

**Investment Policy for Vietnam Local Development  
Investment Funds**

**Date:** August 2006 – April 2007

**Client:** The World Bank and Government of Vietnam

**Country / Region:** Vietnam

Recognizing the increasing demands for municipal infrastructure, the Government of Vietnam (GOV) responded by encouraging the provincial governments to take greater responsibility for financing municipal infrastructure. In this context, the Local Development Investment Funds (LDIFs) have become an important municipal finance tool because they offer an operational and legal structure for the provincial governments to invest in infrastructure, including the ability to mobilize capital and enter into contracts with the private sector. The LDIFs are fully owned and financed by the Provincial People's Committees in Vietnam.

A CEPA led consortium advised the Ministry of Finance, GOV on the development of a comprehensive, consistent and unified investment policy for the Vietnam LDIFs, articulated by way of an investment policy manual. The investment policy describes the investment products, investment appraisal and analysis processes, investment eligibility criteria, risk exposure policy, portfolio management strategy, financial and capital mobilisation policies, governance structures and operating guidelines and procedures for the LDIFs. The policy has subsequently been incorporated into the legal and regulatory framework developed by the Ministry of Finance, Vietnam for LDIF infrastructure investments. The assignment also included workshops in Vietnam.

**Links:**

- [Government of Vietnam](#)