

25/2006/NQ-CP of October 9, 2006, promulgating the Government's action program to implement the Xth Party Congress's Resolution and the IXth National Assembly's Resolution on the socio-economic development plan during 2006-2010;

At the proposal of the Minister of Planning and Investment,

DECIDES:

Article 1. To approve the Scheme on investment promotion mechanisms and policies for natural resource and environmental protection (below referred to as the Scheme) with the following principal contents:

I. OBJECTIVES

To build and complete a system of comprehensive, specific and uniform mechanisms and policies on land, finance, investment capital, human resources, science and technology to promote investment in, and ensure the achievement of the set targets for, natural resource and environmental protection and sustainable development.

II. VIEWPOINTS

- Natural resource and environmental protection is the cause of the entire people and by and for the people. The State shall manage and supervise organizations and individuals in protecting natural resources and the environment under law.

- To continue implementing effective policies on natural resource and environmental protection. To study amendments and supplements to mechanisms and policies for

Decision No. 129/2009/QĐ-TTg of October 29, 2009, approving the Scheme on investment promotion mechanisms and policies for natural resource and environmental protection

THE PRIME MINISTER

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

Pursuant to the Government's Resolution No.

promoting direct and indirect investment in natural resource and environmental protection.

To set aside an appropriate budgetary capital portion as seed capital for attracting other investment capital sources to boost socialization of investment in natural resource and environmental protection.

To increase and expand international cooperation to attract foreign technical, technological and financial assistance in fulfilling development and natural resource and environmental protection targets.

III. FORMULATION PRINCIPLES

- To create a new breakthrough in macro mechanisms and policies, aiming to raise the capacity to tap resources, especially domestic ones, to increase investment capital for natural resources and environment, assuring the achievement of natural resource and environmental protection targets.

- To ensure sustainable development on the basis of environmental protection.

- To assure comprehensive and full implementation conditions; to guarantee interests of investors of natural resource and environmental protection projects.

IV. ORIENTATIONS FOR SPECIFIC GROUPS OF MECHANISMS AND POLICIES

1. Group of land use planning mechanisms and policies

- To specify in the land use planning the area and use purposes of land for the construction of natural resource and environmental protection works, which shall be closely managed.

- To detail in the land use planning land for environmental works in urban centers and industrial parks. To set aside certain areas for the construction of public environmental works in newly planned urban centers.

- To set aside certain areas for the construction of public environmental works in the residential land planning for rural areas. To protect and improve natural reserves, national parks and mangrove forests; to consolidate watershed and coastal protection forests.

2. Group of incentive policies on land

- The State shall organize land recovery, compensation, support, resettlement and ground clearance for investment projects.

- Land for the construction of environmental works and projects in urban and rural areas is entitled to exemption or reduction of registration fees, land rents, payments for land allocation and land use taxes.

- Mining organizations and individuals that need land for environmental treatment in mining and sorting activities may be allocated or leased land and have land rents, payments for land allocation and land use taxes reduced.

- For forestry land planned for plantation of production forests and natural production forests, to accelerate the land allocation and long-term and stable allocation and contracted protection of forests to farmer households, enterprises, legal entities and village communities. To adopt incentives for those allocated with land and contracted to protect forests on a long-term and stable basis to organize forestry production and business in combination with forestry and farm economies.

3. Group of incentive policies on finance

- To permit the contribution of land use rights

as capital to joint ventures to build environmental treatment works for commercial purposes, or for mortgage to take bank loans for project implementation.

- To expand areas liable to taxes and charges and raise tax rates for production and business activities adversely affecting and polluting natural resources and the environment.

- To provide state budget supports and interest-free or low-interest credit loans for natural resource and environmental protection projects.

4. Group of incentive policies to attract investment capital

- To increase state budget investment capital and prioritize state credit and ODA funds for natural resource and environmental protection projects.

- To provide central budget supports for localities under inter-sectoral and -regional key target investment support programs on natural resource and environmental protection.

- To promote other capital sources from the population and enterprises and foreign direct investment for natural resource and environmental protection projects.

- To allow enterprises to use pre-tax profits for investment in post-production waste treatment.

- To improve the operation of the Vietnam Environment Facility. To develop a system of environmental protection facilities of branches and localities.

- To expand and specify a list of works and investment projects on natural resource and environmental protection to be included in the list of projects eligible for investment incentives and support.

- To tap other capital sources from the population and enterprises.

- To support natural resource and environmental protection projects through providing interest-free or low-interest loans.

- To support small- and medium-sized enterprises and craft villages in building environmental treatment facilities under programs and projects eligible for state preferential credit.

- To formulate an environmental value accounting system at corporate level.

5. Group of incentive policies on human resources

- To incorporate environmental education into school curricula at all levels.

- To study and promulgate specific preferential treatment policies and regimes; to guarantee a full material and spiritual life for natural resources and environment sector employees and workers.

- To accelerate international integration in the training of natural resource and environmental protection officials.

6. Group of incentive policies on science and technology

- To allocate proper budget funds for research and application of advanced technologies in natural resource and environmental protection; to study and apply domestic technologies in replacement of imported ones.

- To provide financial supports or partial price subsidies for the application of scientific and technological advances at production and business establishments toward cleaner production.

- To amend regulations on technology transfer toward simplifying administrative procedures and reducing taxes.

- To encourage enterprises to study and apply scientific and technological advances to

environmental treatment to raise their production efficiency.

- To support the import of new technologies and receive and master imported technologies; to guarantee rights to intellectual property and announcement, exchange, transfer and sale of research results.

- To develop international cooperation on scientific and technological research and exchange.

Article 2. Organization of the Scheme implementation

1. The Ministry of Natural Resources and Environment

- To promulgate land incentives for natural resource and environmental protection projects eligible for investment incentives under the Investment Law.

- To formulate incentive mechanisms and policies for organizations and individuals providing environmental sanitation services through bidding.

- To formulate a national target program on environmental protection for community health.

- To complete mechanisms and policies on investments funded by the Vietnam Environment Facility and establishment and use of capital of sectoral and local environmental protection facilities.

2. The Ministry of Planning and Investment

- To review, set and update targets and indicators on natural resources and environment.

- To make a list of investment projects on, and adopt an investment plan for, natural resource and environmental protection up to 2015; to figure out fund raising solutions for implementation, including state budget, non-state budget and foreign capital sources.

- To formulate inter-sectoral and inter-regional coordination mechanisms for the implementation of environmental projects with inter-sectoral and inter-regional impacts. To act as the key agency for the implementation of these mechanisms.

- To complete the set of planned targets on natural resources, environment and sustainable development and assure the incorporation of these targets into 2010-2015 socio-economic development plans of the country, ministries, central branches and localities.

- To formulate mechanisms and policies to implement the approved sustainable development strategic orientation. To supervise and evaluate the fulfillment of sustainable development goals.

- To make reports on current budget spending on natural resources and environment, including domestic and ODA-funded investment; to analyze the impacts of investment in and spending on this sector on the environmental quality improvement and natural resources conservation.

3. The Ministry of Science and Technology

- To formulate schemes to survey and evaluate technological levels of enterprises nationwide operating in the domains affecting the environment and ecology.

- To formulate a legal framework for the process to verify, monitor and appraise waste treatment technological lines.

- To formulate a scheme on organization of a network to provide technological consultancy on treatment of industrial, daily-life and medical waste for enterprises.

- To adopt plans to renew technologies of enterprises towards environmental friendliness.

4. The Ministry of Finance

- To review, supplement and amend financial

policies to assist enterprises in renewing technologies in natural resources and environment.

- To formulate financial mechanisms for budget- and credit-funded investments in natural resource and environmental protection.

- To complete policies on environmental taxes and charges.

- To promulgate policies on exemption from or reduction of turnover, value-added and environmental taxes and environmental protection charges; import of machinery, equipment, vehicles and tools for collection, storage, transportation, recycling and treatment; environmental observation and analysis; and production of clean and renewable energies.

- To promulgate production support policies for products recycled from waste, energy obtained from waste destruction and environmentally friendly products substituting natural raw materials.

- To promulgate policies to exempt from or reduce taxes and charges for waste recycling, treatment and burial and production of clean and renewable energies.

- To guide financial incentive and support mechanisms for the socialization of investment in solid waste management.

- To specify levels of deposit for environmental improvement and restoration applicable to each natural resource.

5. The Ministry of Industry and Trade

- To formulate mechanisms and policies requiring industrial parks and industrial production plants (mining, paper and chemical production, mineral processing, food processing) to plan and build areas for renewing, recycling and treating waste; re-use waste and apply ISO 14001 standards, and banning them from directly

discharging waste into the environment.

- To promulgate incentive policies for the production and use of packagings, which are made from organic substances or disintegrable in the nature, and development of ecological-label and other environmentally friendly products and concurrently adopt policies to ban the production and use of packagings made of nylon and materials difficult to disintegrate, causing environmental pollution.

- To coordinate with concerned ministries and branches in formulating mechanisms and policies to promote and apply the model of safe production enterprises to mitigate environmental pollution.

- To study and propose mechanisms and policies to develop environmental industries and services.

- To formulate a clean production strategy and submit it to the Prime Minister for promulgation and direction for implementation.

6. The Ministry of Agriculture and Rural Development

- To formulate policies for implementation of the national action program to combat desertification in the 2006-2010 period.

- To formulate and implement a project on general and statistical surveys on forests for the 2010-2015 period, to elaborate, and organize the implementation of, a government decree on payment for forest environmental services and another on organization and management of special-use forests; to formulate and submit to the Prime Minister for promulgation mechanisms and policies on land allocation and long-term and stable allocation and contracted protection of forests to households and village communities; to renew a number of major aspects of forest development policies for the 2008-2020 period.

- To promulgate incentive mechanisms for economic sectors to provide clean water and environmental sanitation services in rural areas; to set price brackets and guide principles and methods for calculating rural daily-life water prices; to encourage the use of plastic and metal materials to substitute natural wood in shipbuilding.

- To plan and develop the sector's production associated with the formulation of programs on environmental protection in agriculture and rural areas (planning on coffee and rubber development, food processing and preservation and development of rural craft villages) and submit these plans to the Prime Minister for approval.

- To elaborate master plans and plans on development of special-use forests (natural reserves, national parks, marine reserves and domestic aquatic species conservation zones), and protection and production forests and submit them to the Prime Minister for approval.

7. The Ministry of Construction

- To elaborate documents guiding state incentives and facilitation for project formulation, evaluation and approval; regulations on partnership and cooperation in investment in water drainage systems in urban areas; to encourage economic sectors to build water drainage systems, to encourage the use of building materials substituting natural wood.

- To sum up investment promotion and support policies for wastewater and solid waste management under current law.

- To coordinate with the Ministry of Finance in studying and separating the charge for water drainage services from that for wastewater treatment services to ensure recovery of investment capital and cover expenses for the operation and management of water drainage and

wastewater treatment systems.

- To elaborate a master plan to build a system of solid waste treatment works and submit it to the Prime Minister for approval (under the Government's Decree No. 04/2008/ND-CP of January 11, 2008); to submit to the Prime Minister for promulgation policies on preferential enterprise income tax rates applicable to investors of solid waste treatment works for the whole project life because this is an area entitled to special investment incentives.

8. The Ministry of Education and Training

- To continue incorporating environmental education into school curricula at all levels and renew training programs.

- To increase investment in and upgrade the system of environmental science and technology laboratories.

- To enhance study, exchange, research and participation in international and regional research schemes on natural resource and environmental protection.

9. Provinces and centrally run cities

- To elaborate sustainable development strategies (Agenda 21) of their localities; to specify natural resource and environmental protection targets of their localities in line with national environmental and sustainable development targets.

- When planning construction development, to coordinate with ministries, central branches and neighboring localities in implementing natural resource and environmental protection projects.

- Administrations at all levels shall work out and take measures to mitigate waste from sources and renew, recycle and re-use waste.

10. Enterprises

- To evaluate their existing technologies and impacts of their production and business activities on the environment and ecology.

- To elaborate technological renewal plans to avoid environmental damage; to propose support mechanisms and policies for them.

- To work out solutions to train their managerial staff in charge of environmental pollution treatment technologies.

- To work out schemes to cooperate or enter into joint ventures with technological research institutions in providing consultancy for, studying, and guiding and training staff in environmental technology transfer to reduce environmental damage

- To implement the clean production strategy under the Ministry of Industry and Trade's guidance.

Article 3. Ministries, branches and localities shall, based on the Scheme, elaborate and promulgate or submit to competent authorities for promulgation specific mechanisms and policies. The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with ministries, branches and localities in, monitoring and reviewing implementation results and incorporating them in five-year socio-economic development plans.

Article 4. This Decision takes effect on December 20, 2009.

Article 5. Ministers, heads of ministerial-level agencies, heads of government-attached agencies and chairpersons of provincial-level People's Committees shall implement this Decision.-

For the Prime Minister
Deputy Prime Minister
NGUYEN SINH HUNG