



# Draft Decree detailing the implementation of certain provisions of the Law on Water Resources 2023

Carrying out the assigned task of leading development of the Decree detailing the implementation of certain provisions of the Water Resources Law 2023 under the Government's Program for Building Legal Documents in 2024 of Government, on December 7, 2023, the Ministry of Natural Resources and Environment issued Decision No. 3726/QĐ-BTNMT on the establishment of the Drafting Board, the Editorial Team for the Decree, with members including representatives from relevant ministries, sectors, the Vietnam Chamber of Commerce and Industry. At the same time, conduct reviewing 20 laws, 22 decrees, and 2 international treaties in the field of water resources that Vietnam is a member to develop a report reviewing relevant legal documents and to build policy impact assessment report. Based on the provisions of the Water Resources Law and reports, the Ministry of Natural Resources and Environment has organized to develop the Draft Decree.

On December 18, 2023, the Ministry of Natural Resources and Environment organized a meeting with the Drafting Board and Editorial Team to discuss, provide feedback, make adjustments, and finalize the draft. By December 28, 2023, the Draft Decree (second version) was posted on the Government's electronic information portal, the Ministry of Natural Resources and Environment's website to gather feedback from agencies, organizations, and individuals as regulated (Official Dispatch No. 11049/BTNMT-TNN) and sent for feedback from ministries, ministerial-level agencies, People's Committees of centrally-run provinces and cities, and the Vietnam Chamber of Commerce and Industry (Official Dispatch No. 11050/BTNMT-TNN dated December 28, 2023). Subsequently, on January 30, 2024, the Ministry of Natural Resources and Environment continued to send Official Dispatch No. 706/BTNMT-TNN urging localities and relevant ministries to provide feedback on the Draft Decree. Based on the feedback received from ministries, agencies, and localities, the Ministry of Natural Resources and Environment completed the Draft Decree (third version). On February 28, 2024, the Ministry sent Official Dispatch No. 1231/BTNMT to the Ministry of Justice requesting an appraisal of the Draft Decree (third version). Following the results of the appraisal council meeting of the Ministry of Justice on March 8, 2024, the Ministry of Natural Resources and Environment finalized the draft according to the opinions of the council members and submitted it to the Party Committee's Standing Board on March 25, 2024.

The draft Decree consists of 8 Chapters, 126 Articles: Chapter I: General provisions (from Article 1 - Article 3). Chapter II: Basic investigation of water

resources and comprehensive river basin planning (RBP) (from Article 4 - Article 33). Chapter III: Protection of water resources and water source restoration (from Article 34 - Article 53). Chapter IV: Regulation, distribution, exploitation, and use of water resources (from Article 54 - Article 71). Chapter V: Prevention, control, and mitigation of water-related impacts (from Article 72 - Article 97). Chapter VI: Information system, water resources database and objects, scale, regime, parameters, monitoring indicators for water resources exploitation, water quality (from Article 98 - Article 124). Chapter VII: Implementation provisions (from Article 125 - Article 126).

The draft Decree is developed based on the principle of ensuring consistency, coherence, and alignment with the water resources law and other relevant legal provisions; inheriting and retaining appropriate provisions in the detailed implementation decrees of the Water Resources Law 2012, addressing overlapping and conflicting contents with other related legal provisions, while detailing the matters assigned to the Government by the Law; administrative procedures are specified to ensure clarity, specificity, ease of understanding, and transparency. Additionally, it specifically regulates remaining issues and challenges in the detailed decrees of the 2012 Water Resources Law, aligning with the provisions of the Water Resources Law 2023 to ensure completeness, comprehensiveness, feasibility, and convenience for sectors, levels, agencies, especially for organizations and individuals involved in water exploitation and use in complying with water resources legal provisions.

The decree detailing the implementation of certain provisions of the Water Resources Law 2023 will provide detailed regulations on Article 7, paragraph 3 of Article 9, paragraph 4 of Article 9, Article 10, Article 17, Article 19, Article 23, Article 30, paragraph 3 of Article 31, Article 35, Article 37, paragraph 4 of Article 38, point a of paragraph 7 of Article 38, paragraph 8 of Article 38, paragraph 9 of Article 38,



Article 51, paragraph 6 of Article 63, paragraph 1 of Article 66, paragraph 2 of Article 66, Article 71, and Article 81 of the Water Resources Law on the national water resources information system and database; basic water resources investigation activities; establishment, appraisal, approval, and adjustment of comprehensive planning for basic water resources investigation; organization for conducting basic water resources investigation; preparation, appraisal, approval of inter-provincial river basin comprehensive planning; list of inter-provincial river basins requiring planning; review and adjustment of inter-provincial river basin comprehensive planning; water source protection zones; determination of groundwater exploitation thresholds; groundwater protection; water resource regulation and distribution; project scale, procedures, authorization for approving water transfer plans; operation procedures for dams, reservoirs, inter-reservoirs; objects, scale, regime, parameters, monitoring indicators for water resources exploitation, water quality and implementation roadmap; list of lakes, ponds, reservoirs, areas not to be filled in; prevention of erosion, landslides along riverbanks and lakeshores; water resource accounting and implementation roadmap; coordination, monitoring of water resource exploitation, use, protection activities; prevention, control, and mitigation of water-induced damages; organization and activities of river basin organizations.

The Decree applies to agencies, organizations, communities, households, and individuals engaging in activities related to the provisions specified in the decree on the territory of the Socialist Republic of Vietnam ■

**TRẦN TÂN**

## 1. INTRODUCTION

The vacant land tax is proposed by countries as a tool to reduce speculation, encourage land transactions to ensure the efficient overall use of land in cities. This perspective has a traditional origin from Henry George, the first to propose the idea of taxing vacant land in his work "Progress and Poverty" in 1879. He believed that holding vacant land was one of the causes of social inequality and economic crises at that time. According to Henry George, imposing a vacant land tax would encourage landowners to use the land for development purposes and make the overall economy more efficient, creating more wealth for society to address inequality. Today, from the perspective of urban development, many economists continue to support the use of this tool to change the behavior of private areas and prevent speculation, increase the housing supply. World Bank research (2016) on the vacant land tax in some countries shows that while the motivation for implementing a vacant land tax in developed countries is to address declining investment, in developing countries it is to combat speculation. In developing countries, although vacant land exists in cities for various reasons, rapid population growth along with urbanization processes make speculation the main reason for unused land. This is reflected in cases in Brazil, China, Colombia, South Korea, the Philippines, and Taiwan...

In Seoul (South Korea), when land prices increased by 136% in 1978 mainly due to speculation, the government responded by imposing a tax on vacant land. Any plot of vacant land left for more than two years would be subjected to a high real estate tax of 5%, 7% if vacant for 3 years, and 8% if vacant for 5 years, instead of the standard 2% if not left vacant. In 1979, the city of Pittsburgh (Pennsylvania, USA) imposed a vacant land tax six times higher than the tax on land in use, which resulted in positive outcomes in bringing land into use. Pittsburgh's building permits increased by 70.4%, while the average of 15 other cities decreased by 14.4% from 1979 to 1989. Washington DC also implemented an annual additional tax of 5%, higher than the basic tax rate of 0.83%. Similarly, Bogotá (Colombia) applied a tax rate of up to 30% for unused land. Furthermore, there were regulations stating that vacant land for more than two years could be reclaimed by the city and put up for public auction. As a result, in 2003, it was estimated that after the implementation of the vacant land tax, only 2,000 - 2,200 hectares out of the total 36,000 hectares in Bogotá remained vacant (Arujo de Larangeira 2003).

Real estate tax in general and vacant land tax in particular, besides their role in combating speculation, are also proposed to increase revenue for the city government (except for some exceptions like Latvia and Chile where it is a source of revenue for the central government). This stems from the tax management aspect, where compared to the central government, local governments understand the location, characteristics, and reasons for vacant land in order to design appropriate vacant land taxes. From a benefit-based tax perspective, there is a direct connection between the public services provided by local governments, which residents benefit from through local real estate taxes, making it easier for residents to accept.