

**ARTICLES OF THE GOVERNMENT'S
DECREE No. 143/2003/ND-CP OF
NOVEMBER 28, 2003, DETAILING THE
IMPLEMENTATION OF A NUMBER OF
ARTICLES OF THE ORDINANCE ON
EXPLOITATION AND PROTECTION OF
IRRIGATION WORKS**

THE GOVERNMENT

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

*Pursuant to the May 20, 1998 Law on Water
Resources;*

*Pursuant to the April 4, 2001 Ordinance on
Exploitation and Protection of Irrigation Works;*

*Pursuant to the August 28, 2001 Ordinance
on Fees and Charges;*

At the proposal of the Minister of Finance,

DECREES:

*Article 1.- To amend and supplement a number
of articles of the Government's Decree No. 143/
2003/ND-CP of November 28, 2003, detailing
the implementation of a number of articles of the
Ordinance on Exploitation and Protection of
Irrigation Works as follows:*

**1. To amend and supplement Article 19 as
follows:**

*"Article 19.- Irrigation charge rates and
irrigation charge exemption*

THE GOVERNMENT

**DECREE No. 115/2008/ND-CP OF
NOVEMBER 14, 2008, AMENDING AND
SUPPLEMENTING A NUMBER OF**

1. The irrigation charge and water-use levy rates prescribed in Clause 4, Article 14 of the Ordinance on Exploitation and Protection of Irrigation Works for works invested the state budget are specified as follows:

a/ Irrigation charge rate bracket for land under rice:

No.	Regions and work methods	Charges (VND 1,000/ha/crop)
1	Mountainous areas nationwide	
	- Irrigation and drainage by motors	670
	- Irrigation and drainage by gravity	566
	- Irrigation and drainage by gravity in combination with motors	635
2	Red River delta	
	- Irrigation and drainage by motors	1,097
	- Irrigation and drainage by gravity	982
	- Irrigation and drainage by gravity in combination with motors	1,040
3	Northern midlands and Northern Region IV	
	- Irrigation and drainage by motors	955
	- Irrigation and drainage by gravity	886
	- Irrigation and drainage by gravity in combination with motors	920
4	Southern Region IV and central coast	
	- Irrigation and drainage by motors	939
	- Irrigation and drainage by gravity	824
	- Irrigation and drainage by gravity in combination with motors	866
5	Central Highlands	
	- Irrigation and drainage by motors	751
	- Irrigation and drainage by gravity	658
	- Irrigation and drainage by gravity in combination with motors	728

6	Southeastern region	
	- Irrigation and drainage by motors	886
	- Irrigation and drainage by gravity	801
	- Irrigation and drainage by gravity in combination with motors	839
7	Mekong River delta	
	- Irrigation and drainage by motors	1,055
	- Irrigation and drainage by gravity	732
	- Irrigation and drainage by gravity in combination with motors	824

- For cases of partial self irrigation and drainage, charges are equal to 60% of the above rates.

- For cases of only creating sources for irrigation and drainage by gravity, charges are equal to 40% of the above rates.

- For cases of only creating sources for irrigation and drainage by motors, charges are equal to 50% of the above rates.

- For cases of taking advantage of tide for irrigation and drainage, charges are equal to 70% of the rates applicable to irrigation and drainage by gravity.

Provincial-level People's Committees shall

specify lists of works and irrigation and drainage methods applicable to each irrigation work under their management.

b/ For areas under rice seedlings, vegetables, subsidiary crops and short-term industrial crops, including winter crops, irrigation charges are equal to 40% of the rates applicable to land under rice.

c/ Irrigation charges applicable to salt production are equal to 2% of the value of finished salt products.

d/ Water-use levy rate bracket for organizations and individuals using water or providing services from irrigation works for purposes other than food production:

No.	Water users	Unit	Charges by work methods	
			Electric pumping	Reservoir dams, canals
1	Water supply for industrial and small industrial production	VND/m ³	1,500	750
2	Water supply for daily-life water plants, animal husbandry	VND/m ³	1,100	750

3	Water supply for irrigation of long-term industrial, fruit, flower and pharmaceutical crops	VND/m ³	850	700
4	Water supply for aquaculture	VND/m ³	700	500
		VND/m ² of open water surface	2,500	
5	- Aquaculture in irrigation reservoirs; - Cage-fish rearing	% of output value		7% -10% 8% -10%
6	Transport through ship locks, sluice gates of irrigation systems: - Boats, barges - Assorted rafts	VND/ton/passage VND/m ² /passage		6,000 1,500
7	Use of water from irrigation works for electricity generation	% of value of commercial electricity output		8% -12%
8	Use of irrigation works for business in tourism, resorts, convalescence and entertainment (including business in golf courses, casinos, restaurants)	Total turnover value		10% -15%

- When water is taken in volume, the water charge rate shall be calculated at the water-receiving places of water users.

- In case of water supply for irrigation of long-term industrial, fruit, flower and pharmaceutical crops, if it is impossible to calculate in cubic meter (m³), charges shall be collected based on the area (ha) at the rate equal to 40% of irrigation charge rate applicable to land under rice.

Provincial-level People's Committees shall

specify charge rates set at Items 5, 7 and 8 of the water-use levy bracket prescribed at this Point suitable to the conditions of local irrigation work systems and in accordance with current regulations on decentralization of irrigation work organization and management.

2. The irrigation charge rates specified at Points a, b and c, Clause 1 of this Article are calculated from the starting sluice positions of canals of water-using cooperatives to the key items of

irrigation works.

Provincial-level People's Committees shall prescribe the starting sluice positions of canals of water-using cooperatives for each work system.

3. Water-using cooperatives shall reach agreement with water users on service charges for taking water from starting sluice positions of canals to fields (intra-field canals) which, however, must not exceed the limits set by provincial-level People's Committees.

4. Irrigation charge rates for irrigation works not funded or partially funded by the state budget shall be agreed upon between irrigation work management and exploitation units and water-using households and approved by provincial-level People's Committees.

5. Exemption from irrigation charges.

a/ Scope of exemption:

- Irrigation charges are exempt for areas of land and water surface within the farm land allocation quotas for households and individuals to use in agricultural, forestry and salt production and aquaculture, including state-allocated and lawfully inherited, donated, presented and transferred land, including the 5% locally managed public land area over which households and individuals have acquired the use rights through assignment or bidding.

- Irrigation charges are exempt for the entire areas of land and water surface for agricultural, fishery and salt production and aquaculture of households and individuals in special socio-

economic difficulty- and socio-economic difficulty-hit areas as prescribed by the Government.

Irrigation charges on land and water surface areas exempt from irrigation charges under this Point for which it is impossible to distinguish between water supply, irrigation and drainage from irrigation works funded by the state budget or other sources shall be collected according to State-prescribed rates or under agreement.

b/ Irrigation charge exemption levels:

- Irrigation charge exemption levels for cases of using water from state budget-funded irrigation works shall be calculated according to the rates specified at Points a, b and c and Items 3 and 4 of the water-use levy bracket specified at Point d, Clause 1 of this Article.

- Irrigation charge exemption levels for cases of using water from irrigation works not funded or partially funded with the state budget shall be calculated according to irrigation charge rates under agreement specified in Clause 4 of this Article.

6. Cases ineligible for irrigation charge exemption specified in Clause 5 of this Article are subject to irrigation charges under this Decree."

2. To add Article 19a as follows:

"Article 19a.- Policies for irrigation work management and exploitation units and state budget subsidies for irrigation charge exemption

1. Irrigation work management and exploitation units are eligible for state budget

subsidies of the exempted irrigation charge amounts prescribed in this Decree.

2. Levels of subsidy are specified as follows:

a/ Units managing and exploiting state budget-funded irrigation work systems are entitled to state budget subsidies for the exempted irrigation charge amounts calculated according to the charge rates specified at Points a, b and c and Items 3 and 4 of the water-use levy bracket specified at Point d, Clause 1, Article 19 of this Decree.

b/ Units managing and exploiting irrigation work systems not funded or partially funded by the state budget and collecting irrigation charges under agreement are entitled to state budget subsidies for the exempted irrigation charge amounts calculated according to the rates specified in Clause 4, Article 19 of this Decree.

c/ Central budget spending tasks:

- To ensure 100% of exempted irrigation charge amounts for centrally run irrigation work management and exploitation units.

- To ensure 100% of exempted irrigation charge amounts for localities receiving additional central budget allocations. The central budget shall support local budgets the exempted irrigation charge amounts for cases of collecting irrigation charges under agreement, but not exceeding 1.2 times the charge rates specified in Clause 1, Article 19 of this Decree.

- To support 50% of the exempted irrigation charge amounts for localities having less than 50% of incomes transferred to the central budget (except for localities registering high income growth in which case local budgets shall cover

these amounts themselves). The central budget shall support local budgets the exempted irrigation charge amounts for cases of collecting irrigation charges under agreement, but not exceeding 1.2 times the charge rates specified in Clause 1, Article 19 of this Decree.

- To support the deficit for localities which have to use local budgets to perform some or all of the tasks specified at Point d of this Clause when local budgets register a deficit due to objective reasons or a low income growth after using 50% of increased local budget revenues (if any) and 50% of local budget reserves according to the estimates assigned by the Prime Minister.

d/ Local budget spending tasks:

- For localities having 50% or more of incomes transferred to the central budget, local budgets shall ensure 100% of the exempted irrigation charge amounts for local irrigation work management and exploitation units.

- For localities having less than 50% of incomes transferred to the central budget, local budgets shall ensure 50% of the exempted irrigation charge amounts for local irrigation work management and exploitation units.

- Local budgets shall ensure funds to offset the difference between the actually exempted irrigation charge amounts and the central budget supports for cases of collecting irrigation charges under agreement prescribed in Clause 4, Article 19 of this Decree.

3. Irrigation work management and exploitation units performing water supply,

irrigation and drainage tasks are entitled to subsidies, price subsidies and financial supports under law.

The central budget shall provide subsidies, price subsidies and financial supports for central irrigation work management and exploitation units.

Local budgets shall provide subsidies, price subsidies and financial supports for local irrigation work management and exploitation units.

4. State irrigation work exploitation companies shall reorganize themselves and change their management methods upon irrigation charge exemption. Their redundant laborers, if any, are entitled to policies applicable to redundant laborers upon change of ownership, dissolution and bankruptcy of state companies. Funds for paying entitlements to redundant laborers shall be taken from the Enterprise Reorganization Support Fund at the State Capital Investment and Trading Corporation.

5. State irrigation work exploitation companies are entitled to financial supports to cover outstanding debts of irrigation charges and losses due to objective reasons.

The central budget shall support central irrigation work management and exploitation companies.

Local budgets shall support local irrigation work management and exploitation companies.

When local budgets having difficulties in securing funds to support irrigation work

management and exploitation companies, provincial-level People's Committees shall report such to the Ministry of Finance for sum-up and submission to the Prime Minister for decision.

6. Irrigation work management and exploitation units shall:

a/ Provide adequate and timely irrigation and drainage services for agricultural, forestry, aquaculture and salt production while conserving water to the utmost.

b/ Elaborate annual cost estimates and production and business plans and submit them to competent agencies for approval as follows:

Centrally run irrigation work management and exploitation units shall report to the Ministry of Agriculture and Rural Development and the Ministry of Finance.

Locally run irrigation work management and exploitation units shall report to provincial-level People's Committees for further report to the Ministry of Finance and the Ministry of Agriculture and Rural Development."

3. To amend and supplement Clause 4, Article 27 as follows:

"4. To elaborate legal documents and promulgate them according to its competence or submit them to the Government for promulgation on decentralization of irrigation work management, and processes, regulations, standards and norms for water protection and use and regular maintenance and repair of

irrigation works, and reward polices for water conservation.

To organize and rearrange irrigation work management and exploitation companies under their management to efficiently use irrigation works according to the new policies on irrigation charges.

To supervise the management and operation of irrigation work systems.”

4. To amend and supplement Clause 6, Article 28 as follows:

“6. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Agriculture and Rural Development and concerned ministries and branches in:

a/ Guiding the implementation of regulations on bidding, placement of orders, assignment of tasks of irrigation and drainage for agricultural production of irrigation work management and exploitation units and the regulation on financial management of state irrigation work management and exploitation companies.

b/ Promulgating documents guiding the elaboration of cost estimates and allocation, management, payment and settlement of expenses concerning irrigation charge exemption.

c/ Synthesizing budget spending estimates for irrigation charge exemption by central irrigation work management and exploitation companies and irrigation work management and

exploitation units of provinces and centrally run cities and report them to the Government for submission to the National Assembly for approval under the State Budget Law.

d/ Examining and supervising the irrigation charge exemption and use of budgets allocated to irrigation work management and exploitation companies and water-using cooperatives.”

5. To add Clauses 10, 11, 12, 13 and 14 to Article 29 as follows:

“10. To decentralize the management of specific irrigation works under the guidance of the Ministry of Agriculture and Rural Development.

11. To supervise the formulation and issuance of labor and econo-technical norms for irrigation work management and exploitation companies and water-using cooperatives. To decide on the modes of assignment of plans and placement of orders for irrigation work management and exploitation units, to approve cost estimates and allocate and manage the payment and settlement of, funds for irrigation work management and exploitation units.

12. To annually elaborate cost estimates for offsetting the exempted irrigation charge amounts for irrigation work management and exploitation units and submit them provincial-level People’s Councils for consideration and decision (for localities having incomes transferred to the central budget); to review support levels (for localities receiving central budget supports and those having

less than 50% of incomes transferred to the central budget) for report to the Ministry of Finance and the Ministry of Agriculture and Rural Development.

13. To supervise the collection, spending, payment and settlement of budget supports.

14. To organize the rearrangement of provincial irrigation work management and exploitation companies in accordance with the new irrigation charge policies.”

Article 2.- This Decree takes effect on January 1, 2009, and replaces the Government’s Decree No. 154/2007/ND-CP of October 15, 2007, amending and supplementing a number of articles of the Government’s Decree No. 143/2003/ND-CP of November 28, 2003, detailing a number of articles of the Ordinance on Exploitation and Protection of Irrigation Works.

Article 3.- The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Agriculture and Rural Development in, guiding the implementation of this Decree.

Article 4.- Ministers, heads of ministerial-level agencies, heads of government-attached agencies and presidents of provincial-level People’s Committees shall implement this Decree.

On behalf of the Government

Prime Minister

NGUYEN TAN DUNG