

# Vietnam’s 2-Tier Local Government Model: Implementation, Public Non-Business Unit Restructuring, and Commune-Level Adjustments

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## Introduction

Vietnam has been undergoing significant administrative reforms aimed at enhancing governance efficiency, public service delivery, and local autonomy. A cornerstone of these efforts is the transition towards a streamlined 2-tier local government model, moving away from the traditional 3-tier structure. This report delves into the implementation of this new model, focusing on the strategic restructuring of Public Non-Business Units (PNBUs) and the specific adjustments being made at the commune level. The reforms, initiated to optimize resource allocation, clarify responsibilities, and improve accountability, represent a critical step in Vietnam’s broader socio-economic development agenda (Government Decree on Local Administration). This analysis will explore the rationale behind these changes, the practicalities of their rollout, and their anticipated impact on local governance and public services across the nation, reflecting current developments up to September 2025.

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## The 2-Tier Local Government Model: Objectives and Launch

### Directives and Principles for Public Non-Business Unit Reorganization

The implementation of the 2-tier local government model in Vietnam has necessitated a comprehensive reorganization of public non-business units (PNBUs), particularly in the health and education sectors. This strategic rearrangement aims to streamline the administrative apparatus, enhance service delivery, and ensure efficiency in resource allocation. A key directive, Công văn số 03/CV-BCĐ, issued by the Steering Committee for Administrative Unit Arrangement and the Development of the 2-Tier Local Government Model on April 15, 2025, provided initial guidance for PNBUs, including those in health and education (in-text citation; in-text citation). This document, signed by Minister of Home Affairs Phạm Thị Thanh Trà, emphasized the organizational structure and personnel aspects during the implementation phase (in-text citation).

Further elaboration on the principles for reorganizing PNBUs at the local level was provided by Công văn 68/CV-BCĐ, issued on May 28, 2025, by the same Steering Committee. This document outlined the framework for restructuring PNBUs in response to the non-organization of the district level, the merger of communes, and the establishment of the 2-tier local government model, as mandated by Resolution No. 60-NQ/TW of April 12, 2025 (in-text citation). The core principles guiding this reorganization include ensuring that the rearrangement does not adversely affect the provision of basic and essential public services, does not increase the number of administrative units, and does not lead to an increase in state-funded personnel. Localities were tasked with proactively developing their reorganization plans, aligning them with the directives and adjusting them according to guidance from relevant ministries, with a deadline for completion set before June 15, 2025 (in-text citation). The aim is to ensure synchronized implementation with the 2-tier model and timely provision of public services (in-text citation).

### **Implementation Status and Challenges in Health and Education Sectors**

The reorganization of public non-business units, particularly in health and education, has seen varied approaches and encountered specific challenges across different localities. For instance, Hải Dương province's leadership directed the rearrangement of some public non-business units to provide inter-commune/ward services, while dissolving others deemed incompatible with the 2-tier local government model (in-text citation). During a specialized meeting, the Hải Dương Department of Home Affairs presented a preliminary plan for reorganizing health and education facilities, along with other public non-business units serving multiple communes and wards (in-text citation).

A significant challenge identified in the implementation process pertains to the management and utilization of public assets. The resolution of redundant headquarters, particularly their conversion into health facilities, educational institutions, or other public works, has faced considerable difficulties (in-text citation). This issue highlights the complexity of asset redistribution and repurposing in the context of administrative restructuring. The overarching goal remains to ensure that despite the reorganization, the provision of basic and essential public services, especially in health and education, is maintained and improved, without increasing the overall number of units or personnel funded by the state budget (in-text citation).

### **Commune-Level Operational Framework and Initial Performance**

The 2-tier local government model officially began operating on July 1, 2025, marking a significant administrative shift (in-text citation; in-text citation). This transition was described as a comprehensive administrative revolution, aiming for a thorough restructuring of territorial space, institutions, and administration (in-text citation). Initial assessments, just a week after the launch, indicated that the local government apparatus in provinces and cities began operating stably and smoothly, ensuring effective public service delivery. Citizens expressed satisfaction with the changes brought by the new model, particularly regarding administrative procedures (in-text citation). The model emphasizes bringing government closer to the people to address their legitimate rights and interests more promptly and fully, thereby improving the quality of public services (in-text citation).

To facilitate this, local governments, especially at the commune level, have been encouraged to implement flexible and effective solutions to meet practical needs. This includes adopting a “one-stop, multi-service” model to alleviate concerns about potential overload and delays in handling administrative procedures in populous new communes and wards (in-text citation). The government also stressed the importance of building mechanisms for public participation in supervising state agencies, social criticism, and evaluating the quality of public services to ensure a more responsive and accountable local government (in-text citation).

### **Human Resources, Infrastructure, and Legal Framework at the Grassroots Level**

Despite the initial positive feedback, the operationalization of the 2-tier local government model at the grassroots level has revealed several challenges concerning human resources, infrastructure, and the legal framework. A significant issue is the consolidation of the organizational apparatus and personnel after mergers, which has proven difficult. Human resources at the commune level are often characterized by being

simultaneously redundant and lacking, with limitations in both professional quality and technological skills (in-text citation). This imbalance poses a challenge to efficient governance and service delivery.

Infrastructure also presents limitations. Many localities report a shortage of adequate facilities, with some existing headquarters being dilapidated, cramped, or scattered. Public administrative service centers are often located far from residents, causing inconvenience ([in-text citation]

## **Policy Directives for Public Non-Business Unit Restructuring**

### **Framework for Public Non-Business Unit Reorganization**

The recent implementation of the 2-tier local government model in Vietnam has necessitated comprehensive directives for the restructuring of public non-business units (PNBUs) across various sectors. The overarching goal is to streamline operations, enhance efficiency, and ensure effective service delivery to citizens. The Ban Chỉ đạo (Steering Committee) for the arrangement of administrative units at all levels and the construction of the 2-tier local government model has issued key guidance, notably through Công văn số 03/CV-BCĐ dated April 15, 2025 (in-text citation). This document provides orientations for the organizational structure, leadership positions, functions, tasks, and powers of specialized agencies under the new commune-level People's Committees (UBND), as well as for PNBUs (in-text citation).

A core principle guiding the restructuring is the reduction of administrative units and the elimination of overlapping functions. The aim is to ensure that PNBUs operate effectively and efficiently, with a focus on providing multiple public services of the same type to significantly reduce the number of units and overcome redundancy (in-text citation). This directive applies to PNBUs under government agencies as well as those under specialized agencies of provincial-level People's Committees (Sở). For most provincial-level departments (excluding the Department of Education and Training and the Department of Health), the directive suggests maintaining only one PNBUs to serve state management functions, with remaining units expected to be self-sufficient in recurrent expenditures (in-text citation).

The restructuring process is mandated to align with Kết luận số 137-KL/TW and subsequent guidelines from specialized ministries (in-text citation). Provinces and centrally-run cities are tasked with proactively developing plans for PNBUs under their management, categorized by sector, and submitting them to the Standing Committee of the Party Committee of the Government for review and to the Ministry of Home Affairs for consolidation by September 25, 2025 (in-text citation). This timeline underscores the urgency and commitment to rapid implementation.

Furthermore, the directives emphasize the importance of ensuring consistency and synchronicity during the restructuring process. For instance, Hải Dương province has been directed to reorganize some PNBUs to provide inter-commune/ward services and dissolve units no longer compatible with the 2-tier local government model (in-text citation). The province currently has over 120 specialized departments and equivalents, and more than 700 PNBUs under the district-level People's Committees, primarily in education, culture, and information (in-text citation). This highlights the significant scale of the restructuring efforts at the local level.

### **Reconfiguration of Educational Non-Business Units**

The restructuring of public non-business units in the education sector is guided by specific principles aimed at optimizing service delivery while maintaining stability. A primary directive is to generally maintain the existing public middle schools, primary schools, and kindergartens. These institutions will be transferred to the management of the commune-level local government (in-text citation). This decentralization is intended to bring educational management closer to the local communities they serve, potentially allowing for more responsive governance.

For vocational education centers and continuing education centers currently under district-level People's Committees, the policy dictates a different approach. These centers will be transferred to the management of the Department of Education and Training (Sở Giáo dục và Đào tạo) and reorganized to provide services across multiple communes and wards (inter-commune/ward services) (in-text citation). This consolidation

at the provincial level for specialized education aims to achieve economies of scale and standardize service quality across a broader area, moving away from a fragmented district-level management.

The overarching principle for educational PNBUs is to ensure stability in the system, only undertaking restructuring when absolutely necessary and without negatively impacting essential services for the local population (in-text citation). This cautious approach reflects the critical role of education in community development. For mountainous, highland, and ethnic minority regions, there is an ongoing review and arrangement of schools to ensure convenient access for residents and students (in-text citation). This indicates a recognition of specific regional needs and a flexible application of the general directives.

The restructuring efforts in education are also informed by Nghị quyết số 71-NQ/TW dated August 22, 2025, of the Politburo, which outlines breakthroughs in education and training development (in-text citation). This resolution provides a higher-level strategic direction for educational reforms, which the PNBUs restructuring is designed to support. The focus on maintaining existing schools at the commune level and consolidating specialized centers at the provincial level represents a dual strategy: decentralizing basic education for local responsiveness while centralizing specialized education for efficiency and quality control across broader areas.

### **Restructuring of Healthcare Non-Business Units**

In the healthcare sector, policy directives for public non-business unit restructuring under the 2-tier local government model prioritize maintaining essential health services at the grassroots level while optimizing specialized services. A key directive is to maintain the existing commune and ward health stations (Trạm Y tế xã, phường) to meet the healthcare needs of the local population (in-text citation). This ensures that primary healthcare remains accessible and close to citizens, which is crucial for public health.

However, based on the area and population size of the newly arranged commune-level administrative units, the provincial-level People's Committees (UBND cấp tỉnh) may reorganize these into a single public non-business unit under the commune-level People's Committee (in-text citation). This suggests a flexible approach, allowing for consolidation where administrative units have merged or expanded, to avoid redundancy and improve resource allocation. The Ministry of Health has also issued specific guidelines for the arrangement and reorganization of healthcare facilities at all administrative levels, in line with the 2-tier local government model, as part of Nghị quyết 74/NQ-CP dated April 7, 2025 (in-text citation).

For district-level health centers (Trung tâm Y tế thuộc UBND cấp huyện), the policy directs their transfer to the management of the provincial Department of Health (Sở Y tế). These centers will then be reorganized to provide services across inter-commune/ward areas (in-text citation). This mirrors the approach taken with specialized education centers, aiming for a more centralized and coordinated provision of specialized health services, potentially leading to better resource utilization and higher quality of care. The newly formed provincial Departments of Health, established by merging existing ones, will operate as specialized agencies under the provincial People's Committees, with functions, tasks, and powers defined by Thông tư 37/2021/TT-BYT (in-text citation).

The overall strategy for healthcare PNBUs is to maintain stability in the system, only implementing restructuring when truly necessary and ensuring it does not disrupt essential services for the population (in-text citation). This cautious approach is vital given the critical nature of healthcare services. Hải Dương province, for example, is preparing plans to arrange and deploy personnel for its health stations, emphasizing efficient use of existing facilities to avoid waste (in-text citation). This demonstrates a practical, localized application of the national directives, balancing restructuring with service continuity and resource optimization.

### **Commune-Level Workforce and Remuneration Policies**

The restructuring of local government under the 2-tier model has significant implications for the workforce at the commune level, encompassing personnel standards, deployment, and compensation policies. The Ban Chỉ đạo of the Government, through Công văn số 03/CV-BCĐ dated April 15, 2025, has provided guidance on the standards for positions and titles, as well as the orientation for arranging cadres, civil servants, and public employees in the new commune-level administrative units (in-text citation). Localities are required to develop their personnel arrangement plans based on these central directives.

**Personnel Standards and Deployment:** For commune-level cadres (Bí thư and Phó Bí thư Đảng ủy; Chủ tịch HĐND and UBND; Phó Chủ tịch HĐND and UBND), arrangements follow conclusions and guidelines from the Politburo, the Secretariat, and the Central Organization Commission regarding personnel plans during organizational and administrative unit restructuring (in-text citation). For commune-level civil servants, including heads and deputy heads of departments and specialized civil servants, the general standard requires a university degree or higher (in-text citation). However, flexibility is allowed for civil servants from ethnic minorities or those working in areas with particularly difficult socio-economic conditions who do not yet meet the university degree requirement. Their capacity, trust, and practical experience will be considered for suitable placement, with a mandate to standardize their university qualifications within five years of the new commune-level administrative unit’s establishment (in-text citation).

The process emphasizes objective and impartial personnel arrangement, ensuring quality and suitability for the new commune-level civil servant positions, aligning with the functions and tasks of the commune-level People’s Council (HĐND) and People’s Committee (UBND) (in-text citation). This is linked to the broader goal of restructuring and improving the quality of the cadre and civil servant workforce to enhance state apparatus efficiency and better serve citizens and businesses (in-text citation).

**Remuneration and Transitional Policies:** For public employees from provincial or district levels transferred to civil servant positions at the new commune level, formal civil servant recruitment procedures are not required if the transfer is part of an approved arrangement plan (in-text citation). Cadres, civil servants, and public employees from provincial, district, and existing commune levels who are assigned to civil servant positions in the new commune-level units will continue to receive their current salaries and allowances for six months. After this transitional period, new government regulations will apply (in-text citation). This provision aims to provide a stable transition period for affected personnel. In cases where specialized civil servants or public employees are appointed to leadership or management positions in the new commune-level units, the new salary levels for these positions will be temporarily withheld (in-text citation). This indicates a cautious approach to salary adjustments during the initial phase of the new model’s operation.

The directives also address the need for urgent completion of commune-level personnel arrangement plans, with a trial operation of the new apparatus expected from June 15, 2025 ([in-text citation](<https://xaydungchinhsach.chinhphu.vn/huong-dan-tieu-chuan-chuc-danh-cong-chuc-cap-xa-moi-119250>)).

## Rearrangement of Health Sector Units

### Reorganization of Provincial-Level Health Authorities and Public Service Units

The implementation of the 2-level local government model in Vietnam has necessitated a significant rearrangement and reorganization of health sector units across all administrative levels. At the provincial level, the primary directive involves the establishment of new Provincial Departments of Health (Sở Y tế) in provinces and centrally-run cities that undergo administrative boundary adjustments, mergers, or consolidations. These new Sở Y tế are formed by merging the existing Provincial Departments of Health from the pre-rearrangement provinces or cities. The newly established Sở Y tế will function as specialized agencies under the Provincial People’s Committee (Ủy ban nhân dân cấp tỉnh) or Centrally-run City People’s Committee (Ủy ban nhân dân thành phố trực thuộc Trung ương) after the rearrangement (Source 1).

The functions, duties, and powers of these reorganized Sở Y tế are to be carried out in accordance with the regulations outlined in Circular 37/2021/TT-BYT dated December 31, 2021, issued by the Ministry of Health, which provides guidance on the functions, duties, and powers of Provincial Departments of Health. Additionally, a new Circular 20/2025/TT-BYT, issued by the Ministry of Health on June 23, 2025, further guides the functions, duties, and powers of specialized health agencies under the Provincial People’s Committees and commune-level People’s Committees (Source 3). Based on these guidelines, the Director of the Provincial Department of Health is responsible for developing a proposal for the organizational structure (including departments and sub-departments) of the Sở Y tế, which is then submitted to the Provincial People’s Committee for approval. This structure must align with local management requirements for health-related fields and adhere to the criteria stipulated in Decree 45/2025/NĐ-CP of the Government, which regulates

the organization of specialized agencies under provincial and district-level People's Committees (Source 6).

A critical aspect of this rearrangement involves the public service units directly under the Provincial Department of Health. Directors of the reorganized Sở Y tế are tasked with reviewing and evaluating the functions, duties, powers, and operational effectiveness of existing public service units (such as specialized hospitals, medical examination centers, forensic centers, social protection facilities, and district-level medical centers) prior to rearrangement. Following this assessment, they advise the Provincial People's Committee on decisions to maintain, dissolve, or reorganize these units (through mergers, divisions, separations, or adjustments to names and functions) (Source 6). The guiding principle is to merge or dissolve public service units that are operating inefficiently, no longer have relevant functions, or have overlapping responsibilities with other units (Source 7). For provinces and cities not undergoing mergers or rearrangements, existing provincial-level health facilities are generally maintained. However, district-level medical centers (Trung tâm Y tế cấp huyện, quận, thị xã) are to be reorganized into regional medical centers (Trung tâm Y tế khu vực), which will operate as public service units directly under the Provincial Department of Health (Source 7). This aims to consolidate service delivery across broader areas.

### **Dissolution of District-Level Health Divisions and Shifting Responsibilities**

A significant change in the health sector's administrative structure under the 2-level local government model is the dissolution of Phòng Y tế (District Health Divisions) at the district, urban district, and town levels. According to the Ministry of Health's guidance, these divisions will cease operations. Their state management functions, which previously involved advising on health matters, are being transferred to the Phòng Văn hóa - Xã hội (Culture and Society Division) and the Trung tâm hành chính công (Public Administration Service Center) at the commune (cấp cơ sở) level after the rearrangement (Source 8). This move reflects the broader objective of streamlining the administrative apparatus by eliminating the district-level government as an operational tier, thereby shifting direct governance responsibilities to the provincial and commune levels.

The transfer of these functions means that the commune-level People's Committees (Ủy ban nhân dân cấp cơ sở) will assume greater direct responsibility for state management in health-related fields within their jurisdiction. This decentralization aims to bring administrative services closer to the populace, enabling more direct and timely responses to local health needs. However, it also presents challenges in terms of capacity building and resource allocation at the commune level, as these entities must now absorb and effectively manage responsibilities previously handled by a dedicated district-level health division. The success of this transition hinges on clear guidance, adequate training, and sufficient resources for the commune-level authorities to fulfill their expanded roles in health governance.

**Restructuring and Management of Commune Health Stations** Under the new 2-level local government model, commune health stations (Trạm Y tế xã, phường, đặc khu) are undergoing significant restructuring, primarily concerning their management. These grassroots health facilities are being transferred to the direct management of the commune-level People's Committees of the newly rearranged administrative units (Source 4). This change is intended to ensure that healthcare services remain accessible and responsive to the local population, maintaining continuity of care at the community level.

However, the transition has faced practical difficulties, particularly due to the initial absence of a comprehensive guiding circular detailing the functions, duties, powers, and organizational structure of these commune health stations under the new 2-level model. As of early September 2025, this lack of specific guidance has complicated the advisory role for the new commune-level People's Committees in the health sector (Source 3). In response, the Ministry of Health has been actively drafting and subsequently issued Circular 20/2025/TT-BYT on June 23, 2025, to provide this essential guidance. This circular outlines the functions, duties, and powers of specialized health agencies belonging to both provincial-level and commune-level People's Committees (Source 3).

The objective behind transferring commune health stations to commune-level management is to safeguard the provision of healthcare services directly at the grassroots level and ensure sufficient facilities for the local population (Source 4). This approach emphasizes local accountability and direct oversight, aiming

to enhance the responsiveness and effectiveness of primary healthcare. However, successful implementation relies heavily on the clarity of the new legal framework and the capacity of commune-level authorities to manage these essential health facilities effectively.

### **Human Resources and Operational Continuity in the Health Sector**

Ensuring the uninterrupted operation and effective service delivery of the health system, particularly at the grassroots level, is a critical concern during the transition to the 2-level local government model. To address potential disruptions, the Ministry of Health, through a dispatch signed by Minister Đào Hồng Lan on August 29, 2025 (Document No. 5851/BYT-TCCB), has directed provincial/city Departments of Health to develop plans for the rotation, transfer, and deployment of personnel. This includes mobilizing staff from the Provincial Department of Health, hospitals, and medical centers directly under the Provincial Department of Health, as well as other relevant units of the Provincial/City People's Committee, to the commune level (Source 9).

Specifically, these plans mandate the deployment of at least one medical professional to the Phòng Văn hóa xã hội (Culture and Society Division) and at least one doctor to each commune health station. This strategic allocation of human resources aims to guarantee that the grassroots health system remains functional and capable of providing a full range of specialized and technical services, thereby meeting the demands of the new 2-level local government organizational model (Source 9). The emphasis on deploying doctors to commune health stations directly addresses concerns about maintaining the quality and scope of medical care at the most fundamental level of the healthcare system.

This human resource strategy is part of a broader effort to manage the workforce impact of the administrative rearrangement. The overall initiative involves a comprehensive review and adjustment of staffing norms and professional standards across various sectors, including health. The goal is to ensure that the new administrative structure is adequately staffed with competent personnel, preventing any gaps in service delivery as the new model becomes fully operational. The government's commitment to this "administrative revolution" acknowledges the significant workload and potential challenges, emphasizing a pragmatic approach of "doing, learning, and adjusting" to ensure effectiveness and suitability to local realities (Source 14).

### **Policy Framework and Implementation Challenges for the Health Sector**

The rearrangement of health sector units is an integral part of the broader national initiative to establish a 2-level local government model, driven by a robust policy framework. Key directives include Conclusion No. 137-KL/TW dated March 28, 2025, from the Politburo and the Secretariat, concerning the project for rearranging administrative units at all levels and building the 2-level local government model (Source 2). This is further supported by Decision No. 571/QĐ-TTg dated March 2, 2025, by the Prime Minister, establishing a Steering Committee for implementing the rearrangement (Source 2), and Resolution 74/NQ-CP dated April 7, 2025, from the Government, which promulgates the plan for administrative unit rearrangement and the 2-level local government model (Source 1, Source 2). These documents collectively form the legal and political foundation for the comprehensive restructuring impacting the health sector.

The transition to the 2-level model, which became operational on July 1, 2025, for new administrative units (Source 13, Source 17), represents a "major administrative revolution" (Source 14). This involves not only the rearrangement of provincial and commune-level units but also the cessation of district-level operations and the reorganization of local government into two tiers. Such a large-scale transformation inevitably leads to challenges and complexities. The government acknowledges that issues are unavoidable and emphasizes a flexible approach of "doing, learning, and adjusting" to ensure effectiveness and suitability to practical realities (Source 14).

A significant challenge lies in the need for comprehensive legal frameworks, decentralization guidelines, and appropriate financial mechanisms to support the new model. Ministries and agencies are tasked with urgently reviewing, developing, and perfecting legal provisions on decentralization, clearly defining duties and powers between provincial and commune-level governments in each sector, including health (Source 16). The Prime Minister has directed ministries and agencies to focus on guiding administrative procedures, budget

management, organizational structure, and human resource management for provincial and commune levels by August 2025, ensuring alignment with the authority of each level ([Source 15](https

## **Rearrangement of Education Sector Units**

### **Policy Directives for Education Unit Restructuring**

The implementation of the two-tier local government model in Vietnam has brought forth specific directives for the rearrangement of public service units, particularly within the education sector. A key orientation outlined by the Steering Committee for the rearrangement of administrative units and the construction of the two-tier local government model, as detailed in Official Letter No. 03/CV-BCĐ dated April 15, 2025, provides clear guidance. This policy aims to streamline the administrative apparatus, enhance efficiency, and bring public services closer to the populace (in-text citation).

Under this new framework, public secondary schools, primary schools, and preschools are to remain intact, with their management transferred to the commune-level local government. This move is designed to empower local authorities at the grassroots level to directly oversee and manage educational institutions that serve their immediate communities, fostering a more responsive and localized approach to education administration (in-text citation). The rationale behind this is to ensure that essential services for citizens and businesses are decentralized to the commune level, which is closest to the community and capable of timely response (in-text citation).

Conversely, vocational education centers and continuing education centers, which were previously under the management of district-level People’s Committees, are slated for a different form of reorganization. These institutions will be transferred to the provincial Department of Education and Training (Sở Giáo dục và Đào tạo) for restructuring. The objective here is to enable them to provide services across multiple communes or wards (inter-commune/ward services), thereby optimizing resource allocation and service delivery at a broader, regional scale (in-text citation). This differentiation in restructuring reflects a strategic approach to education management, where foundational education remains localized, while specialized and adult education services are consolidated for efficiency and wider reach. The overall aim is to eliminate intermediate levels, streamline the organizational structure, and ensure smooth, effective, and efficient operations (in-text citation).

### **Operational Shifts and Management at the Commune Level**

The transition to a two-tier local government model, which officially began operation on July 1, 2025 (in-text citation), significantly alters the operational landscape for education units, particularly at the commune level. With the management of public secondary, primary, and preschools now falling under commune-level local governments, there is an increased emphasis on local autonomy and direct accountability. This shift is intended to foster a closer relationship between educational institutions and the communities they serve, allowing for more responsive decision-making tailored to local needs (in-text citation).

The commune level is now tasked with the direct implementation of policies from central and provincial levels, focusing on serving residents and directly addressing community issues, as well as providing basic and essential public services (in-text citation). This includes the management of human resources within these schools, such as teachers and administrative staff. The evaluation and ranking of civil servants, including education personnel, are critical components of this new operational model. According to current regulations, the head of the unit (e.g., school principal) is responsible for deciding the annual evaluation and ranking of quality for civil servants in public education units, based on the end of the school year or working year (in-text citation). For the 2023-2024 school year, evaluations are used as a basis for 2024 bonuses, which is considered consistent with current regulations (in-text citation).

However, this decentralization also presents challenges. Localities are expected to build specific regulations for bonus schemes, which must be submitted to higher management for oversight and public disclosure within the unit (in-text citation). The shift requires robust capacity building at the commune level to handle increased administrative responsibilities, including personnel management, financial oversight, and curriculum implementation. The success of this model hinges on the ability of commune-level governments to effectively



manage these newly transferred responsibilities, ensuring that the quality of education is maintained and enhanced, while also addressing the welfare and professional development of education staff. The Prime Minister Phạm Minh Chính has emphasized the need for continued review and completion of the legal framework to ensure smooth and effective operation of the two-tier local government model (in-text citation).

### **Inter-Commune Service Provision in Education**

A distinct aspect of the education sector rearrangement under the two-tier government model is the strategic consolidation and reorganization of vocational education centers and continuing education centers. These units, previously managed at the district level, are now being transferred to the provincial Department of Education and Training (Sở Giáo dục và Đào tạo) with the explicit purpose of being reorganized to provide inter-commune/ward services (in-text citation). This move represents a shift from localized, potentially fragmented service delivery to a more centralized, regionally coordinated approach for these specific educational offerings.

The objective of this reorganization is to achieve greater efficiency and effectiveness in resource utilization, avoid scattered investments, and overcome the fragmentation of development space (in-text citation). By having these centers managed at the provincial level and serving multiple communes, it is anticipated that a wider range of specialized vocational training and lifelong learning opportunities can be offered, benefiting a larger population base. This consolidation can lead to economies of scale, better allocation of teaching staff, improved infrastructure, and the development of more comprehensive and relevant curricula that meet regional labor market demands.

For instance, Hải Dương province has already begun to define its approach to rearranging public service units, including education, towards providing inter-commune/ward services and dissolving units no longer suitable for the two-tier government model (in-text citation). This provincial-level oversight allows for strategic planning regarding the location, specialization, and outreach of these centers, ensuring that they are accessible and beneficial to a broader segment of the population across different communes. The challenge lies in ensuring that these reorganized centers remain responsive to the diverse needs of individual communities while operating at a larger scale. Effective coordination between provincial departments and commune-level authorities will be crucial for successful implementation, ensuring that local demands for vocational and continuing education are met through these consolidated regional hubs.

### **Civil Servant Evaluation and Remuneration in Education**

The rearrangement of education sector units under the two-tier local government model is intrinsically linked with the evaluation and remuneration policies for education civil servants. These policies are crucial for motivating staff, ensuring accountability, and aligning performance with the broader goals of the streamlined administrative system. Key regulations governing these aspects include Nghị định số 73/2024/NĐ-CP, Nghị định số 90/2020/NĐ-CP, and Quyết định số 786/QĐ-BNV.

Nghị định số 73/2024/NĐ-CP, dated June 30, 2024, stipulates that the head of a public service unit is responsible for establishing specific regulations for bonus schemes applicable to all personnel on the unit's payroll. These regulations must be submitted to the direct superior management agency for oversight and public disclosure within the unit (in-text citation). This decentralization of bonus scheme formulation allows for flexibility at the unit level while maintaining a framework of accountability. The periodic bonus regime is directly linked to the annual performance evaluation and ranking of task completion (in-text citation).

Furthermore, Nghị định số 90/2020/NĐ-CP, concerning the evaluation and ranking of quality for cadres, civil servants, and public employees, specifies that the annual evaluation time for civil servants in public education units is decided by the head of the unit, based on the end of the school year or working year (in-text citation). For public service units in education and training that conclude their working year before December annually, the unit head determines the evaluation and ranking time (in-text citation). This flexibility acknowledges the distinct operational cycles of the education sector.

Regarding bonuses, Quyết định số 786/QĐ-BNV, dated November 6, 2024, states that the basis for awarding bonuses is the decision approving the annual evaluation and ranking results of cadres, civil servants, public

employees, and workers by the competent authority. For the year 2024, the bonus fund is equivalent to 6 months of salary (in-text citation). Consequently, the evaluation results for the 2023-2024 school year serve as the basis for 2024 bonuses for school units (in-text citation).

A notable change, effective from the 2023-2024 school year, is the maximum cap of 20% for teachers ranked as “excellent completion of tasks” (in-text citation). This cap, outlined in Điều 12 Nghị định 90/2020/NĐ-CP, has led to discussions and concerns among teachers regarding the fairness and transparency of evaluation processes (in-text citation). The bonus for the “Grassroots Em

## **Consolidation and Efficiency in Service Delivery Models**

### **Reorganization of Public Non-Business Units: Health and Education Sectors**

The transition to a two-tier local government model in Vietnam has necessitated a significant reorganization of public non-business units, particularly within the health and education sectors, to enhance service delivery efficiency and align with the new administrative structure. At the provincial level, the restructuring involves the consolidation of existing Health Departments. Specifically, in provinces and centrally-run cities that undergo administrative rearrangement or merger, a new Provincial Health Department (Sở Y tế) is established by merging the pre-existing Health Departments. This newly formed entity functions as a specialized agency under the provincial-level People’s Committee (Ủy ban nhân dân cấp tỉnh, thành phố sau sắp xếp), with its functions, tasks, and powers guided by Circular 37/2021/TT-BYT of the Ministry of Health (in-text citation). This aims to create a more streamlined and unified health administration across larger, consolidated provincial units.

At the commune level, which now assumes expanded responsibilities, specific directives have been issued for health and education facilities. For education, public primary schools, secondary schools, and kindergartens are to be maintained and transferred to the management of the new commune-level People’s Committees (UBND cấp xã) (in-text citation). This decentralization aims to bring educational management closer to the community. In the health sector, existing commune health stations (Trạm Y tế xã, phường) are to be maintained to ensure continued healthcare access for residents. Depending on the area and population scale of the newly arranged commune-level administrative units, the provincial-level People’s Committees have the authority to reorganize these stations into a single public non-business unit directly under the commune-level People’s Committee (in-text citation). This approach allows for flexibility in structuring local healthcare services while ensuring basic provision.

Furthermore, the rearrangement extends to vocational and continuing education. Centers for vocational education and continuing education, previously under district-level People’s Committees, are now being transferred to the management of the provincial Department of Education and Training. These centers are then reorganized to provide services across multiple communes or wards (liên xã, phường), fostering a more integrated and resource-efficient approach to adult education and skills training ([in-text citation](<https://xaydungchinhsach.chinhphu.vn/dinh-huong-sap-xep-co-so>).

## **Roles of Provincial and District Authorities in the Transition**

### **Provincial-Level Strategic Guidance and Oversight**

Provincial authorities play a pivotal role in providing strategic guidance and oversight for the implementation of the 2-tier local government model, which officially commenced operations on July 1, 2025 ([baochinhphu.vn](http://baochinhphu.vn)). This involves translating national directives into actionable provincial plans and ensuring their coherent execution across subordinate administrative units. A key document guiding this transition is Công văn số 03/CV-BCĐ, issued on April 15, 2025, by the Steering Committee for administrative unit rearrangement and the construction of the 2-tier local government model. Signed by Minister of Home Affairs Phạm Thị Thanh Trà, this document was dispatched to Provincial Party Committees and People’s Committees, outlining the orientation for rearranging administrative units and local government organization, with a particular emphasis on organizational structure and personnel ([ancofi.com.vn](http://ancofi.com.vn), [xaydungchinhsach.chinhphu.vn](http://xaydungchinhsach.chinhphu.vn)).

The provincial level is tasked with the macro-management of policy, strategy, and planning, addressing inter-regional or inter-facility issues that exceed the capacity of lower levels, and ensuring uniformity across the province (xaydungchinhsach.chinhphu.vn). This includes the significant task of overseeing the rearrangement of provincial-level administrative units, which has resulted in a national total of 34 provincial-level units (28 provinces and 6 centrally-run cities) as of June 12, 2025, following the consolidation of 52 units into 23 and the retention of 11 existing units (baochinhphu.vn, [xaydungchinhsach.chinhphu.vn](https://xaydungchinhsach.chinhphu.vn)).

## **Commune-Level Operational Challenges and Policy Adjustments**

### **Increased Workload and Expanded Mandates at the Commune Level**

The transition to a two-level local government model in Vietnam, which involves the abolition of the district tier, has significantly altered the operational landscape for commune-level administrative units. This structural reform, slated for completion by July 2025, necessitates a substantial redistribution of responsibilities previously managed by districts (in-text citation). Deputy Prime Minister Nguyễn Hòa Bình indicated that approximately two-thirds of the district's former workload will now be transferred downward to the communes, while the remaining one-third will be shifted upward to the provincial level (in-text citation). This redistribution is monumental, transforming commune-level units into entities with expanded territories, larger populations, and considerably more complex mandates than before. The consolidation efforts have seen more than 10,000 commune-level administrative units streamlined into around 3,321 larger ones, each effectively functioning as a “mini-district” (in-text citation).

This structural change inherently leads to an increased workload at the commune and ward levels. Officials at these grassroots levels are now tasked with directly addressing a broader spectrum of community issues and providing essential public services that were previously handled by the intermediate district tier (in-text citation). The objective is to make government “closer to the people” and more responsive to their needs (in-text citation). However, this expanded role presents significant operational challenges, particularly in the early stages of implementation (in-text citation). The need for careful preparation of human resources and facilities at the commune level is paramount to ensure that these units can effectively manage their new responsibilities and maintain the quality of public service delivery (in-text citation). The success of this model hinges on the capacity of grassroots authorities to be more proactive and creative in solving local issues, thereby contributing to a more efficient state management system (in-text citation).

### **Human Resource Development and Cadre Management**

The effectiveness of the two-level local government model is heavily reliant on the quality and capacity of human resources at the commune level. With the abolition of the district tier and the subsequent increase in responsibilities, there is a critical need to re-evaluate and strengthen the cadre team. The reorganization of the administrative apparatus at all levels is viewed as an opportunity to “sift and re-evaluate the cadre team” to ensure that officials genuinely meet the requirements for national development in the coming period (in-text citation). This process aims to streamline the apparatus, enhance the effectiveness and efficiency of local government operations, reduce staff, and improve the quality and responsibility of cadres and civil servants at all levels (in-text citation).

The increased workload at the commune and ward levels necessitates careful preparation of human resources. This includes not only ensuring an adequate number of staff but also equipping them with the necessary skills and knowledge to handle more complex mandates. The reform aims for a “lean apparatus, clear decentralization, skilled personnel, effective operations, budget savings, and enhanced public service delivery” (in-text citation). To achieve this, a former ward official highlighted the concern that the workload at the commune and ward levels will “certainly increase,” emphasizing the need for “careful preparation of human resources” (in-text citation). This preparation involves training programs, capacity building initiatives, and potentially recruiting new personnel with specialized skills to manage the expanded scope of responsibilities. The goal is to foster a highly competent and responsible team at the grassroots level capable of driving local development and effectively serving the community.

## Legal Framework Gaps and Decentralization Imperatives

A significant challenge in the implementation of the two-level local government model lies in the need for a comprehensive and coherent legal framework. The Government has emphasized the necessity for ministries, sectors, and localities to conduct a thorough review of all legal documents, particularly those pertaining to decentralization, delegation of authority, and the clear definition of powers (in-text citation). This review is crucial to swiftly and decisively complete the system of regulations and guidelines for implementing the two-level local government model, thereby establishing a robust political and legal foundation for localities to proceed smoothly (in-text citation).

The existing legal framework, designed for a three-tiered system, often presents ambiguities or lacks specific provisions for the new two-level structure. For instance, the amendment of the Law on Organization of Local Government is essential to create a legal corridor for state agencies to operate effectively under the new model, ensuring it is “lean, strong, effective, and efficient” ([in-text citation](https://xaydungchinhsach.chinhphu.vn/day-manh-thuc-hien-6-giai-phap-de-phat-huy-hieu-qua-viec-sap-x

## Conclusion

The shift to Vietnam’s 2-tier local government model, coupled with the comprehensive restructuring of Public Non-Business Units and targeted commune-level adjustments, marks a pivotal moment in the nation’s administrative reform journey. While the implementation presents inherent challenges, particularly in ensuring consistent application and capacity building across diverse localities, the overarching objectives of improved efficiency, enhanced service delivery, and greater local accountability remain central (Ministry of Home Affairs Report 2025). The success of these reforms hinges on continuous monitoring, adaptive policy adjustments, and robust public engagement. As Vietnam progresses, the effectiveness of this streamlined model will be crucial in fostering sustainable development and responsive governance at all levels, ultimately aiming to better serve its citizens and strengthen its administrative apparatus.

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