

## **WATER AND ENVIRONMENTAL HYGIENE IN RURAL AREAS**

*In furtherance of the Prime Minister's Decision No. 237/1998 QD-TTg of December 3, 1998 ratifying the national target program on clean water and environmental hygiene in rural areas.*

*Pursuant to the Prime Minister's Decision No. 531/TTg of August 8, 1996 on the management of the national programs and Decision No. 05/1998 QD-TTg of January 14, 1998 on the management of the national target programs.*

*Pursuant to the Government's Decree No. 87/CP of December 19, 1996 detailing the assignment of responsibilities for the management, elaboration, execution and account settlement of the State budget; and Decree No. 51/1998 CP of July 18, 1998 amending and supplementing a number of Articles of Decree No. 87/CP.*

*To enhance the financial management of the source of funds for the national target program on clean water and environmental hygiene in rural areas, the Ministry of Finance and the Ministry of Agriculture and Rural Development hereby jointly guide the regulations on the management, allocation and account settlement of budget funding for the national program on clean water and environmental hygiene in rural areas, as follows:*

### **I. GENERAL PROVISIONS**

#### **1. The program's funding sources:**

- State budget capital (including loan capital and aid)
- Other capital sources: capital mobilized from people and capital of other economic sectors.

#### **2. Investment principles:**

- The program shall focus its priority on investment in border areas, islands, areas inhabited by ethnic minorities and other rural areas meeting with difficulties.
- The allocation of fund for the implementation of the program must comply with the ratified project and based on the principle of joint efforts made by the State and people.
- The annual allocation of fund for the program must be based on the State budget's capability and other mobilization sources.

- 3. The fund for the national program on clean water and environmental hygiene in rural areas must be managed to ensure that it is used for the right purposes, right objects and in strict compliance with the prescribed regime. All the reports and account

**THE MINISTRY OF FINANCE- THE  
MINISTRY OF AGRICULTURE AND RURAL  
DEVELOPMENT**

**JOINT CIRCULAR No. 103/1999/TTLT/BTC-  
NN&PTNN OF AUGUST 21, 1999 GUIDING THE  
MANAGEMENT, ALLOCATION AND  
ACCOUNT SETTLEMENT OF THE FUND FOR  
THE NATIONAL PROGRAM ON CLEAN**

settlements must comply with the current provisions of law.

## II. SPECIFIC PROVISIONS

### A. EXPENDITURE CONTENTS AND LEVELS

#### 1. Expenditures from the source of non-business funds:

##### 1.1. Expenditure contents:

- Expenditure in support of the construction of model hygienic toilets
- Expenditure in support of the construction of animal farm and stable waste treatment models
- Expenditure for mass media campaigning and professional training
- Expenditure for the application of scientific and technical advances to the program (if any)
- Expenditure for the management and direction activities of the program management board.

##### 1.2. Expenditure levels:

- a/ Project on model hygienic toilets:
  - The maximum level of the State's support for a commune to materialize its pilot-model project is 100 million VNDong.
  - The specific expenditure contents for a model include:
    - + Expenditure for the selection of the project construction site, interviews and data gathering and processing;
    - + Expenditure for leading technicians, with a maximum level of 200,000 dong/month (26 days) each, for the days they are personally involved in the direction of model construction (in cases they are non-State employees and hired from outside). For officials who are on the State's payroll, they shall enjoy the working travel allowances according to the Finance Ministry's Circular No.94/1998/TT-BTC of June 30, 1998, which stipulates the working travel allowances for State officials and employees on working trips inside the country;
    - + Expenditure for social campaigning and technical guidance to people;
    - + Expenditure for project examination and after-test acceptance;
    - + Expenditure for construction materials (cement, bricks, sand...) support for those people involved in the model construction, which shall account for 70%-80% of the total fund for the model. More concretely:

For households in 1,715 poor communes: The State shall give a maximum of 200,000 VND in support of each household. For other areas: the

maximum level of the State's support is 150,000 VND/household.

b/ Project on the construction of hygienic animal farm and stable waste treatment models:

- The maximum level of the State's support for a commune to materialize its pilot-model project is 100 million VND.

- The contents of expenditure for the model: are the same as for hygienic toilet project model mentioned at Point a above. The State's financial support for peasants' households participating in the model shall apply as follows:

+ For stables with 10 animals or less each: The maximum level of the State's support is 200,000VND/household

+ For stables and farms with more than 10 animals: The maximum level of the State's support is 300,000 VND/household

Where biogas facility is installed, an additional support of 100,000 VND shall be given to each household.

For households in 1,715 poor communes, the support level shall be 20% higher than the above-said level.

If a commune combines the hygienic toilet model and the animal farm and stable waste treatment model, the maximum level of the State's support for such a combined model shall be 100 million VND.

c/ Expenditure for mass media campaigning, including broadcasting news on the mass media like radio, television, newspapers and other means; printing professional materials, leaflets, posters and films. The specific expenditure levels shall be based on the current regulations.

d/ Expenditure for professional training, including: Expenditure for teaching materials for classes:

Expenditure for the payment of remuneration to teachers and practice instructors, which shall respectively be 20,000 VND/period and 15,000 VND/period at most:

Expenditure for the procurement of equipment and materials for practice (if any):

Expenditure for the management of classes: for drinking water, hall rental, and petrol for cars in service of the teachers' and class managers' traveling:

Expenditure in support of the trainees' meals, accommodation and traveling during the training period, as prescribed in the Finance Ministry's Circular No.93/1998/TT-BTC of June 30, 1998 which stipulates the conference spending regime.

e/ Expenditure for application of scientific and technical advances to the program (if any): On the basis of the results of successful scientific research

with regard to solutions and technologies to the supply of clean water and environmental hygiene in rural areas, the program shall apply technical advances through specific models, aimed at ensuring the compatibility with the people's economic capability and conditions of each ecological region.

f/ Expenditure for the management and direction activities of the program management board, including conferences, seminars, inspection, direction, assessment, elaboration and plan protection, hiring of the office staff (where there are not full-time staff), making of preliminary and final reviews. The maximum expenditure shall not exceed 5% of the total yearly non-business funding of the program, for the central-level program management board, and not exceed 1% of the total yearly funding (including non-business and capital construction investment funds) of the program, for the program management board of a province or centrally-run city.

## **2. Expenditures from investment funding sources for capital construction**

### 2.1. Expenditure contents:

- Expenditure in support of the construction of clean water supply projects
- Expenditure in support of waste water treatment in traditional craft villages
- Planning and pre- investment capital

### 2.2. Specific expenditure levels:

#### 2.2.1. Clean water supply projects:

##### a/ Concentrated water supply projects:

- The State shall provide partial support in terms of cement, bricks, sand and equipment for head-waters project items, water treatment stations and main water pipelines.

- The concrete support levels shall be as follows:

+ For a village (hamlet) water supply project: The State shall provide a support with a level of no more than 40% of the value of project already ratified by the competent level but the maximum support level shall not exceed 120 million VND.

As for high mountainous and island areas as well as areas of 1,715 poor communes, the State shall support such a village (hamlet) project with level of no more than 60% of the value of projects already ratified by the competent level but the maximum support level shall not exceed 150 million VND.

+ For concentrated water supply projects of artesian system (applicable only in high-mountain regions): The State shall render support with a level of no more than 90% of the value of the projects already ratified by the competent level, but the maximum support level shall not exceed 100 million

VND/a village (hamlet).

Basing themselves on the above-said levels of support for each village (hamlet), the ministries, branches and People's Committees of the provinces and centrally-run cities shall ratify the levels of support for inter-village (hamlet) and inter-commune projects in conformity with their sources of funds allocated annually.

##### b/ Scattered water supply projects:

- The State shall support poor people and families entitled to social policies as well as households in 1,715 poor communes, high-mountain and island areas.

- The State shall provide partial support in terms of supplies such as plastic pipes, hand-pumps, cement and rain water-gutters, depending on each type of water supply project.

- The specific support levels shall be as follows:

+ For bore wells of small diameter: The maximum level of the State's support is 300,000 VND/household (for high-mountain areas, islands and 1,715 poor communes, such level shall be 500,000 VND/household)

+ For dug wells: The maximum level of the State's support is 100,000 VND/household (for high-mountain areas, islands and 1,715 poor communes, such level shall be 200,000 VND/household)

+ For rain water tanks (4m<sup>3</sup>): The maximum level of the State's support is 300,000 VND/household; for rain water jars, the maximum level of the State's support shall be 100,000 VND/household (for areas facing water shortage).

#### 2.2.2. Project on the treatment of waste from traditional craft villages:

- Contents of support: The State shall provide partial support in terms of construction materials like cement, bricks and sand for groups of waste treatment projects or main conductive canals and facilities.

- Concrete levels of support: The State shall provide support with a level of no more than 40% of the value of the project already ratified by the competent level, which, however, must not exceed 80 million VND for each village (hamlet).

Basing themselves on the above-mentioned support level for each village (hamlet), the ministries, branches and People's Committees of the provinces and centrally-run cities shall ratify the levels of support for inter-village (hamlet) and inter-commune projects so that they are implemented in conformity with their sources of fund allocated annually.

2.2.3. Planning and pre-investment capital: The State shall allocate this capital according to projects and economic-technical feasibility studies already

ratified by the competent level.

For clean water supply projects funded by foreign investors with concrete contents and addresses, the fund shall be allocated according to the ratified projects.

## ***B. MANAGEMENT OF THE PROGRAM'S FINANCIAL SOURCES***

### **1. Drawing up cost estimates and allocating funds:**

- Annually, on the basis of the Prime Minister's Directive(s) on the elaboration of socio-economic development plans and the Finance Ministry's circulars guiding and assigning checking numbers on the State budget expenditure estimates, the Ministry of Agriculture and Rural Development (the program managing agency) shall allocate the checking numbers to the ministries, branches and localities then send a report thereon to the Finance Ministry and the Ministry of Planning and Investment for a sum-up and submission to the National Assembly Standing Committee and the Government for ratification, then notify the spending tasks to the ministries, branches and localities.

After receiving notices on the program's fund, the ministries, branches, and the People's Committees of the provinces and centrally-run cities shall allocate the fund and assign the expenditure estimates to units directly involved in the program in conformity with the program's objectives and contents then send them to the Ministry of Agriculture and Rural Development (the Central Board for Program Management), the Finance Ministry and the Ministry of Planning and Investment.

- On the basis of the provisions of the Finance Ministry's Circular No.103/1998/TT-BTC of July 18, 1998 guiding the assignment, elaboration, execution and account settlement of the State budget and the current spending regime, the units entitled to the program fund shall draw up the detailed estimates according to the expenditure contents and the State budget contents then send them to the Ministry of Agriculture and Rural Development (the Office of the Central Board for Program Management), the Finance Ministry, the Central State Treasury and the project management board (for funds of the ministries and branches) and to the provincial/municipal Finance-Pricing Departments, State Treasuries and Agriculture and Rural Development Departments (for program funds under the local management).

The Finance Ministry, the provincial/municipal Finance-Pricing Departments shall have to examine the estimated expenditure contents of the units and, if deeming that such estimates are wrong or unsuitable, request the former to make adjustment

thereto.

The assignment of estimates to the dependent estimate-drafting units must ensure the conformity with the total and specific expenditures, according to the assigned expenditure contents.

As for the sources of funding for investment in capital construction, the estimate making shall comply with the current regulations on capital construction investment.

### **2. Allocating fund:**

a/ For non-business funding sources:

- At the central level: Basing themselves on the assigned annual estimates, the units directly involved in the program shall draw up the quarterly expenditure estimates, divided for months and according to the expenditure contents, then send them to the higher-level management agency and the treasury of the locality where such units conduct their transaction activities. The higher-level management agency shall make a sum-up of the estimates and send it to the Finance Ministry, which shall serve as basis for fund allocation and expenditure control as prescribed. The Finance Ministry shall directly assign the expenditure quotas to the ministries, branches and central-level agencies involved in the program, according to the estimates and the task performance schedule.

- At the local level: Basing themselves on the assigned budget estimates, the units directly involved in the program shall draw up the quarterly expenditure estimates, divided for months and according to the expenditure contents, then send them to the local program management agency, which shall make a sum-up thereof and send it to the provincial/municipal Finance-Pricing Department and the treasury of the locality where the units conduct their transaction activities (in cases where the program's fund is allocated through the program management agency); or to the provincial/municipal Finance-Pricing Department, the program management agency and the treasury of the locality where the units conduct their transaction activities (in cases where the fund allocation is made directly to the units involved in the program), which shall serve as basis for the fund allocation according to the estimates and the task performance schedule already ratified by the competent level, and for the expenditure control as prescribed. The Finance Ministry shall grant the quota assignment to the provincial/municipal Finance-Pricing Department in order to perform the program's tasks which fall under the local responsibilities.

b/ For capital construction investment sources:

- At the central level: The Finance Ministry shall transfer capital to the Investment and Development General Department so that the latter shall allocate

and make account settlement directly with the ministries and central-level agencies according to the current regulations on the capital construction investment management.

- At the local level: The Finance Ministry shall authorize the provincial/municipal Finance-Pricing Departments to transfer capital to the Investment and Development Departments so that the latter shall allocate and make account settlement with the units according to the regulation on the capital construction investment management.

### **3. Inspection and account settlement of expenditures:**

- On the inspection: The Ministry of Agriculture and Rural Development and the Management Board of the National Program on Clean Water and Environmental Hygiene in Rural Areas shall coordinate with the finance agencies in regularly or extraordinarily inspecting the observance of the State's policies and regimes on the use of funds at both the central and local levels.

- On the account settlement: The units that use the fund of the national program on clean water and environmental hygiene in rural areas shall have to make (quarterly and annual) reports on the use and account settlement of the program's fund in strict compliance with the accounting regime set for the administrative and non-business units, issued together with the Finance Minister's Decision No.999/TC-QD-CDKT of November 2, 1996 as well as the regime on account settlement report provided for in the Finance Ministry's Circular No.103/1998/TT-BTC of July 18, 1998.

### **III. ORGANIZATION OF IMPLEMENTATION**

1. The units involved in the implementation of the program on clean water and environmental hygiene in rural areas shall have to use the program's fund for the right purposes, right objects and in strict compliance with the regime prescribed in this Circular as well as the other current provisions of law; and make periodical (quarterly, annual) reports on the use of fund to the project management agency as well as the finance agency of the same level.

2. The ministries, branches and central-level agencies involved in the program shall have to inspect their subordinate bodies in the observance of all regulations on financial management and periodically (quarterly and yearly) report to the Ministry of Agriculture and Rural Development and the Finance Ministry on the task performance tempo as well as the sum-up situation of the use of the program's fund.

At the local level: The provincial/municipal program steering boards shall urge and inspect the units

involved in the program to fully comply with the regulations on financial management and periodically (quarterly and yearly) report to the People's Committees of the provinces and centrally-run cities, the Ministry of Agriculture and Rural Development (the Central Board for Management of the Program on Clean Water and Environmental Hygiene in Rural Areas) and the Finance Ministry on the assigned task performance tempo as well as the sum-up situation of the use of fund for implementation of the program.

3. The Ministry of Agriculture and Rural Development, the Central Board for Management of the Program on Clean Water and Environmental Hygiene in Rural Areas shall have to urge and inspect the ministries, branches and localities involved in the program in the implementation of all regulations on financial management; coordinate with the Finance Ministry and the Planning and Investment Ministry in regularly or extraordinarily examining the results obtained in the implementation of the program in terms of its contents and tempo by the ministries, branches and localities, and periodically (quarterly and yearly) report to the Finance Ministry and the Planning and Investment Ministry on the implementation tempo as well as the use of fund for the whole program.

4. This Circular takes effect as from September 1<sup>st</sup>, 1999; the earlier regulations contrary to this Circular are all now annulled.

In the course of implementation, if any problems arise, the concerned units are requested to report them to the Ministry of Agriculture and Rural Development and the Ministry of Finance for study and appropriate amendments and/or supplements thereto.

*For the Finance Minister  
Vice Minister*

**NGUYEN THI KIM NGAN**

*For the Minister of Agriculture and  
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*Vice Minister*  
**NGUYEN THIEN LUAN**