

**GOVERNMENT**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

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No. 52/2018/ND-CP

*Hanoi, April 12, 2018*

## **DECREE**

### **ON DEVELOPMENT OF RURAL CRAFTS**

*Pursuant to the Law on Government Organization dated June 19, 2015;*

*At request of Minister of Agriculture and Rural Development;*

*The Government promulgates Decree on development of rural crafts.*

#### **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1. Scope**

This Decree prescribes development policies for rural crafts and craft villages.

#### **Article 2. Regulated entities**

1. Domestic and foreign organizations and individuals investing in development of business and service of rural crafts (hereinafter referred to as “rural craft facilities”) including: Small and medium enterprises, cooperatives, artels and households operating as per the law.
2. Traditional crafts, craft villages, and traditional craft villages acknowledged by People’s Committees of provinces and central-affiliated cities (hereinafter referred to as “People’s Committees of provinces”).
3. Central and local organizations and individuals involved in management of rural crafts.

#### **Article 3. Term interpretation**

In this Decree, terms below are construed as follows:

1. “traditional craft” refers to a craft that has been existing for a long time, creating unique products, preserved, and developed until present or facing risk of disappearing or falling into obscurity.

2. “craft village” refers to one or many residential areas in hamlets, wards, or equivalent that practice rural craft(s) under Article 4 hereof.

3. “traditional craft village” refers to a craft village practicing traditional craft.

#### **Article 4. Rural crafts**

Rural crafts specified in this Decree include:

1. Agro-forestry-fishery product processing and preservation.
2. Production of handicraft products.
3. Processing and preparation of ingredients and materials serving rural crafts.
4. Production of woodwork, straw, ceramic, glass, textile, embroidery, minor mechanical engineering.
5. Production and sale of ornamental animals.
6. Salt production.
7. Other services serving production and livelihood of rural inhabitants.

### **Chapter II**

#### **ACKNOWLEDGING TRADITIONAL CRAFTS, CRAFT VILLAGES, AND TRADITIONAL CRAFT VILLAGES**

#### **Article 5. Criteria for acknowledging traditional crafts, craft villages, and traditional craft villages**

1. Criteria for acknowledging traditional crafts, craft villages, and traditional craft villages apply to entities under Clause 2 Article 2 engaging in rural crafts specified under Article 4 hereof and relevant organizations, individuals..

2. Criteria for acknowledging rural crafts

A craft must meet all 3 criteria below in order to be acknowledged as a traditional craft:

- a) The craft has been existing in the area for more than 50 years and is currently being practiced at the time of applying for acknowledgement.
- b) The craft creates distinctive cultural products.
- c) The craft is associated with one or many craftsmen or the craft village.

### 3. Criteria for acknowledging craft villages

A craft village must meet all 3 criteria below in order to be acknowledged:

- a) At least 20% of total households in the area practicing any rural crafts under Article 4 hereof.
- b) Business operation remains stable for at least 2 consecutive years prior to the date of applying for acknowledgement.
- c) Satisfy requirements for craft village environmental protection as per applicable laws.

### 4. Criteria for acknowledging traditional craft villages

A traditional craft village must satisfy criteria for craft village under Clause 3 of this Article and practice at least 1 traditional craft under Clause 2 of this Article.

## **Article 6. Acknowledging traditional crafts, craft villages, and traditional craft villages**

### 1. Application for acknowledgement of traditional crafts

- a) Summary of formation and development of traditional craft.
- b) Copies of certificate and medals earned in domestic and foreign competitions and exhibitions or highly artistic works awarded by provinces and cities (if any). For organizations and individuals ineligible for participating in competitions and exhibitions or having no awarded works, provide description on uniqueness of the traditional craft.
- c) Copies of certificate of traditional craftsman of competent authority (if any).

### 2. Application for acknowledgement of craft villages

- a) List of households practicing rural craft(s).
- b) Summary of business operation of organizations and individuals practicing rural crafts in the last 2 years.
- c) Documents on fulfillment of environmental protection requirements as per the law.

### 3. Application for acknowledgement of traditional craft villages

- a) Application for acknowledgement of traditional craft villages consists of documents under Clause 1 and Clause 2 of this Article.

b) In case having been acknowledged as craft villages, application shall conform to Clause 1 of this Article.

c) In case a traditional craft has been acknowledged while craft village has not been acknowledged, application shall conform to Clause 2 of this Article.

4. Procedures for acknowledging traditional crafts, craft villages, and traditional craft villages

a) People's Committees of districts, communes, province-affiliated cities, central cities-affiliated cities (hereinafter referred to as "People's Committees of districts") shall produce applications for acknowledgement of traditional crafts, craft villages, and traditional craft villages with criteria under Article 5 hereof, and request People's Committees of provinces.

b) Within 30 working days from the date on which adequate application is received, People's Committees of provinces shall establish councils for approving and selecting entities eligible according to Article 5 hereof, issue decisions and issue certificate of traditional crafts, craft villages, traditional craft villages.

5. Time for acknowledging traditional crafts, craft villages, and traditional craft villages shall be decided by People's Committees of provinces.

6. Traditional crafts, craft villages, and traditional craft villages failing to satisfy criteria as per the law shall have their certificate revoked. People's Committees of districts are responsible for consolidating list, submitting to People's Committees of provinces for consideration and revocation of certificate of traditional crafts, craft villages, traditional craft villages.

7. People's Committees of districts shall submit reports on management of certificate of traditional crafts, craft villages, traditional craft villages and implementation of regulations on criteria on acknowledging traditional crafts, craft villages, traditional craft villages to People's Committees of provinces once a year before November 30 each year or irregularly for reporting to Ministry of Agriculture and Rural Development.

### **Chapter III**

#### **MANAGEMENT AND DEVELOPMENT OF RURAL CRAFTS**

##### **Article 7. Production premise**

1. Rural craft facilities that propose effective investment projects shall be assigned with land subject to levies and certificate of land use right as per land laws.

2. For investment projects requiring strict environmental pollution remediation, research and production of new products must be prioritized for receiving land subject to levies or renting land in concentrated industrial parks, industrial compounds.

3. Local government budget shall finance relocation of rural craft facilities from urban areas to planning location with specific amount decided by People's Committees of provinces.

### **Article 8. Investment and credit**

Investment and business projects that are effective shall:

1. Receive investment incentives according to Law on Public Investment.
2. Apply policies incentivizing enterprises to invest in agriculture and rural areas.
3. Be prioritized for taking loans from credit institutions, national fund for employment, medium and small enterprise development fund, national science and technology development fund as per the law.

### **Article 9. Trade promotion**

1. The Government shall encourage, facilitate, and assist rural craft facilities in form of trade promotion according to applicable regulations of National trade promotion program.
2. The Government shall organize relevant trade promotion activities to assist rural craft facilities:
  - a) Develop website for product launch, online sale, product and packaging design; develop trade mark, geographical indication of product origin, trademark ownership protection;
  - b) Vietnam craft product competitions.
3. Rural craft facilities participating in trade promotion activities under Clause 2 of this Article shall be funded by state budget for:
  - a) Hiring consultation and assistance for details under Point a Clause 2 of this Article. Finance up to 50% of the costs but no more than VND 50 million/facility.
  - b) Finance 100% of the costs for: Renting premise for product exhibitions; organization of convention; allowances and travel for details under Point b Clause 2 of this Article.
4. Funding sources and methods of financing from state budget shall conform to applicable regulations of National trade promotion program; trade promotion programs

and plans; annual industrial and agricultural promotion programs and plans of ministries and local governments.

### **Article 10. Science and technology**

1. Rural craft facilities when applying science and technology, renovating technology, producing new products, providing science technology services, or receiving scientific and technical advances from domestic and foreign organizations and individuals shall receive preferential treatment according to policies and financial mechanisms encouraging enterprises to invest in science, technology, agriculture, and rural sectors.
2. Rural craft facilities conducting independent research topic or cooperating with science research entities to create new technology, finalize research products with potential of commercialization in rural sectors shall receive funding from funding sources for science and technology professions as per the law.
3. Science and technology are recommended for production in traditional craft villages to improve productivity, increase competitiveness, and ensure preservation and development of traditional crafts.

### **Article 11. Personnel training**

1. Traditional craft practitioners; practitioners in craft villages, traditional craft villages, and practitioners in rural craft facilities shall receive professional training as per applicable laws.
2. Craftsmen in rural crafts shall receive funding from the Government organize training for professional operation and teaching skills; receive salaries as per the law when providing training for rural employees. When craftsmen pass on their crafts, they may collect tuition fees on the basis of agreement.
3. Local government budget shall finance part of the costs for classes of rural crafts. For training in form of personal training or private training, craft practitioners shall be settled based on actual salaries. Specific expenditure shall be decided by People's Committees of provinces.
4. Investment projects for rural craft facilities shall receive preferential treatment for vocational training for rural employees as per the law.
5. Funding sources shall be covered by expenditure on education, training, vocational training; National target program for new rural development, relevant programs and projects, and other legal sources. Expenditure amount shall conform to regulations on vocational training policies for rural employees.

### **Article 12. Financing for development of rural crafts**

## 1. Rural craft development projects utilizing state budget

a) Entities financing project development: Regulatory agencies for agriculture and rural development, relevant local regulatory agencies.

b) Details of financing: Purchasing materials, machinery, equipment, manufacturing lines; hiring technical personnel for directing projects; providing training for individuals participating in projects and consolidating projects; managing projects.

c) Order of priority: Agro-forestry-fishery product processing projects utilizing advance technology and integrated equipment in harvesting, preserving, processing, and consuming in order to improve product quality and meet market demand; projects within craft village preservation and development programs; handicraft development projects satisfying domestic demand or export; material production, supply projects serving development of rural crafts; machinery and equipment manufacturing, production projects serving agriculture and rural development; clean salt production and processing projects; ornamental animal development projects. Craft village projects together with ecotourism development; Agriculture preparation and waste-based product manufacturing projects.

D) Finance up to 50% of the costs but no more than VND 500 million/project.

dd) Funding plans and estimates

Regulatory agencies for agriculture and rural development, and relevant regulatory agencies in provinces and cities shall survey, prepare projects, submit to regulatory agencies for rural crafts affiliated to Ministry of Agriculture and Rural Development, and other relevant regulatory agencies to develop and include in annual budget estimates.

Based on expenditure on developing rural craft development projects. Ministry of Agriculture and Rural Development shall approve implementation plans; regulatory agencies for rural crafts affiliated to Ministry of Agriculture and Rural Development shall guide regulatory agencies for agriculture and rural development to implement.

Other relevant central regulatory agencies assigned with expenditure to finance rural craft development projects shall approve plans and provide guidelines on implementation as per applicable laws.

e) Funding sources for rural craft development projects shall be allocated from national target programs for new rural development, agricultural extension programs, industrial extension programs, and local government budget.

2. Rural craft development projects from local government budgets shall conform to Clause 1 of this Article and other regulations prescribed by People's Committees of provinces.

3. For following contents of development of rural craft financed by local government budget: Communicating, publicizing; improving, training and educating; surveying, learning from experiences of relevant countries; consulting and providing services, conform to guidelines on financial policies of agriculture extension and industrial extension programs, new rural development programs, poverty reduction programs, and other relevant programs, projects.

4. People's Committees of provinces shall prescribe details, methods, and financing amount other those under this Article depending on local conditions and applicable law provisions.

## **Chapter IV**

### **MANAGEMENT AND DEVELOPMENT OF CRAFT VILLAGES, TRADITIONAL CRAFT VILLAGES**

#### **Article 13. Craft village preservation and development programs**

1. Craft village preservation and development programs consist of:

- a) Preservation and development of traditional craft villages.
- b) Development of craft villages together with tourism and new rural development.
- c) Development of new craft villages.

2. The Government shall develop programs and allocate funding sources from national target programs for new rural development to finance projects, schemes, plans, and models within craft village preservation and development programs under Clause 1 of this Article.

3. People's Committees of provinces shall rely on specific conditions of provinces to develop policies to finance local craft village preservation and development projects apartment from funding under Clause 2 of this Article.

#### **Article 14. Financing craft village development**

Craft villages, traditional craft villages shall benefit from policies incentivizing rural craft development under Articles 7 through 12 hereof and following policies:

1. Financing direct costs under decisions acknowledging traditional crafts, craft villages, traditional craft villages; specific financing methods and amount shall be decided by People's Committees of provinces.

2. Financing infrastructure investment for craft villages as follows:

- a) Financing investment, renovation, upgrade, and improvement of craft village infrastructure: Road, electricity, clean water; water drainage and irrigation systems; centers and points of sale and introduction of craft village products.
- b) Order of priority: Craft villages facing risk of disappearing; craft villages of ethnic minorities; craft villages with good market; craft villages accompanying with tourism and new rural development; craft villages that create jobs, improve income of the locals; craft villages accompanying with preservation and development of cultural value via traditional crafts.
- c) People's Committees of provinces shall decide on infrastructure investment projects for craft villages according to Law on Public Investment and guiding documents as per applicable laws.
- dd) Funding sources for financing investment include: Funding sources from national target program for new rural development, national target program for sustainable poverty reduction, target programs and local government budgets.
- dd) People's Committees of provinces shall decide on financing for investment in renovation, upgrade, and completion of craft village infrastructure depending on local conditions and satisfactory to applicable laws.
3. Apart from policies under this Decree, craft villages encouraged for development shall benefit from policies under Clause 2 Article 15 of Decree No. 19/2015/ND-CP dated February 14, 2015 of the Government.

## **Chapter V**

### **ORGANIZATION FOR IMPLEMENTATION**

#### **Article 15. Ministry of Agriculture and Rural Development**

Ministry of Agriculture and Rural Development shall act as central regulatory authority regarding craft villages and rural crafts, and have following rights and responsibilities to:

1. Take charge and cooperate with relevant ministries and People's Committees of provinces shall direct implementation of state management for craft villages and rural crafts.
2. Develop and issue policies incentivizing development of rural crafts, preservation and development of craft villages.
3. Direct development and organize implementation of programs, projects, and schemes for financing craft villages, rural craft villages.

4. On an annual basis, develop plans, estimate funding for development of rural crafts and send to finance authority of the same levels for inclusion in estimate allocation solutions and submission to competent authority.

5. Conduct regular or irregular inspection and assessment regarding compliance with regulations and law, effectiveness of craft villages and rural craft facilities.

#### **Article 16. Ministry of Natural Resources and Environment**

1. Direct, issue or request competent authority to issue policies enabling rural crafts to receive transferred land, rent land, issue certificate of land use right as per land laws.

2. Develop and issue or request competent authority to issue legislative documents, policies, strategies, plans for environmental protection and technical regulations on environment for craft villages; conduct research, apply and publicize environmental remediation technology depending on craft villages to encourage development of rural crafts that utilize environmentally friendly technology; restrict creation of waste and satisfy food safety requirements, restrict creation and development of rural crafts that potentially cause severe environmental pollution.

3. Take charge and cooperate with Ministry of Agriculture and Rural Development, ministries and local governments in issuing list of craft villages facing environmental pollution to be dealt with.

#### **Article 17. Ministry Of Industry And Trade**

1. Take charge developing, issuing or request competent agencies to issue legislative documents, policies, programs, and plans on industry extension; guide and organize implementation, conduct regular or irregular inspection of implementation of issued policies.

2. Organize development of industrial compounds, programs for financing infrastructure investment of industrial compounds as per the law.

3. On an annual basis, develop plans and industrial extension expenditure estimates from central government budget, and request competent authority to approve and organize implementation as per the law.

#### **Article 18. Ministry of Science and Technology**

1. Direct allocation of funding for financing application of science and technology in development of rural crafts in annual plans.

2. Guide, manage manufacturing technology, and restrict introduction of old, obsolete technology to craft villages, rural craft villages, and rural urban areas causing environmental pollution.

3. Take charge, cooperate with relevant agencies in conducting research, introducing, and publicizing environmentally friendly manufacturing technologies to craft villages and rural craft facilities.

#### **Article 19. Ministry of Planning and Investment**

Take charge and cooperate with Ministry of Finance, Ministry of Agriculture and Rural Development, and relevant ministries in balancing and allocating funding from state budget and other sources to implement policies according to this Decree.

#### **Article 20. Ministry of Finance**

Guide, balance, and allocate funding sources from state budget and other funding sources to finance development of rural crafts in annual plans as per applicable regulations and law and this Decree.

#### **Article 21. Ministry of Labor - War Invalids and Social Affairs**

Guide, inspect, organize implementation of policies financing vocational training and job solutions, and implement regulations on labor, occupational safety and hygiene, and social insurance for development of rural crafts.

#### **Article 22. Ministry of Culture, Sports and Tourism**

Direct development of tourism and craft villages; organize tourism promotion activities, assist in developing craft village tourism infrastructure, and encourage development of craft village service and tourism products.

#### **Article 23. Responsibilities of provincial People's Committees**

1. Perform state management functions regarding craft villages and rural crafts in provinces; review local legislative documents to suit this Decree; develop and issue new policies, financing amount, and allocate funding sources from annual local government budget to finance development of craft villages and rural crafts.

2. Direct, guide, inspect compliance with policies, craft village and rural craft development and environmental protection policies and planning; direct preservation and development of craft villages and rural crafts; on a 5-yearly basis, review, product statistical reports, classify, and prepare planning (or management plans) for developing local rural crafts to match practical demands.

3. Direct Departments of Agriculture and Rural Development in performing state management for craft villages and rural crafts. On an annual basis, Departments of Agriculture and Rural Development shall take charge and cooperate with People's Committees of districts in guiding development and consolidation of rural craft

development plans, request competent authority to approve under local agriculture and rural development plans.

4. Direct ministries and local governments to manage acknowledgement of traditional crafts, craft villages, and traditional craft villages; provide specific guidelines regarding criteria of ethnic cultural characteristics of traditional crafts, traditional craft villages in order to consider and acknowledge; review and produce list of acknowledged craft villages; implement environmental protection for craft villages; invest and upgrade work items for processing wastes for craft villages and rural craft facilities.

5. Publicize policies incentivizing development of rural crafts to enable organizations and individuals that wish to implement programs, schemes, projects, or activities relating to development of rural crafts to access resources and policies financing development of rural crafts.

6. Direct Departments of Agriculture and Rural Development to develop plans, estimate funding for development of rural crafts and send to finance authority of the same levels for inclusion in estimate allocation solutions and submission to competent authority.

7. Direct People's Committees of districts to develop, consolidate estimates of expenditure on development of rural crafts in annual budget estimates of districts, and request competent authority to approve as per the law. Apart from funding sources allocated directly for implementation of these policies, local administrative divisions are responsible for allocating and balancing funding sources of other programs, projects and financing sources of international organizations to finance development of rural crafts.

8. Submit regular or irregular reports at request of Prime Minister, Ministry of Agriculture and Rural Development on development of rural crafts and rural craft villages.

#### **Article 24. Socio-political organizations, socio-occupational organizations**

Increase cooperation with relevant government organizations, domestic and foreign organizations in effectively preserving and developing traditional crafts, craft villages, and traditional craft villages via programs and projects regarding development of rural crafts.

#### **Article 25. Implementation**

1. This Decree comes into force from June 1, 2018 and replaces Decree No. 66/2006/ND-CP dated July 7, 2006.

2. Decisions acknowledging traditional crafts, craft villages, traditional craft villages of People's Committees of provinces before the effective date hereof:

a) If conform to criteria under Article 5 hereof, People's Committees of provinces shall direct implementation.

b) If not conform to criteria under Article 5 hereof, People's Committees of provinces shall direct competent authority to organize rectification.

3. For applications received by competent authority to implement policies according to Decree No. 66/2006/ND-CP dated July 7, 2006 before the effective date hereof, follow up with the applications according to regulations and law applicable at the time of receiving.

4. The Decree does not finance entities that have already receive financing from other programs that overlap with programs under this Decree.

5. Ministers, heads of ministerial agencies, heads of Governmental agencies, Chairpersons of People's Committees of provinces and central-affiliated cities, and relevant organizations and individuals are responsible for implementation of this Decree./.

**PP. GOVERNMENT  
PRIME MINISTER**

**Nguyen Xuan Phuc**

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