and monitor PMU activities in accordance with the contents of this Circular and the Regulation on Organization and Operation of PMU issued by the Project Owner in areas of procurement; negotiation and signing contracts; withdrawal and disbursement; payment; financial management; property and asset management; implementation of financial and tax obligations applied to the program or project. The results of inspection and supervision of PMU activities must be publicly announced in the agency of Project Owner and shared with the agencies in charge and the donor.

- Timely solution of problems arising in process of operation of the PMU under its authorities.

- Monitor and urge the PMU to fulfill the reporting obligations in accordance with the legal regulations, including submitting reports on status of implementation of the programs and projects prepared by PMU to the Line Agency.

- Monitor and supervise PMU to ensure implementation of program or project in accordance with the schedule and required quality.

- Ensure timely provision of adequate budget and physical conditions (office, equipment, communication facilities, etc.) to the operation of PMU as commitments in the international treaty on ODA signed with donor.

- Periodically evaluate PMU performance.

- Strengthen institutional and human resource capacities for PMU.

### **3. State ODA Management Agencies**

- a) Exercise the functions, tasks and authorities assigned in accordance with the existing laws and regulations.

- b) Inspect and monitor the implementation of the regulations of organization and operations of PMUs issued by their PMU-Establishing Agencies and the compliance to the regulations of this Circular on periodical and ad hoc basis.

- c) Assisting to strengthen PMU capacities toward professionalism.

## **V. ORGANIZING OF IMPLEMENTATION**

1. This Circular comes into effect 15 days after publishing in the official gazette.

2. PMUs established after the Circular comes into effect shall implement this Circular.

3. For the existing PMUs:

- a) With regard to the ODA programs and projects due to be completed in 2007 under the signed agreements or those that have extension of 18 months as maximum accounted from the completion date in 2007, PMUs shall be permitted to be remain as they are but must be strengthened and re-arranged for adequate capacity to complete the remaining tasks.

- b) With regard to the programs and projects that are not stipulated in point a, Article 3, Part V of this Circular, if the PMUs are assigned as the Project Owner, the Line Agency shall make arrangements pursuant to the existing laws and regulations to ensure the principle that PMUs can not be the Project Owner and in line with the regulations of this Circular.

- c) With regard to other cases, based on the Circular, Directors of PMUs review and finalize the Regulations on Organization and Operation of PMUs in consultation with the donor, if necessary, and submit their PMU-Establishing Agencies for amendment of the current Regulation or for issuance of new Regulation as appropriate.

4. In process of implementing this Circular, the Line Agencies, the Project Owners, PMUs, relevant agencies and units are required to timely feedback to the Ministry of Planning and Investment if encountering any problems or difficulties./.

***Receivers:***

- The Central Party office;
- The Office of Government;
- Ministries, ministerial agencies, Government agencies;
- Peoples Council, Peoples Committee of provinces and cities directly under the Centre;
- National Assembly's office;
- President's office;
- People's Supreme Procuracy;
- Peoples Supreme Court;
- Central agencies of mass organizations;
- Department of Inspecting Legal Documents (Ministry of Justice);
- Official Gazette;
- General Departments, Departments, Institute directly under the Ministry;
- Filing at: Archieve of Administration Office, Foreign Economic Relations Dept.

**MINISTER**

**(signed and sealed)**

**Vo Hong Phuc**

## APPENDIX I

[Name of Line Agency]

No.:...../QD-

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom - Happiness**

*Place..... date.....*

### **DECISION ON ESTABLISHING THE MANAGEMENT UNIT OF TECHNICAL ASSISTANCE PROJECT.....[name of the project]**

**[Head of the Line Agency]**

Pursuant to the Decree No. 131/2006/ND-CP issued on 09 November, 2006 by the Government promulgating Regulation on Management and Utilization of Official Development Assistance;

Pursuant to the Circular No. 03/2007/TT-BKH issued on 12 March, 2007 by the Ministry of Planning and Investment on guiding the organizational structure, functions and responsibilities of ODA Program or Project Management Units;

Based on the functions, tasks, responsibilities and authorities of .....[the Line Agency];

Based on the Decision of.....[Authority Agency] on approval of the program or project;

At the proposal of .....[the Head of the Unit that is assigned to implement the technical assistance program or project],

#### **DECISION:**

**Article 1.** Establishing PMU [name of the program or project in English and Vietnamese] funded by [name of the donor]. The program or project has a total budget of ....[ODA and counterpart fund] and will implement from.....[date] to..... [date]

**Article 2.** PMU takes responsibility for organizing and managing the implementation of the program or project based on the goals, progress, quality and resource stipulated on signed project documents.

**Article 3.** PMU is allowed to open a bank account at the State Treasury and the commercial banks and to use its seal (or to use the seal of the Project Owner) in the service of program or project implementation in accordance with the law and the international treaty on ODA signed with the donor.

**Article 4.** Assigning Mr./Mrs..... as Director the PMU/National Director of project (if any)

**Article 5.** Assigning Mr./Mrs..... as Vice Director of PMU (if any)

**Article 6.** Assigning Mr/ Mrs..... as Chief Accountant/ Accountant of PMU.

**Article 7.** The unit [name of the unit] which implements technical assistance projects has responsibility for working out Regulation on Organization and Operation of PMU.... [name of the program or project] and submits it to....[the Line Agency] for approval within 15 days since the issuance of the Decision.

**Article 8.** This Decision becomes effective on the date of signing. The Director of PMU, Heads of the relevant Units bear the responsibility for implementing the Decision./.

**Receivers:**

- Ministry of Planning and Investment;
- Ministry of Finance;
- State Bank of Vietnam (\*);
- .....;
- Filing at: Archives,...

**Authority and position of signatory**

[signature, seal]

**Nguyen Van A**

*Note: (\*) Pursuant to Point d, Item 3.1, Article 3, Part III of the Circular No. 03/2007/TT-BKH issued on 12 March, 2007 by the Ministry of Planning and Investment on guiding the organizational structure, functions and responsibilities of ODA Program or Project Management Units*

## APPENDIX II

[Name of Investor Owner Agency]

No.:.../QD

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom - Happiness**

Place..... date.....

### **DECISION ON ESTABLISHING THE MANAGEMENT UNIT OF ODA FUNDED INVESTMENT .....[name of the project]**

**[Head of the Investor Owner Agency]**

Pursuant to the Decree No. 131/2006/ND-CP issued on 09 November, 2006 by the Government promulgating Regulation on Management and Utilization of Official Development Assistance;

Pursuant to the Circular No. 03/2007/TT-BKH issued on 12 March, 2007 by the Ministry of Planning and Investment on guiding the organizational structure, functions and responsibilities of ODA Program or Project Management Units;

Based on the functions, tasks, responsibilities and authorities of .....[the Project Owner Agency];

Based on the Investment Decision of [name of the program or project], No.....date.....;

At the proposal of .....[the Head of the Personal Division of the Investor Owner],

#### **DECISION:**

**Article 1.** Establishing PMU [name of the program or project in English and Vietnamese] funded by [name of the donor]. The program or project has a total budget of ....[ODA and counterpart fund] and will be implemented from....[date] to..... [date]

**Article 2.** PMU takes responsibility for organizing and managing program or project implementation based on the goals, progress, quality and resource stated in the program or project document approved by the competent agency and in the international treaty on ODA signed with the donor.

**Article 3.** PMU is allowed to open a bank account at the State Treasury and the commercial banks and to use its seal (or to use the seal of the Project Owner) in service of the implementation of the program or project in accordance with the law and the international treaty on ODA signed with the donor.

**Article 4.** Assigning Mr./Mrs..... as Director the PMU/National Director of project (if any)

**Article 5.** Assigning Mr./Mrs..... as Vice Director of PMU (if any)

**Article 6.** Assigning Mr/ Mrs..... as Chief Accountant/ Accountant of PMU.

**Article 7.** The unit [name of the unit] which implements technical assistance projects has responsibility of working out Regulation on the organization and operation of PMU.... [name of

the program or project] and submits it to ....[the Investment Owner] for approval within 15 days since the issuance of the Decision.

**Article 8.** This Decision comes effective on the date of signing. The Director of PMU, Heads of the relevant Units bear the responsibility for implementing the Decision./.

**Receivers:**

- Ministry of Planning and Investment;
- Ministry of Finance;
- State Bank of Vietnam (\*);
- .....;
- Filing at: Archives,...

**Authority and position of signatory**

[signature, seal]

**Nguyen Văn A**

*Note: (\*) Pursuant to Point d, Item 3.1, Article 3, Part III of the Circular No. 03/2007/TT-BKH issued on 12 March, 2007 by the Ministry of Planning and Investment on guiding the organizational structure, functions and responsibilities of ODA Program or Project Management Units*



## **APPENDIX III**

### **SAMPLE OF REGULATION ON ORGANIZATION AND OPERATION OF THE MANAGEMENT UNIT OF THE PROGRAM OR PROJECT..... [NAME OF THE PROJECT]**

#### **Chapter I GENERAL PROVISIONS**

**Article 1. Legal background** (refer to Point a, Item 3.1, Article 3, Part III of the Circular)

**Article 2. General information of the Program or Project**

- Name of the Program or Project
- Name of Donor
- Objectives and Outcomes of the Program or Project
- Commencement and Completion date of the Program or Project
- Total budget of the Program or Project (ODA and Counterpart funds)
- Source and Domestic Financial Mechanism applied to the Program or Project

**Article 3. Information about the PMU**

- Transaction name of PMU:
- Address:
- Telephone Number:
- Fax:
- E-mail:
- Account number:: .....At the State Treasury  
..... At the Commercial Bank

**Article 4: Principles of Organization and Operation of PMU** (refer to Article 3, Part I of the Circular)

#### **Chapter II FUNCTIONS, TASKS, RESPONSIBILITIES, AUTHORITIES OF PMU**

**Article 5. Preparation of plans for implementation of the Program or Project** (refer to Point a, Article 1, Part II of the Circular)

**Article 6. Management in process of preparation of implementation of the Program or Project** (refer to Point b, Article 1, Part II of the Circular)

**Article 7. Procurement and contract management** (refer to Point c, Article 1, Part II of the Circular)

**Article 8. Finance, assets and disbursement management** (refer to Point d, Article 1, Part II of the Circular)

**Article 9. Administration, coordination and accountabilities** (refer to Point d, Article 1, Part II of the Circular)

**Article 10. Monitoring, evaluating and reporting on the status of Program or Project implementation** (refer to Point e, Article 1, Part II of the Circular)

**Article 11. Organization of Receipt and Transfer of the Completed Program or Project and Financial Reconciliation** (refer to Point g, Article 1, Part II of the Circular)

**Article 12. Special tasks** (refer to Article 2, Part II of the Circular)

**Article 13. Other tasks assigned by the Line Agency or the Project Owner** (refer to Article 3, Part II of the Circular)

### **Chapter III**

#### **FUNCTIONS, TASKS, RESPONSIBILITIES, AUTHORITIES OF PMU**

**Article 14. Organizational structure of PMU** (refer to Article 2, Part III of the Circular)

**Article 15. Director of PMU** (refer to Point e, Article 1, Part III of the Guiding Circular)

**Article 16. Personnel of PMU** (refer to points a, b, c, d, đ, Article 1, Part III of the Circular)

**Article 17. Salary and Incentive schemes of PMU** (refer to Article 4, Part III of the Circular)

### **Chapter IV**

#### **ABIDING TO THE REGULATION**

**Article 18. Abiding effectiveness**

1. This Regulation comes effective since the date of signing.
2. The Director of PMU, Heads of the Units of the Line Agency (Investment Owner Agency) bear the responsibility for implementing the Regulation. In process of implementing this Regulation, if encountering problems or difficulties, the Director of PMU is responsible to recommend to [the Line Agency] or [Investment Owner] for consideration, adjustment, amendment and revision of this Regulation./.

***Receivers:***

- Ministry of Planning and Investment;
- Ministry of Finance;
- .....;
- Filing at: Archives,...

**Authority and position of signatory**

[signature, seal]

**Nguyen Văn A**