

**THE PRIME MINISTER**

*Pursuant to the Law on Organization of the Government of December 25, 2001;*

*Pursuant to the Prime Minister's Decision No. 173/2001/QĐ-TTg of November 6, 2001 on socio-economic development in Mekong river delta in the 2001-2005 period;*

*Based on the Prime Minister's conclusions at the March 17, 2004 meeting and opinions of the ministries, branches and People's Committees of the provinces at the April 20, 2004 conference to discuss measures to speed up the implementation of the program on construction of population clusters and lines as well as dwelling houses in Ho Chi Minh city;*

*At the proposal of the Minister of Construction,*

**DECIDES:**

**Article 1.-** The People's Committees of frequently flooded provinces and cities in Mekong river delta (the provincial-level People's Committees) shall closely coordinate with the concerned ministries and branches:

- In 2004, to concentrate efforts on resolutely directing and settling in time difficulties and problems falling under their respective competence in order to complete the work on reinforcing foundation of population clusters and lines and embankment;

- To speed up the construction progress of essential infrastructures (water supply and drainage works and internal roads,...), and build dwelling houses and stably and safely resettle

**DECISION No. 78/2004/QĐ-TTg OF MAY 7, 2004 ADJUSTING AND SUPPLEMENTING A NUMBER OF MECHANISMS AND POLICIES IN ORDER TO SPEED UP THE CONSTRUCTION PROGRESS OF POPULATION CLUSTERS AND LINES AS WELL AS DWELLING HOUSES IN FREQUENTLY FLOODED PROVINCES IN MEKONG RIVER DELTA**

people strictly according to the set objectives and tasks;

To strive to complete the program on construction of population clusters and lines as well as dwelling houses by December 31, 2005.

**Article 2.-** Regarding capital sources and financial mechanism:

1. The total investment capital for foundation reinforcement and embankment of the existing population quarters (including capital allocated from the central budget and capital borrowed from the Development Assistance Fund) has been already approved by the Prime Minister in Decision No. 173/2001/QĐ-TTg of November 6, 2001 and Decision No. 216/2002/QĐ-TTg of March 25, 2002.

2. Financial mechanism:

a/ Regarding capital for foundation reinforcement and embankment:

The Ministry of Finance and the Development Assistance Fund shall have to fully transfer capital to localities from the central budget capital and loan capital according to regulations for reinforcing foundation and embankment of population clusters and lines.

b/ Investment capital for construction of essential infrastructures shall be handled as follows:

- The provinces shall take initiative in apportioning local budgets for investment in construction of essential infrastructures. For localities meeting with difficulties, the Ministry of Finance shall speed up the budget subsidy according to the annual budget plan for the provinces for implementation;

- To prioritize the use of capital of integrated target programs for investment in essential infrastructures, especially the program on rural clean water, environmental sanitation and traffic roads;

To permit localities to take initiative in regulating and selling 30% of the foundations in clusters and lines for investment in essential infrastructures; and at the same time permit the provinces to apply the form in which contractors advance capital for construction;

- The provinces shall be entitled to borrow the State's credit capital from the Development Assistance Fund for construction of essential infrastructures in population clusters and lines. The maximum loan term is 24 months. The lending interest rates shall comply with the current regulations. The Development Assistance Fund shall guide localities in the implementation thereof.

c/ Regarding loan capital for construction of dwelling houses:

- In order to speed up the construction progress of dwelling houses for deferred-payment sale to people, to permit the Social Policy Bank to lend capital to enterprises for construction of dwelling houses for deferred-payment sale to people through contracts signed between enterprises and localities. The Social Policy Bank shall direct the completion of procedures (hand-over and reception of houses, reception of debts, contracts,...) and guide the implementation thereof.

- The Development Assistance Fund shall provide loans to enterprises which have investment projects on manufacture of assembly structures and materials for building of dwelling

houses for deferred-payment sale to people. The lending interest rates and terms shall comply with the provisions of Clause 5, Article 1 of the Prime Minister's Decision No. 128/2002/QĐ-TTg of September 30, 2002.

In cases where investment projects on manufacture of assembly structures and materials for construction of dwelling houses with commercial loan capital source have been completed and put into production, the Development Assistance Fund shall implement the policy of providing post-investment support for enterprises.

3. The Ministry of Finance, the Development Assistance Fund and the Social Policy Bank shall guide the specific order and procedures for localities to implement.

**Article 3.-** For projects on embankment of existing population quarters:

1. Projects on embankment of existing population quarters, which are under the program on construction of population clusters and lines as well as dwelling houses and compatible with the local and regional irrigation plannings and flood-control plannings, shall be entitled to use no more than 80% of the central budget capital amount allocated to localities under the Prime Minister's Decision No. 216/QĐ-TTg of March 25, 2002; for the remaining capital amount, the provinces must apportion their local budgets and mobilize contributions of benefiting households in the embankment project area for implementation.

2. Households permanently residing and scatteredly living in localities, which now move

to live in the areas of the projects on embankment of existing population quarters, shall be entitled to purchase house foundations and dwelling houses on deferred payment according to the mechanisms and policies prescribed in Article 1 of the Prime Minister's Decision No. 105/2002/QĐ-TTg of August 2, 2002.

**Article 4.-** Enterprises (regardless of their types), which file their applications for investment in the construction of factories for manufacture of assembly structures and materials for building dwelling houses for implementation of policies towards households purchasing dwelling houses on deferred payment, ensuring the dwelling houses' standards and quality (an flooring space of 32 m<sup>2</sup> each, pre-stressed concrete frames, brick walls, steel-sheet roofs and septic tanks) with the cost price not exceeding VND 7 million/house and certifications of the provincial-level People's Committees of the localities (where the factories shall be situated), shall be entitled to the preferential policies prescribed in the Prime Minister's Decision No. 128/2002/QĐ-TTg of September 30, 2002.

**Article 5.-** Organization of implementation

1. The provincial-level People's Committees shall have the responsibilities:

- To direct the immediate integration and allocation of capital from the target programs, especially the program on rural clean water, environmental sanitation and traffic roads, for population clusters and lines.

- To direct project investors to draw up specific plans, ensuring the completion strictly according to the tempo (foundation reinforcement,

construction of technical infrastructures and dwelling houses), in order to resettle people into embankment clusters and lines under the set objectives and plans of the program, and at the same time direct investors to complete the procedures for loan capital reimbursement according to regulations to the lending bodies.

- To approve lists of households which are entitled to purchase dwelling houses on deferred payment according to regulations; expeditiously determine requirements on dwelling houses, quantity, types and installation locations, and place specific orders to house structure-manufacturing enterprises; and at the same time direct the setting up of full-time teams in charge of transporting assembly structures and installing dwelling houses for deferred-payment sale to people.

- To approve lists of enterprises which manufacture assembly structures and materials for building dwelling houses according to the provisions of Article 4 of this Decision.

2. The Ministry of Agriculture and Rural Development, the Ministry of Education and Training, the Ministry of Health as well as the concerned ministries and branches shall, according to the respective functions and tasks, closely coordinate with the provincial People's Committees in considering and prioritizing the allocation of capital under the program on rural clean water and environmental sanitation, the program on building and upgrading schools, the healthcare program and other programs to localities so that the latter complete the infrastructures in population clusters and lines.

3. The Ministry of Finance, the Development

Assistance Fund and the Social Policy Bank shall have to closely coordinate with one another in handling and fully allocating capital to the program according to regulations; and at the same time guide and carry out necessary procedures according to the provisions of this Decision in order to speed up the implementation of the program on construction of population clusters and lines as well as dwelling houses in frequently flooded areas in Mekong river delta.

4. The Ministry of Construction shall guide localities in investment in essential infrastructures in population clusters and lines, and technical specifications for embankment of existing population quarters; assume the prime responsibility for, and coordinate with the concerned ministries and branches in, guiding, urging and examining the program implementation by localities to ensure the scheduled and efficient completion of the program, and make periodical reports thereon to the Prime Minister.

**Article 6.-** This Decision takes implementation effect 15 days after its publication in the Official Gazette.

**Article 7.-** The ministers, the heads of the ministerial-level agencies, the heads of the Government-attached agencies and the presidents of the People's Committees of the provinces of An Giang, Dong Thap, Long An, Kien Giang, Hau Giang, Vinh Long and Tien Giang, and Can Tho city shall have to implement this Decision.

*Prime Minister*  
**PHAN VAN KHAI**