

As assigned by the PM in Official Circular 83/VPCP-CCHC issued by the Government Office on Jan. 5, 2001, the HCMC government has worked with representatives from some ministries and governmental bodies of ministerial level to study and build a "Statute for HCMC Management and Development" (referred to as Statute hereafter).

Based on this assignment, the HCMC Administrative Reform Board held a workshop on "A Management Mechanism Suitable to HCMC" on Jan. 16, 2001. Many managers and researchers from central governmental bodies and institutes, HCMC universities and research institutes and HCMC municipal and district authorities attended and gave various opinions useful to the task of drafting the Statute.

To facilitate the task of drafting the Statute, the HCMC People's Committee made a decision to form a "Statute Drafting Group" headed by Mai Quốc Bình, member of the HCMC People's Committee, and Dr. Trần Du Lịch, director of the HCMC Economics Institute, as standing member who is responsible for organizing researches and drafting the Statute.

Based on previous studies, the Group worked out a detailed statute and sent it to HCMC authorities and district governments for opinions. The HCMC People's Committee also invited seven central governmental bodies (Government Personnel Board, Ministries of Justice; Planning and Investment; Finance; Transport and Communications; and Construction, and Land Registrar Department) to send experts to work with the group of drafters.

At present, the HCMC government is asking for opinions from both central governmental bodies and local authorities at municipal and district levels about the fourth draft of the Statute.

1. Objectives of the Statute

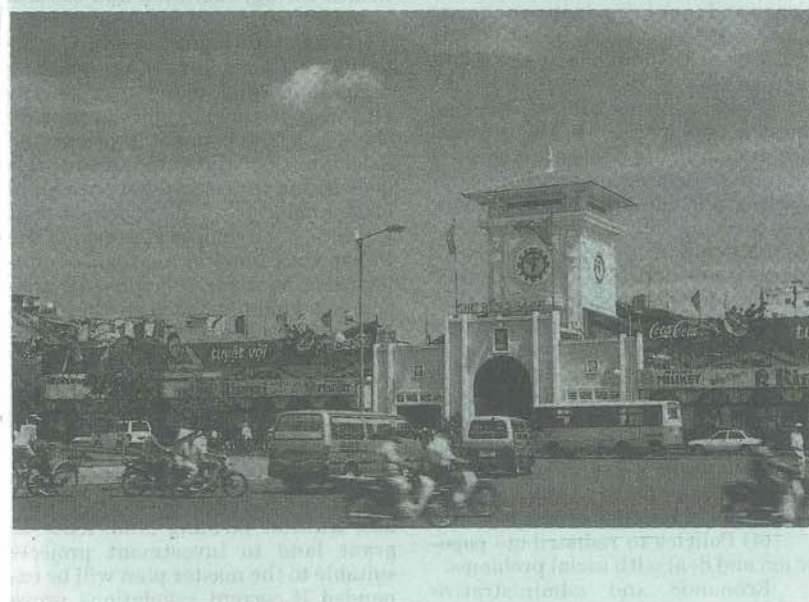
This Statute aims at providing HCMC with new policies and mechanisms for managing the socioeconomic development to make the most of its resources and potentials. By applying these policies to HCMC, necessary lessons could be drawn to make the administrative reforms in HCMC more efficient and appropriate.

2. Principles of building of the Statute

The Statute is based on four principles: (i) ensuring the overall direction of the central government and creativity of local governments and residents; (ii) determining rights and duties delegated to the HCMC gov-

A DRAFT STATUTE FOR HCMC DEVELOPMENT

by MAI QUỐC BÌNH



ernment needed for its decision making process; including the right to delegate its rights to subordinate bodies; (iii) making delegated rights consistent to duties in implementing functions; (iv) ensuring that the delegation of rights to the HCMC government is in accordance with current laws and at the same time providing the HCMC government with wider authority needed for controlling the local socioeconomic development. If a regulation outside the existing legal framework is needed, it could be applied to HCMC in a pilot scheme.

3. Main contents

The draft of statute for HCMC development includes eight chapters.

- Chapter 1: General clauses
- Chapter 2: Planning, investment and socioeconomic development in HCMC
- Chapter 3: Land and public building use
- Chapter 4: Town planning, infrastructure and environment
- Chapter 5: Public funds and property
- Chapter 6: Local administrative machinery and civil servants
- Chapter 7: Responsibility for implementing the statute
- Chapter 8: Implementation clause

All of chapters of this statute include three groups of contents:

a. New policies:

(1) Policies inviting all classes to engage in supplying services:

This statute maintains that the government encourages the supply of all services, both professional and public ones, by non-state sectors and concentrates on its supervision role with a view to enhancing its efficiency and tapping private resources.

(2) Policies to mobilize private investment to supplement the public investment:

These policies aim at allowing more autonomy for HCMC authorities in mobilizing domestic sources of finance by issuing project bonds, attracting idle capital from the public, and carrying out a pilot scheme to selling bonds to foreign buyers with guarantee or approval by the central government. These sources of finance are to be used for investment projects partly financed by the government.

(3) Policies to head-hunt:

Besides usually pay set by the financial authorities, HCMC government could offer supplementary payment to senior civil servants and professionals in order to encourage them to stay on or take jobs in suburbs.

(4) Policies to redistribute population and deal with social problems:

Economic and administrative

measures are to be taken to redistribute population of inner city and new district in suburbs, create new jobs and deal with social evils (prostitution, drug pushing, begging, etc.)

(5) Policies to develop public service vehicles and protect the environment:

Non-state sectors are encouraged to invest in public transport service. Polluting factories should be relocated according to plans. A pilot scheme to collect pollution fee and a campaign to plant trees in the city will be started.



b. Administrative reforms and delegation of rights to HCMC authorities:

(1) Rights to make planning, investment, bidding and establishing health caring, education and cultural organizations:

The statute proposes two alternatives: (i) maintaining existing regulations and delegating to the HCMC government rights to approve the size of investment projects and delegate this right to subordinate bodies; and (ii) central governmental bodies make two lists of investment projects, one requires approval of the PM and one requires approval of ministries or ministerial bodies. All projects not being included in those two lists are decided by HCMC authorities regardless of their size and fund. The second alternative is totally different from the old regulation.

(2) Management of land and buildings:

The HCMC government's authority to change purposes of land use, transfer farming land, lease or grant land to investment projects suitable to the master plan will be expanded if current regulations prove

unsuitable to developments in HCMC with a view to tapping all possible resources to the maximum for development.

(3) Delegation of rights to control local budget and public property:

The central government provides the HCMC government with more autonomy in controlling the local budget income and expenditure by setting its contribution to the central budget at a 60% level in a 5-year period. Of 40% of income retained, the HCMC government can use it for local development programs.

(4) Delegation of rights to control state-owned companies:

The PM will ask the Ministry of Planning and Investment to cooperate with other ministries in rearranging the system of state-owned companies operating in HCMC. The HCMC government is delegated to decide on formation, dissolution and transfer of ownership of state companies in HCMC and report to the Ministry of Finance.

(5) Delegation of rights to control the administrative machinery and civil servants:

The HCMC government is allowed to reorganize its subordinate bodies, recruit new civil servants, make cadres working at ward level civil servants, appoint or remove office holders for the purposes of enhancing the performance of the administrative machinery.

(6) Delegation of rights to deal with violations of city order.

c. Piloting new mechanisms:

(1) The HCMC is allowed to pilot and introduce on a larger scale certain schemes approved by the central government, including: granting land to companies; granting land in new residential areas to foreign developers for the purpose of building houses and flats for sale; allowing public service to balance their income and expenditure; and applying the "one-door" mechanism in reforming administrative procedures.

(2) The HCMC will ask for approval for some other pilot institutions, including the organization of an army of city wardens and finance companies responsible for employing efficiently public funds

All of the above-mentioned issues are included in the draft of the Statute which will be submitted to the PM for approval in June 2001 ■

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