

**THE GOVERNMENT**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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No. 144/2016/ND-CP

*Ha Noi, November 01, 2016*

## **DECREE**

### **PROVIDING FOR A NUMBER OF PECULIAR MECHANISM RELATING TO INVESTMENT, FINANCE, BUDGET AND MANAGEMENT OF DA NANG CITY**

*Pursuant to the Law of Government organization dated June 19, 2015;*

*Pursuant to the Law on State budget dated June 25, 2015;*

*Pursuant to the Law on Public debt management dated June 17, 2009;*

*Pursuant to the Law on Construction dated June 18, 2014;*

*Pursuant to the Law on Housing dated November 25, 2014;*

*Pursuant to the Law on Land dated November 29, 2013;*

*Pursuant to the Law on Urban Planning dated June 29, 2009;*

*Pursuant to the Law on public investment dated June 18, 2014;*

*At the request of the Minister of Finance;*

*The Government hereby promulgates the Decree providing for a number of peculiar mechanisms relating to investment, finance, budget and management of Da Nang city.*

## **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1. Scope of regulation**

This Decree provides for a number of peculiar mechanisms relating to investment, finance, budget and management of Da Nang city (hereinafter also referred to as the City).

#### **Article 2. Rules for formulating peculiar mechanism**

1. Such peculiar mechanism is for promote the socio-economic development of the City, enable the City to uphold advantages to become one of the great cities of Vietnam and become a great

socio-economic center as a center of industry, commerce and service of the Middle of Vietnam by 2020, create an important motivation for the development of provinces of the Middle of Vietnam and the Central Highlands.

2. The decentralization in management must be in association with the increase in the responsibility of the People's Council and the People's Committee of the City and raise the sense of initiative and creative and develop effectively the potentiality and the strength of the City in the conduct of socio-economic development targets of local area.

## **Chapter II**

### **MECHANISM FOR RAISING CAPITALS FOR INVESTMENT**

#### **Article 3. Raising investments and supports from the state budget**

1. The City may apply for investment loans from domestic organizations or individuals in form of municipal bonds and other forms according to law or on-lending loans from the Government. The outstanding debt (including domestic loans from the issue of municipal bonds or on-lending loans from the Government and other domestic loans prescribed by law) of the City's budget must not exceed 40% of the local budget revenues which are allocated according to competence and included in the annual the State budget deficits prescribed by National Assembly.

2. The Government shall priorly provide an amount from the central budget for the City's budget to contribute in the conduct of project in form of multi-regional Public-private partnership (PPP) in the City's area.

3. The Government shall priorly allocate sufficiently and purposefully the supplement capitals to the City's budget to conduct socio-economic development projects of the City and other regional projects of the Middle of Vietnam and the Central Highlands.

#### **Article 4. Raising Official Development Assistance (ODA) and concessional loans from foreign sponsors**

1. The Government shall prioritize the raising of Official Development Assistance (ODA) for the City to implement important infrastructural investment projects included in the spending of the City's budget. The allocation of reciprocal capital for such projects shall be ensured by the City's budget.

2. The Government shall prioritize the allocation of concessional loans in form of on-lending loan to implement PPP projects in the City.

3. People's Committee of the City may approved the projects and/or decisions on acceptance of non-refundable assistance (ODA or foreign non-governmental assistance) for projects and programs which are regardless of the scope of the assistance, excluding technical assistance related to the institution, religion, law, administrative, national defense and security reform prescribed by the Prime Minister.

the President of the People's Committee of the City shall be responsible for receiving, managing and using effectively such assistance, and finalizing and recording it according to law; annually reporting to the Ministry of Finance and the Ministry of Planning and Investment for monitoring, supervising and reporting to the Prime Minister.

### **Chapter III**

## **FINANCE AND BUDGET MECHANISM**

### **Article 5. Peculiar mechanism for budget**

1. The central budget sends purposefully to Da Nang City 70% of the increase in receipts in comparison with the estimates allocated by the Prime Minister from the revenues to be divided between the state budget and local budget (after awarding for revenue increase according to the Law on State budget No. 83/2015/QH13) and central government revenues enjoying 100% (excluding the revenues: the VAT of imported goods; the revenues not arising in the area of the City but are only settled in the City; the cost-accounting for revenues and expenditures and the revenues are retained in the unit for management spending through the State budget as prescribed by law); but must not exceed the revenue increase in the central budget of local government in comparison with the previous year.

On the basis of the revenue increase of the central budget and its balance, the Government shall request the Standing committee of the National Assembly of the Socialist Republic of Vietnam to make decision on the amount of purposeful supplement to Da Nang City as prescribed in the Law on State budget No. 83/2015/QH13 and the peculiar mechanism of Da Nang City prescribed in this Article.

2. The amount of the purposeful supplement from the revenue increase specified in clause 1 of this Article shall be used as follows: the City shall prioritize paying unsettled debts derived from infrastructural development; invest in infrastructural construction; invest in hi-tech zones of Da Nang City; allocate reciprocal capital for ODA projects; repay loans; conduct important tasks to serve the development of socio-economic, national defense and security and social safety of the City and award the inferior budgets. People's Committee of the City shall request People's Council of the City to specify the amount allocated to each objectives and/or tasks and awarded to the inferior budgets.

3. In the first year of the new budget stabilization period, the Government shall assign the Ministry of Finance to preside over and cooperate with relevant ministries and regulatory bodies to request competent authorities to consider stabilizing the regulating rate for the City's budget to ensure the resources to implement socio-economic development targets of the City and projects carrying the characteristics of the Middle of Vietnam and the Central Highlands.

**Article 6.** The City may reduce a part of loan interests for organizations/individuals that applied for loans to invest in important socio-economic development projects which are recoverable in the scope and capacity of the City's budget.

**Article 7.** The City may sell social housing invested by the State budget in form of lumpsum payment to re-invest in the construction of other social housing in local area. People's Committee of the City shall establish and report to the Ministry of Construction a Project in writing before conducting and implementing it.

## **Chapter IV**

### **MECHANISM FOR MANAGEMENT**

#### **Article 8. Adjustment of general socio-economic development planning**

On the basis of the agreement with specialized ministries; People's Committee of the City shall formulate, assess and approve the adjustment of the general socio-economic development planning which has been approved by the Prime Minister after collecting opinions of People's Council of the City in accordance with the development of local area in specific period and report to the Prime Minister the results.

#### **Article 9. Urban planning and management of construction investment**

1. The City shall preside over the conduct of appraisal of technical designs and construction estimates (applicable to 3-step design), appraisal of construction drawings and construction estimate (applicable to 2-step design) and inspect the acceptance of civil constructions and/or infrastructural works specified in Annex I and Annex II enclosed with this Decree which are constructed in the City's area (excluding works assigned by the Prime Minister to construction authorities affiliated to the Ministry of Construction and ministries in charge of the specialized constructions; constructions in projects invested by the Ministry of Construction and the specialized ministries; constructions invested by economic corporations and/or state-owned general companies under their own management).

2. Pursuant to the general planning, regional planning and the urban developing area, People's Committee of the City may transfer the land use right to people to for building housing according to the detailed planning of the approved projects for areas which have been infrastructurally constructed, ensuring the connection with the local infrastructural system and shall annually send report to the Ministry of Construction. For other cases, People's Committee of the City shall collect suggestions of the Ministry of Construction in writings before making decisions.

3. People's Committee of the City may grant approval for adjustment of up to 10% of the area of the industrial zones and/or hi-tech zones which must not exceed 30 ha in comparison with the initially approved planning. For partial adjustment of the general planning and/or urban planning, People's Committee of the City shall grant approval after collecting opinions of the Ministry of Construction and shall report the Prime Minister the results.

## **Chapter V**

### **IMPLEMENTARY CLAUSE**

## **Article 10. Effect**

This Decree takes effect from January 01, 2017. Decision No. 13/2006/QĐ-TTg dated January 16, 2006 by the Prime Minister shall be annulled by the effect of this Decree.

## **Article 11. Organization of implementation**

1. The Minister of Finance shall cooperate with relevant ministries to provide guidance on peculiar financial mechanism for Da Nang City's budget according to provisions of this Decree.
2. Other contents regarding investment, finance, budget and management which are not provided for in this Decree shall comply with the applicable regulations.
3. Ministers, Heads of ministerial-level agencies, Heads of governmental agencies, Chairperson of People's Council and the President of the People's Committee of Da Nang City shall be responsible for implementing this Decree./.

**ON BEHAFT OF THE GOVERNMENT  
PRIME MINISTER**

**Nguyen Xuan Phuc**

## **ANNEX I**

### **CLASSIFICATION OF CONSTRUCTIONS ACCORDING TO CAPACITY AND LEVEL OF IMPORTANCE**

*(Enclosed with the Decree No. 144/2016/ND-CP dated November 01, 2016 by the Government)*

**Table 1.1. Classification of civil constructions**

| <b>No.</b>   | <b>Type of construction</b>  | <b>Classification criteria</b>         | <b>Classification level</b> |
|--------------|--|--|-----------------------------|
| <b>1.1.1</b> | <b>Education-related constructions</b>   |  |                             |
|              | Universities, colleges; junior colleges, vocational schools, technical worker's schools, professional training schools | Total number of students of the school | > 8,000 ÷ 15,000            |
| <b>1.1.2</b> | <b>Healthcare-related constructions</b>  |  |                             |

|              |   |  |  |
|--------------|---|--|--|
|              | Polyclinics, specialty hospitals  | Total number of patient beds of the hospital | 500 ÷ 750  |
| <b>1.1.3</b> | <b>Sport-related constructions</b>  |  |  |
|              | 1.1.3.1. Outdoor stadiums, outdoor sports facilities with grandstands   | Grandstand capacity (thousand seats)         | >20 ÷ 30   |
|              | 1.1.3.2. Sports stadiums with grandstands   | Grandstand capacity (thousand seats)         | 5 ÷ 6.0  |
| <b>1.1.4</b> | <b>Cultural constructions</b>   |  |  |
|              | Conference centers, theaters, recreation centers, clubs, cinemas, circuses, discotheques and cultural constructions attracting crowds   | Total capacity (thousand persons)            | >1.2 ÷ 2.0   |
| <b>1.1.5</b> | <b>Head offices of regulatory agencies</b>  |  |  |
|              | Offices of regulatory authorities, People's Committees and affiliated specialized agencies of all levels; head offices of political organizations and socio-political organizations | Level of importance                          | Head offices of Party's Committee, People's Council and People's Committee of the City |

**Notes:**

- Any construction not listed in the Table 1.1 shall be classified according to the Table 1.1 if its type is found in conformity with the types of constructions stated therein.

- If a construction is not listed in the Table 1.1 and its type is not in conformity with a type construction stated therein, it shall be classified according to the type and level of structure (as specified in Annex II).

**Table 1.2. Classification of infrastructural works**

| No.          | Type of construction  | Classification criteria                                    | Classification level |
|--------------|---|--|----------------------|
| <b>1.2.1</b> | <b>Water supply</b>   |  |                      |
|              | 1.2.1.1 Water plants, clean water treatment (including sludge treatment plants) | Total capacity (thousand m <sup>3</sup> per day and night) | 30 ÷ 200             |
|              | 1.2.1.2 Raw water, clean water pumping stations (including reservoirs if any)   | Total capacity (thousand m <sup>3</sup> per day and night) | 40 ÷ 250             |

|              |   |  |               |
|--------------|---|--|---------------|
| <b>1.2.2</b> | <b>Water drainage</b>   |  |               |
|              | 1.2.2.1 Detention basin   | Area (ha)  | 20 ÷ 30       |
|              | 1.2.2.2 Water pumping stations (including reservoirs if any)      | Total capacity (m <sup>3</sup> /s)                         | 25 ÷ 40       |
|              | 1.2.2.3 Wastewater treatment plants                               | Total capacity (thousand m <sup>3</sup> per day and night) | 20 ÷ 30       |
|              | 1.2.2.4 Wastewater pumping stations (including reservoirs if any) | Total capacity (m <sup>3</sup> /h)                         | 1,200 ÷ 1,800 |
|              | 1.2.2.5 Sludge treatment works                                    | Total capacity (thousand m <sup>3</sup> per day and night) | 1,000 ÷ 1,500 |
| <b>1.2.3</b> | <b>Solid waste treatment</b>                                      |  |               |
|              | 1.2.3.1 Normal solid waste treatment facilities                   |  |               |
|              | a) Transshipment stations   | Total capacity (tonne per day and night)                   | 500 ÷ 1,000   |
|              | b) Solid waste treatment facilities                               | Total capacity (tonne per day and night)                   | 200 ÷ 400     |
|              | 1.2.3.2 Hazardous solid waste treatment facilities                | Total capacity (tonne per day and night)                   | 100 ÷ 400     |
| <b>1.2.4</b> | <b>Green tree parks</b>   | Area (ha)  | 20 ÷ 100      |
| <b>1.2.5</b> | <b>Graveyards</b>   | Area (ha)  | 60 ÷ 100      |
| <b>1.2.6</b> | <b>Automobile parking houses</b>                                  |  |               |
|              | 1.2.6.1 Underground automobile parking houses*                    | Number of parking slots                                    | 500 ÷ 1,000   |
|              | 1.2.6.2 Floating automobile parking houses*                       | Number of parking slots                                    | 1,000 ÷ 2,000 |

**Notes:**

- Abbreviations used in Table 1.2: TC means the total capacity calculated for all of production lines in the project.

- (\*) Intended for automobiles with a maximum of 9 seats or trucks below 3,500 kg. In case of a mixed parking house (including motorbikes), 1 space for an automobile shall be converted into 6 spaces for motorbikes.

- Any infrastructural works whose name is not included in the Table 1.2 but its type is shall be classified according to Table 1.2.

- Any infrastructural works whose name and type are not listed in the Table 1.2 shall be classified according to the type and level of structure (as specified in Annex II).

## ANNEX II

### CLASSIFICATION OF CONSTRUCTION WORKS ACCORDING TO STRUCTURE (Enclosed with the Decree No. 144/2016/ND-CP dated November 01, 2016 by the Government)

**Table 2. Classification of construction works according to structure**

| No.        | Type of structure  | Classification criteria                        | Classification level |
|------------|--|--|----------------------|
| <b>2.1</b> | <b>2.1.1. House, house-shaped structures</b><br><br>Villas not below level III   | a) Height (m)                                  | >75 ÷ 120            |
|            |  | b) Number of stories                           | 20 ÷ 30              |
|            |  | c) Total floor area (thousand m <sup>2</sup> ) | >20 ÷ 50             |
|            | <b>2.1.2. Multi-storey works</b> (excluding structures in section 2.2)   | d) Largest span (m)                            | 100 ÷ 150            |
|            |  | dd) Underground depth (m)                      | 6 ÷ 18               |
|            | <b>2.1.3. Frame-shaped large span structures</b> (excluding cable car systems for transporting people and bridges)<br><br>E.g.: Welcome gate, bridge house, conveyor, traffic sign frame, structures of tollbooths and other similar large span structures | e) Number of underground stories               | 2 ÷ 4                |
| <b>2.2</b> | <b>Column, pier, tower shaped structures in civil constructions</b>  | Height of structure (m)                        | >75 ÷ 120            |
| <b>2.3</b> | <b>Pipe/culvert lines</b><br><br>(Applicable to pile/culvert lines with total length > 1000 m)   |  |                      |
|            | 2.3.1 Water supply pipelines (raw water or clean water)  | Inner diameter of pipes (mm)                   | 800 ÷ 3,000          |
|            | 2.3.3 Rainwater sewer lines  | Inner diameter of pipes (mm)                   | 2,000 ÷ 5,000        |
|            | 2.3.3 Waste water sewer lines  | Inner diameter of pipes (mm)                   | 1,000 ÷ 3,000        |
|            | 2.3.4 Tunnels (in information and communication works, technical tunnels in factories)   | Clearance width (m)                            | >3 ÷ 5               |
|            |  |  |                      |



***Notes:***

1. The determination of classification level based on structures is carried out as follows:

a) Based on characteristics of the works, determine types of structures according to sections in Table 2;

b) Determine level of works according to classification criteria for types of structures determined in Point a. Take determined highest class as the class of the works.

2. Glossaries used in classification criteria in Table 2 are construed as follows:

a) House, house-shaped structures mean cube-shaped works constructed on the ground, with or without load bearing and covering structures and roof.

b) Determination of height of structures:

- For construction works/structures in Section 2.1, height is calculated from ground elevation of the work/structure to its highest point (including attic floors or slope roof). For construction works/structures constructed on the different ground elevations, height shall be calculated from the lowest ground elevation. If top of the structure accommodates technical equipment such as antenna columns, lightning-arresting columns, solar energy equipment, metal water tanks, etc., height of such equipment shall not be included in the height of the construction.

- For structures in section 2.2: Structure height shall be calculated from the ground elevation to the highest point of the construction. For construction works/structures with different ground elevations, height shall be calculated from the lowest ground elevation. For pier, tower and support column structures for equipment, the structure height shall be calculated as the total height of equipment supporting pier and/or tower and equipment placed thereon;

c) Number of stories of a building/construction work includes all stories on the ground, including technical floors, mezzanine floors, attic floors or semi-underground floors (semi-underground floors are floors whose height is above or equal to the ground elevation point of the work.

d) Number of underground stories of a building/construction work includes all of underground floors, excluding semi-underground floors.

dd) Underground depth is the depth calculated from ground elevation point to the upper face of the deepest basement floor.

e) Largest structure span of a building/construction work is the maximum distance between adjacent piers (columns or walls) used to support the horizontal structures. Particularly for console structures, span distance is equal to 50% of the value prescribed in Table 2.

g) Total floor area of a building/construction work is the total area of all the floors including basement floors, semi-underground floors, technical floors and attic floors. Floor area of a floor

is the construction area of such floor including outer walls (or shared portion of the walls belonging to the structure) and area of logia, balcony, staircases, elevator shafts, technical boxes and chimneys./.