

Unofficial Translation



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

Ministry of Communication, Transport
Post and Construction

No.7681/ CTPC
Vientiane, 29 /03/2000

Decision

Of Minister on Construction Management

- Pursuant to the Law on Urban Planning No. 03/NA, dated 03/04/1999
Precedential Decree on the Promulgation No 11 PO dated 26/04/1999;
- Pursuant to Prime Minister's Decree on the Organization and Operation of the
Communication, Transport, Post and Construction, No. 66/PM, dated 20/05/99.

The Minister of Communication, Transport, Post and Construction

hereby issued a Decision:

Part 1 **General Provision**

Article 1: Objective

This Decision sets rules for construction management related to the following:

1. The proper management of construction in compliance with municipal and urban planning policies, rules and regulations. Construction activities and construction projects are not to have any detrimental effects to the prosperity, beauty, safety, cleanliness and the architecture, views of the capital, special zones and other cities that have historical value whether culture- and /or natural environment;
To serve as a reference document for construction inspection, construction certification and filing of documents for owner rights, registration for construction and for implementation of measures and penalties on persons who violate laws and regulations.

To facilitate prompt and convenient construction approval.

Article 2: Scope of Application

This Decision applies to all construction activities including construction by government, and domestic and foreign private sectors in urban areas and communities as defined in urban planning laws, save the following:

1. Construction activities of government approved investment projects;
2. Construction activities directly of confidential nature related to national defence and security;
3. Construction related to urban infrastructure development projects that have been approved in urban planning;
4. Construction activities in industrial areas, special economic zones, new city development areas and townhouses that have detailed designs, techniques and planning documents that have been approved by the Urban Planning Management Authority and other relevant technical authority in accordance with Lao PDR's laws and regulations;
 1. of construction area;
 2. Overall plant (drawing of the dirty water drainage system, rain and surrounding construction or in cases of repair with building expansion there shall be a drawing of building to be expanded), architectural and technical plant designed by a survey and architecture company that is compliant with laws;
 3. Contract between construction applicant and owners or users of nearby buildings or representatives of such owners who received the land use rights and land management or buildings that are compliant with laws;
 4. For the conservation city area, document preparation for construction approval shall be implemented according to specific regulations;

Article 6: Construction License

- A Construction license is a document that certifies construction approval and is effective within the period of 3 months from the date of signature. In cases where the construction has been started within the provided time, the license is valid and can be used as evidence until completion of construction as planned. In cases where the construction has not started within the provided time, the applicant shall request an extension, but no more than 2 times, if construction has not started within the granted extended time, the issued license shall immediately be invalid.

Article 7: Types of Construction License

There are 4 types of construction licenses as follows:

1. Construction consists of constructing new buildings, parts related to buildings and construction for public areas as described in Article 3 of this Decision;

2. Major repair consists of large repair works, structure adjustment, exterior modification, expansion, demolition, dismantlement, moving and changing usage of other construction;
3. Excavation or filling up the earth consists of digging or filling up earth for construction and other activities;
4. Installation consists of setting up electricity poles, telephone poles, antennas, advertisement signs and so on.

Article 8: Level of the Construction

In order to hasten the consideration of the construction approval process, this Decision divides construction into 2 levels as set out below:

- Level 1: consists of excavation or fill up, repair, installation and construction of buildings or new small construction that has low impacts on the environment and surroundings;
- Level 2 : consists of excavation or fill up the, repair, installation and construction of buildings or new big construction that has medium to high impacts on the environment and surroundings;

Details of level division of construction are described in Annex 2.

Article 9: Analysis and Construction Approval Procedures

After relevant levels of the Construction Management Authority has received documents from an applicant, the authority shall start an analysis and approval process according to the following procedures:

1. Accept application and issue a receipt for the construction applicant after an examination of documents show that they are completed as described in Article 05 of this Decision;
2. Distinguish the construction level as described in Article 08 then consider the construction approval according to each level as follows:
 - Level 1 Construction Management Authority at district level is assigned to consider approval;
 - Level 2 forward to Construction Management Authority at provincial level to consider approval.
3. Inspect construction site and consider the accuracy of construction application based on the urban planning and relevant regulations as follows:
 - General urban planning which is officially approved;
 - Urban planning for dividing area and specific land use regulations;
 - Regulations, provisions or notifications for city management and construction, architectural preservation, ancient sites, environment and other related legislation.

In cases where designs are not compliant with the urban planning and above mentioned relevant regulations or some documents are unclear and do not meet the technical standard, the relevant level of Construction Management Authority shall inform the construction applicant within 07 days for noting and signing for withdrawing the application in order to reapply after correction.

4. When considering the construction application and it is found to be correct, the construction approval shall be issued within 30 days from the receipt date of the correct documents.

Article 10: Storage and Copy of the Construction Documents

After issuing the license and accuracy certification of construction, the storage and copy of the construction documents in each level are as follows:

- Level 1: Construction Management Authority at district level or municipality issue 2 sets of license and accuracy certification of construction;
 - 1 set for the applicant;
 - 1 set for storage.
- Level 2: Construction Management Authority at provincial level, Capital and special zones issue 3 sets of license and accuracy certification of construction;
 - 1 set for the applicant;
 - 1 set for the Construction Management Authority at district level or municipality for monitoring;
 - 1 set for storage.

Part III

Inspection and Accuracy Certification of Construction

Article 11: Construction Inspection

The Construction Management Authority at district and provincial level shall inspect construction activities that have been approved at least 02 times prior the completion of those constructions in order to manage the construction to be in line with the approval.

Each inspection shall make a record in collaboration with the construction owner as evidence. If found that the construction is not compliant with the approval, the measures described in Part VI, Article 21 of this Decision shall be implemented.

Article 12: Issuing the Accuracy Certification

- After the completion of construction, an approved constructor shall inform the Construction Management Authority in writing within 15 days. The relevant level of the Construction Management Authority shall perform the final inspection and issue the accuracy certificate if they have found that the construction is compliant with the approval;
- An Accuracy certificate is an important legal document and is valid until there are any changes of the construction.

Part IV

Construction Supervisory and Inspection Authority

Article 13: Construction Supervisory and Inspection Authority

The Construction Supervisory and Inspection Authority consists of the following levels:

1. At central level: Ministry of Communication, Transport, Post and Construction;
2. At provincial level: Division of Communication, Transport, Post and Construction in provinces;
3. At district level: Communication Transport Post and Construction Office of districts, assigned Urban Development and Planning Authority;
4. At village level: Village Management Authority.

Article 14: Rights and Duties of Ministry of Communication, Transport, Post and Construction

The Ministry of Communication, Transport, Post and Construction has the following main rights and duties on construction supervision:

1. To issue requirements, regulations related to construction supervision and inspection for harmonized implementation across the country;
2. To provide comments on investment projects of big construction which are to be approved by the government;
3. To collect statistics, inspect the implementation of urban planning regulations and construction supervision across the country;
4. To disseminate requirements, rules, regulations, and issue the guideline on urban planning and construction as well as provide information, useful news to the public for their awareness and accurate implementation;
5. To implement other duties related to construction supervision as assigned by high level;

Article 15: Rights and Duties of Division of Communication, Transport, Post and Construction

The Division of Communication, Transport, Post and Construction has the following main rights and duties on construction :

1. To issue the construction license and accuracy certification for construction at level 2 as provided in this Decision, to participate in the committee of investment projects for big construction in provinces, Vientiane Capital and special zones under its responsibility;
2. To coordinate, cooperate and seek comments from relevant sectors in order to perform duties in construction effectively;
3. To collect statistics, inspect the implementation of urban planning regulations and construction in provinces, Vientiane Capital and its special zones;
4. To collect fees from issuing construction license and accuracy certificate including other fines in accordance with the laws and regulations;
5. To disseminate requirements, rules, regulations on urban planning and construction, as well as raise attitude of communities to participate in construction

supervisory tasks, provide information, useful news to public for their awareness and accurate implementation;

6. To implement other duties related to construction supervisory as assigned by high level;

Article 16: Rights and Duties of Communication, Transport, Post and Construction Office in Districts and Municipality.

The Communication, Transport, Post and Construction Office in districts and municipality has the following main rights and duties on construction supervisory:

1. To consider issuing construction license and accuracy certification for construction at level 1 in accordance with this Decision;
2. To cooperate and seek comments from relevant sectors in order to perform duties in construction supervisory effectively;
3. To collect fees from issuing construction license and accuracy certificate according to level of its responsibility, laws and regulations;
4. To coordinate with the relevant village authority to monitor construction according with its responsibility and implement measures to persons who violate this Decision;
5. To collect statistics, inspect the implementation of urban planning regulations, construction supervisory under its area of responsibility and report the implementation of construction supervision of district or municipality to higher level every 6 months;
6. To disseminate requirements, rules, regulations on urban planning and construction, as well as raise attitude of communities to participate in construction supervisory tasks, provide information, useful news to the public for their awareness and accurate implementation;
7. To implement other duties related to construction supervisory as assigned by high level;

Article 17: Rights and Duties of Village Management Authority

The Village Management Authority has the following rights and duties to supervise construction:

1. To inspect the construction site and certify accuracy for contract with neighboring residence between construction applicant and the owner or land user or surrounding buildings;
2. To monitor construction and provide dispute resolution related to construction in its village area. If violation of the urban planning regulations and construction is found, the Village Management Authority shall immediately inform the construction supervisory at district level or municipality;
3. To implement other duties related to construction supervisory as assigned by high level;

Chapter V

Duties and Responsibilities of Applicants who have received Construction Approval and Construction Contractors

Article 18: Duties and Responsibilities of Applicants who have received Construction Approval

Applicants who have received Construction Approval have the following rights and responsibilities:

1. Such Applicants shall inform the Construction Supervisory Authority who issues approval about actual construction starting date and put up a sign at the front or a place that is easy to be seen in the construction area providing information on the construction business. The details of size and content of the sign have been provided in Annex 7;
2. Such Applicants shall construct as the approved documents. In cases where there is a need to adjust approved plan, request for new approval shall be made in accordance with the regulations;
3. During the construction, such Applicants shall coordinate with the contractor on strict security measures, maintain order and environment in order to prevent negative impacts to surrounding residence or to public;
4. Such Applicants shall cooperate, reveal license and all construction document set and strictly follow the guidance of officers of the Construction Supervisory Authority who are on inspection;
5. In cases found where the Construction Supervisory Authority has not rightly perform duties, using position for their own benefit or exercise rights more than its scope, such Applicants shall inform the relevant government authority for immediate resolution;
6. After construction completion, such Applicants shall inform the Construction Supervisory Authority for inspection and issue accuracy certification.

Article 19: Duties and Responsibilities of Construction Contractors

Construction contractors have the following duties and responsibilities:

1. To allocate the vehicles, tools, equipment and materials for construction or repair in suitable area that do not block transportation, not disturb, are not dirty or create damages for other people, buildings, surrounding area including an individual or passing by vehicles;
2. To build a fence around the construction site to prevent any accidents during constructing time or during the conduct of repairs, and to strictly implement safety measures, maintain order and environment;
3. To locate a plant for new construction along the lines provided in urban planning, the construction shall follow the approved design, ensure the technical standards;
4. After construction completion, shall clean the construction site including any debris from demolition, store vehicles, tools, equipment, components related to construction, wastes and so on in order to maintain order.

Chapter VI

Awards and Sanctions

Article 20: Awards for Good Performance

Individuals or organizations with outstanding performance in supervising and implementing urban planning regulations and other requirements related to construction will receive compliments and/or other appropriate rewards according to policy.

Article 21: Sanctions for Violation

Individuals or organizations that violate this Decision shall receive warnings and other measures depending on seriousness of the violation as follows:

- **Education measures:**

Individuals or organizations that violate this Decision will be educated as follow:

1. Construction owners who initially start construction but who did not follow the approved plant will receive education, warning and notice to stop construction and fix incorrect construction before being permitted to continue such construction;
2. Construction Contractors who position vehicles, tools, equipment and construction materials in any untidy manner, which block transportation or dirty the place will be educated and required to rearrange vehicles, tools, equipment and construction materials properly;
3. Construction Supervisory Officers who are not regularly active in monitoring the construction, and who do not make the detailed record during inspection and do not facilitate or appropriately cooperate to people who contact for construction will be educated, warned and may be punished depending on the cases.

- **Compensation measure:**

Construction owners or contractors who violate this Decision which lead to damages of state properties, public, or individual properties shall compensate for damages based on the value of the damage caused.

- **Fine measures:**

Individuals or organizations that violate this Decision will implement the following measures:

1. Construction owners who construct without the permission will be fined 10% of the completed construction value of the project and be required to stop the construction.

In cases where such construction is not compliant with urban planning and construction regulations, such construction owners shall amend such construction until such construction is in conformity and shall resend the request for construction approval in accordance with Article 05 above. After receiving the approval from the relevant Construction Supervisory Authority the construction can be continued.

- Construction owners who have been educated, but continue the violation, shall be fined 10% of the total construction value;
2. Construction contractors who have a construction license that have constructed for the construction owners who do not have the construction permission will be fined 10% of completed construction value and business activities may be suspended or construction business license will be withdrawn. Construction contractors who do not have a construction business license or using other person's license for construction will be fined 5% of the total construction value and be required to stop construction;
 3. Construction owners or contractors who keep sites in an untidy manner and block transportation, cause roads and water groove damage will be fined in accordance to relevant laws and regulations.

Chapter VII

Final Provisions

Article 22: Implementation

- Construction that exist prior to this decision will not be required to request construction approval, but construction owners can request for accuracy certification from relevant level of the Construction Supervisory Authority for their construction;
- Urban Planning Department is assigned to issue clear guideline for reference on harmonized implementation of construction supervisory across country and to cooperate with sectors and relevant local authority for enhancing inspection leading to effective construction supervisory implementation;
- Division of Communication, Transport, Post and Construction in provinces, Vientiane Capital and special zones is assigned to disseminate and implement this Decision effectively and strictly inspect the operation of Construction Supervisory Authority in each level.

Article 23: Effectiveness

This Decision is effective from the date of signature and replaces the Regulation on Construction Approval, No. 1512/CTPC, dated 28 September 1991. Requirements, regulations or other notifications that contradict to this Decision are terminated.

**Minister of Communication,
Transportation, Post and Construction**

(Signature and Seal)

Bouathong VONGLORKHAM