Technical Assistance
For Regional Planning in
Vietnam

Final Report

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Prepared by

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Abbreviations

CDS  City Development Strategy
CRDP  Comprehensive Regional Development Plan
CRP  Comprehensive Regional Plan
HCRP  Hanoi Capital Region Plan
HAIDEP  Hanoi Integrated Development and Environment Project
HPC  Hanoi People’s Committee
IMV  Institut des Metiers de la Ville
JICA  Japan International Cooperation Agency
MARD  Ministry of Agriculture and Rural Development
MOC  Ministry of Construction
MONRE  Ministry of Natural Resources and Environment
MOT  Ministry of Transportation
MPI  Ministry of Planning and Investment
NFEZ  Northern Focal Economic Zone
NIRUP  National Institute for Urban and Rural Planning
NSC  National Steering Committee for Regional Planning
PM  Procedures Manual
PT  Project Team
RPP  Regional Planning Partnership
RDP  Regional Development Plan
RDF  Regional Development Framework
RCU  Regional Coordination Unit
RSC  Regional Steering Committee
TAP  Technical Assistance Program
TARP  Technical Assistance for Regional Planning
TCBP  Training & Capacity Building Program
Executive Summary

This Technical Assistance on Regional Planning assignment was initiated by the World Bank in December 2004 at the request of the Ministry of Construction. The Terms of Reference for the assignment propose the following general objectives: provide Ministry of Construction technical advice in the area of regional planning in general, and advisory support to the newly-formed Steering Committee for the preparation of Hanoi Capital Region Plan and the National Institute of Urban and Regional Planning and other related agencies which are working on Plan preparation.

Based on the observations and investigations undertaken during this TARP assignment it is apparent that regional planning by MOC is limited to the preparation of regional construction plans according to the traditional planning practices of MOC for the preparation of provincial construction master plans that were appropriate to the former centralised economic model of the pre-doí moi (economic renovation) era, but which are now of little relevance to a market economy. These practices have a very narrow focus on presenting the optimum physical and spatial orientation aspects for proposed construction investment projects with little regard to how the plans will be financed or to budget constraints, and consequently are now of limited assistance to the stakeholders in regional planning. Because the major changes now occurring throughout regions are primarily the result of non-state sector investment, it is essential that all spatial planning processes in Vietnam (both regional or urban) reflect the influences of all sectors of the economy – whether it be public investment or private sector investment, and manage this investment to achieve national, regional and provincial development goals and objectives.

What is now required is a single comprehensive regional development planning system that focuses on the spatial distribution of the region’s economic and social development to provides an effective link between economic development planning and infrastructure planning through a process of regional management to achieve the implementation of national socio-economic goals, the efficient exploitation of the regions resources, the reduction or removal of unplanned or unintended constraints on development, and which builds on established institutional arrangements for the operation and implementation of the plans through a process of regional management.

The solution involves major changes in the way that regional plans are prepared by MOC/NIURP to ensure that they are: comprehensive in their scope, focussed on the achievement of national and regional goals and objectives, responsive to economic instruments available to government, achievable in terms of institutional arrangements, and relevant to the needs of the stakeholders.

The achievement of these changes will require the application of three key initiatives:

1. The formulation and adoption of a Comprehensive Regional Development Planning System, including reform of institutional arrangements, to create a formal process of regional development management.
2. Implementation of a Regional Planning Improvement Programme aimed at the achievement of incremental change to the existing practices for the preparation and management of comprehensive regional development plans including upgrading of skills and experience of the planning professionals and government officials.
3. An active commitment by the Government of Vietnam and Donors to support the regional planning improvement program for the introduction of a comprehensive regional development planning system by the establishment of a Regional Planning Partnership.

Abbreviations

Executive Summary

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Introduction

1.1 Background to the Assignment

In early 2004 the World Bank initiated policy dialogue on urban and regional planning with the Government of Vietnam as part of the Regional Infrastructure Review Study. An international consultant was engaged to: (a) carry out a review of urban and regional planning systems; (b) update the World Bank’s urban development strategy for Vietnam; (d) identify possible urban development investments in line with the above proposed strategy; and (d) propose a concept for multi-sector development of the Halong Bay Region. The relevant chapter of the Consultants report is the subject of Chapter 1.7 of this Report.

Further, the Ministry of Construction (MOC) requested the World Bank’s advisory support in the area of regional planning. This ‘Technical Assistance on Regional Planning’ (TARP) assignment is the response to that request and is presented as a follow-up assignment aimed at building on the recommendations of the previous Consultants report and to furthering the policy dialogue with the Government of Vietnam in the area of regional and urban planning. This assignment is financed through the Australian Consultant Trust Fund Program, supported by the Government of Australia and managed by the World Bank.

In December 2004 the Bank appointed Mr Lawrie Wilson an urban planner with extensive experience in Vietnam to undertake the assignment. He is assisted in the assignment by an experienced local planner Ms Pham Thi Khanh Van.

1.2 Assignment Objectives

The Terms of Reference for this assignment propose the following general objectives:

- Provide Ministry of Construction (MOC) technical advice in the area of regional planning in general; and,

- Provide advisory support to Ministry of Construction (in particular the newly-formed Steering Committee and the National Institute for Urban and Regional Planning-NIURP) and other related agencies which are working on the preparation of Hanoi Capital Region Plan.

1.3 Assignment Context

To understand the context of regional planning in Vietnam it is important to appreciate that “planning” terminology and concepts that have a generally accepted common meaning in “western” societies having a fully developed market economy often do not have the same meaning in Vietnam. For example, the common usage of the term “planning” (Vietnamese: “ke hoach”) in the Vietnamese context primarily refers to economic management for the efficient allocation (“investment”) of state resources, and is the responsibility of the Ministry of Planning and Investment. The physical arrangement of building and development in urban areas is classified as a “construction” related activity (Vietnamese: “quy hoach”), and is the responsibility of the Ministry of Construction.
This same distinction is also applied to regional planning. The MOC is assigned responsibility for the management of all matters (i.e. projects) associated with “construction investment” and consequently with the management of physical development such as the physical and spatial arrangements (or “orientation”) of construction activities, and not with economic planning issues such as resource exploitation or promotion of investment. Consequently plans prepared under the authority of the MOC are concerned primarily with building form, location, or pattern of distribution rather than function, and with identifying the most appropriate locational, visual and operational arrangement of buildings and uses. In the preparation of Provincial Construction Plans the MOC subordinate planning agency NIURP provide a physical framework (spatial orientation) to the socio-economic objectives and targets formulated by the Development Strategy Institute (DSI) belonging to the Ministry for Planning and Investment. In principal it can be assumed that this same approach will apply to the preparation of “Regional Construction Plans” by MOC/NIURP.

To appreciate the overall operation of ‘planning’ in Vietnam (including regional planning) it is important to recognise the different roles and jurisdictions assigned to the various Ministries responsible for the planning of various sectors of the national economy, and to appreciate that regional plans or regional studies prepared under the authority of the various Ministries for a very similar area are not regarded as competing but rather are complimentary, with each having a specific focus. The most appropriate example is the designation of the Northern Focal Economic Zone under the management of MPI, the HCRP under the authority of MOC, and the Red River Basin Studies for the Ministry for Agriculture and Rural Development (MARD). They each apply to the same general ‘region’ but have slightly different regional boundaries that reflect the specific focus or purpose of the plan or study. Whether uniformity in the designation of regional boundaries would result in more efficient or effective regional planning will be further explored by this TARP assignment.

It follows therefore that the term “regional planning” in the Vietnamese context has three (and possibly more) quite different and separate means of application:

- **Ministry of Planning & Investment**: MPI is responsible for the formulation and implementation of the national policy on the management of the economy including the promotion and licensing of investment in all economic sectors. As a consequence it is responsible for the formulation of investment strategies (at the national level) and the allocation of priorities. The MPI also prepares its own “regional plans” such as the three recently completed plans for the Northern, Central and Southern Focal Economic Zones. These regional plans prepared by the MPI are intended to provide the socio-economic development strategy (i.e. the strategic framework) to guided the preparation of the regional construction plans prepared under the authority of MOC, however in practice it appears that there is little interaction between the two Ministries in either the preparation or operation of their respective regional plans.

- **Ministry of Construction**: a Regional Construction Plan prepared by NIURP under the direction of the MOC will only be concerned with the physical arrangement and distribution (commonly paraphrased in English as “spatial orientation”) of the major components of the built environment within the
context of the country-wide socio-economic development strategy formulated by MPI. In the western context this would more usually be referred to as an urban design framework. The important distinction between a regional construction plan prepared under the authority of the MOC and a western style regional plan is that the Vietnamese version is not regarded as a dynamic process but rather is a static “snapshot” or visual model of a desired future. The information regarding the main components of the Plan is (nominal) provided by the relevant Ministry (i.e. Health, Education, Industry, Transport, etc) however in practice this information is often of limited relevance and needs to be supplemented by additional investigations by the NIURP experts.

- Ministry for Agriculture and Rural Development: MARD is responsible for all activities within the rural environment in much the same way as MOC is responsible for the built environment. MARD has two subordinate Institutes that are involved in agricultural planning: The Agricultural Planning & Design Institute and the Institute for Agriculture Economic Strategy. An example of a “regional” plan prepared under the authority of MARD is the Plan for the Red River Basin which focuses on the efficient exploitation of the agricultural resources of the region.

- The Ministries of Industry (MOI), Transportation (MOT), and Natural Resources & Environment (MONRE) also have responsibility for the preparation of a strategic development plan for their respective sectors within the context of the country-wide socio-economic development strategy formulated by MPI.

This situation where a Ministry undertakes the planning of the economic sector assigned to it by the Party and Government in relative isolation from other Ministries was relevant to the former centralised economic system that existed in Vietnam prior to the introduction of economic reforms (doi moi) in 1987. This change to a market economy under state management however brings with it a need for a more efficient system of resource management at the national level that includes formulation of development strategies for management and exploitation of national resources. An integrated system of regional planning that directly links the spatial orientation plans prepared by MOC to the economic development strategies formulated by the MPI (and to the agricultural development strategies formulated by MARD, etc) would appear to be an essential step in the efficient management of national resources. Defining the mechanisms necessary to achieve this link is a primary focus of this TARP assignment.

An important component of the approach adopted by the TARP assignment is that the Final Report observation and recommendations must be sensitive to the Vietnamese “audience”. This requires recognition of the following fundamentals for any proposal (particularly by foreigners) for reform of existing and entrenched institutional practices:

- Changes must be incremental and evolutionary, not revolutionary - that is, the changes should focus on improvements to existing practices;
- The introduction of new concepts must be comprehensive in its scope and inclusive in its approach – that is, any changes required must be sensitive to
the needs of all levels of administration, and evolve from analyses and recommendations of local experts with support (where required) provided by foreign experts.

The Assignment objectives aimed at improving the process for the preparation of Regional Plans by MOC/NIURP have been expanded beyond the MOC to include MPI and other sector Ministries and also provinces to ensure that regional plans have a strategic as well as technical basis and are not limited to an idealised built-form outcome. The primary thrust of the proposed action program however remains as the need to build capacity in MOC/NIURP for the preparation of regional plans that are;

- Comprehensive in their scope and content;
- Achievable in terms of institutional arrangements
- Relevant to the needs of the stakeholders; and
- Anchored in reality.

1.4 **The Hanoi Capital Regional Plan**

1.4.1 **Background**

The Northern Focal Economic Zone (NFEZ) incorporating the Hanoi Capital Region is recognised as a major attractor of investment, both private and ODA Consequently a relevant and effective regional plan will be of considerable assistance to potential investors in both the public and private sectors in their evaluation of investment opportunities and in the design of their investment proposals.

The initiative for the preparation of the Hanoi regional plan appears to have come from the former Chairman of the Hanoi People’s Committee Dr Hoang Van Nghien, who recognised the competing development pressures on Hanoi, and the consequent need for coordination of development both within the Hanoi province and between Hanoi and the adjoining provinces. Specific planning issues that required coordination included:

i. The lack of space for solid waste disposal within Hanoi province and the economies of scale that could be achieved by a multi-provincial approach;

ii. The lack of space for cemeteries and crematoria;

iii. The protection of “green belts” that extended beyond the Hanoi provincial boundaries;

iv. Urban development adjacent to the Hanoi provincial boundaries and consequent implications for the provision of technical infrastructure.

The formal request of the Minister of Construction being Statement No. 4/TTr-BXD for the preparation of the Hanoi Capital Region Plan was submitted on 25/03/2003 and approved by the Prime Minister by Decision No. 118/2003 QDТTg on 11/06/2003 regarding the establishment of the Steering Committee for Planning and Construction Investment in the Capital Region of Hanoi.

It is noted that the Decision assigns the Steering Committee four functions and responsibilities that have been translated (and summarised) as follows:

i. Steering the planning and construction in the region;

ii. Steering the appraisal of proposals for appropriate mechanisms and solutions in the planning and management process for construction
investment …;

iii. Supervising and accelerating the actions of relevant Ministries and sectors and the provincial people’s committees to implement the planning and management for construction investment …;

iv. Steering the cooperation with domestic and international organisations and experts on the investigation and implementation of the planning and management of construction investment in the Capital Region of Hanoi.

Although these functions and responsibilities anticipate changes aimed at improvement in the process of planning and management of construction investment, the focus never-the-less remains wholly within the scope of responsibilities assigned to the MOC, that is: construction investment.

The eight provinces located within the Hanoi Capital Region are the City of Hanoi and the provinces of Ha Tay, Hoa Binh, Vinh Phuc, Bac Ninh, Hung Yen, Hai Duong, and Ha Nam. The provinces of Hai Phong and Quang Ninh which are also components of the Northern Focal Economic Zone were not included in the Hanoi Capital Region as it was determined that these provinces potentially contained urban growth centres in their own right and therefore their development should not be constrained by the urban planning and development strategies that will apply to the Hanoi Capital Region.

A review of the Terms of Reference for the preparation of the HCRP is attached as Appendix 3.

1.4.2 Preparation of the Hanoi Capital Region Plan

The NIRUP Team are preparing the Hanoi Capital Region Plan based on the Terms of Reference approved by MOC on 5th July 2004. The rationale, objectives and specific tasks have been identified. Next, the current situation has been investigated by reference to the sectors such as socio-economic development, agriculture, tourism, human and education, urban construction and urban development, etc. The team has undertaken a SWOT analysis of the region and have formulated the vision that they want the Plan to achieve. Development goals for each sector have been established in accordance with the estimation of economic development throughout the whole region.

A major component of the team’s activities has been the definition of development zoning for the region: core zone, surrounding zone, and three counterpoint zones. These development zones have been analysed to identify their strength and weakness which forms the basis for the major development orientations for each zone. The final phase of the process is to propose the orientation for each sector: spatial, transportation, infrastructure preparation, water supply, electric power, wastewater drainage and sanitation.

The following table describes the different development zones that NIRUP have been studying, in terms of: description, strength and proposed development orientation.

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<thead>
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<th>Name of the zone</th>
<th>Description</th>
<th>Strength</th>
<th>Development orientation</th>
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Technical Assistance for Regional Planning in Vietnam
A World Bank- Australian Consultant Trust Fund Grant Activity
1.4.3 Comment

There is recognition by the NIURP experts that HCRP is being prepared in relative isolation from the implementation process as at present there is no established mechanism for investment management at the regional level. The experts acknowledge this situation in terms of (1) a lack of clarity on how the plans will be implemented, and (2) uncertainty as to how the construction investment projects will be financed.

These two issues are now generating interest at a high level as is evidenced by an impromptu address by the former Chairman of the Hanoi People’s Committee Dr Hoang Van Nghien to the Workshop on Planning for the Hanoi Capital Region1 (see Chapter 1.5 following) where he specifically mentioned the need for introduction of a

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1 “Workshop on Planning for Hanoi Capital Region” conducted on 10th May 2005 and jointly sponsored by NIURP, The World Bank, Japan International Cooperation Agency and Institut des Metiers de la Ville
process of regional management together with the need for further research and methods to improve coordination and coordination between the sector Ministries and agencies.

It must be assumed that an important role of the HCRP is to reinforce the primacy of Hanoi City, especially its role as the nation’s Capital. The regional boundaries were determined by reference to the area required to ensure that Hanoi city could be comprehensively planned to accommodate growth requirements at least to the year 2020 and also to accommodate the vision for the city for a further 20 to 30 years. As a consequence the provincial construction plans for the provinces contained within the Hanoi Capital Region need to be coordinated with and subservient to the plans for the development of Hanoi City. The HCRP is the process for achieving this coordination and integration.

1.4.4 Conclusions

It is evident that the capacity of the TARP assignment to influence the preparation of the Hanoi Capital Region Plan by NIURP in terms of ensuring that the outcome is relevant, effective and capable of implementation appears negligible as the process of plan preparation is fixed and considered non-negotiable. (This process is graphically presented in Diagram 2 - Chapter 2.3 of this Report). The valuable technical assistance provided by IMV is focussed on techniques for data collection and presentation, however observations by this consultant indicate that diagnosis of the data to identify regional problems, issues and opportunities to be addressed by the Plan will be limited. There is little evidence to suggest that the HCRP will be a strategic planning process aimed at addressing emerging and contentious inter-provincial issues. The deficiencies in the process that have been recognised by the NIURP experts, being a lack of clarity on how the plans will be implemented and uncertainty as to how the construction investment projects will be financed, are valid and significant. The need to address these two deficiencies is fundamental to the operation of an effective regional planning system and highlights the need for major changes to the current process of plan preparation by MOC/NIURP.

1.5 Regional Planning Workshops

The TARP assignment participated in two workshops aimed at broadening the appreciation of planning professional in Hanoi regarding the role and purpose of regional planning in Vietnam and also in France and Australia.

1.5.1 Workshop on “Planning for Hanoi Capital Region”

This whole-day workshop was held on 10th May 2005, and was jointly sponsored by NIURP, The World Bank, Japan International Cooperation Agency, and Institut des Metiers de la Ville (IMV). The workshop aimed at reporting the initial findings of the HCRP and the Hanoi Comprehensive Development Planning Project (HAIDEP) for the HPC, and at providing an opportunity for provinces in the region and involved agencies to elaborate on the issues that they considered relevant to the preparation of the two Plans.

Keynote presentations were provided by:

- Mr Ngo Trung Hai, Vice director of NURP, on the data collection and analysis being undertaken to formulate the proposed Hanoi Capital Region Plan;
• Dr Shizuo Iwata, Program Manager for the HAIDEP, on the processes being undertaken for data collection and analysis for the various components of the HAIDEP program.

• Dr Laurent Pandolfi Co-Director of IMV, on the processes involved in the preparation of regional plans in France by reference to the Ile de France region and the comparisons with the planning for Hanoi Capital Region.

Both foreign speakers placed a major emphasis on the important role of data collection and analysis in the identification of the key issues (problems and opportunities) that must be addressed by planners when formulating both regional plans and provincial plans.

Presentations were also made by representatives of Hanoi, Vin Phuc and Hoa Binh provinces and by expert from Institutes belonging to the Ministries of Planning and Investment, Transport, and Industry.

A common theme emerged in speeches by Dr Hoanh Van Nghien (former Chairman of the Hanoi People’s Committee, Mr Nguyen Tan Van (Vice Minister for Construction), Mr Tran Ngoc Chinh (Director of Department of Architecture and Planning at MOC, and Assoc. Prof. Dr Luu Duc Hai, (Director of NIURP) regarding the need to address the regional management issues related to the implementation of the HCRP, and the need to improve coordination and cooperation between the sector Ministries and agencies involved in the preparation of regional plans.

1.5.2 Workshop on “A Case Study in Metropolitan Regional Planning “
This half-day workshop was held at NIURP on 17th May 2005. It consisted of two presentations to NIURP regional planning experts by Adjunct Prof. Roz Hansen and Mr Lawrie Wilson (Directors of Hansen Partnership Pty Ltd) on the preparation and operation of regional plans using the Melbourne 2030 Regional Strategy Plan as the case study. The overall purpose of the workshop was to broaden the knowledge of the NIURP experts regarding the practice of regional planning in other countries, and especially how regional plans are a response to a particular set of circumstances relevant to that region.

The first presentation focussed on regional planning being a process for managing growth and development. The purpose of the presentation was to emphasise that a regional plan is not a static output as is currently the case in Vietnam but rather is a dynamic process that is put into operation by mechanisms such as an ‘Urban Development Program’ and is implemented through investment in infrastructure projects. The Melbourne 2030 Regional Strategy Plan provides the framework for an Urban Development Program which aims to assist decision makers in maintaining an adequate supply of broad hectare residential and industrial land in the designated growth areas of metropolitan Melbourne.

The second presentation focussed on the preparation of the Melbourne 2030 Regional Strategy Plan and on the matters that required investigation and analysis in order to define the growth strategies and growth areas for the purpose of the Urban Development Program. The presentation also described the extensive stakeholder consultation programme that operated throughout the preparation of the Plan.
NIURP was provided with both hard and electronic copies of the presentations, together with copies of a CD-ROM containing the complete Melbourne 2030 Regional Strategy Plan, copies of Technical Bulletins produced during the preparation of the Plan, copies of Information Pamphlets that were part of the stakeholder consultation program, and copies of the 2004 Annual Report of the Urban Development Program.

1.6 **Inventory of Data Collection**

During the course of the TARP assignment various items of data were collected and analysed in order to achieve an appreciation of the overall context of planning and development in the ‘region’ defined for the preparation of the Hanoi Capital Region Plan by MOC/NIURP.

1.6.1 **Description of major donor’ interest**

The activities of the Swiss Agency for Development and Cooperation (SDC), The Asian Development Bank (ADB), and the Japanese International Cooperation Agency (JICA) were researched with a particular emphasis on their activities in and around Hanoi, and/or in regard to urban and regional planning and management. A summary of the information collected is included in this report as Appendix 2.

1.6.2 **Review of Physical Infrastructure in the Hanoi Region**

Data was requested from all provinces in the Hanoi Capital Region however the information provided was not comprehensive and not all provinces responded. A summary of the information collected is included in this Report as Appendix 3.

1.6.3 **Review of ODA Projects in the Hanoi Province**

Data was provided by the Hanoi Department of Planning and Investment on physical infrastructure projects in Hanoi province. The projects are categorised according to: Fields, Cost, Completed, and Proposals by Fields. A summary of the information collected is included in this Report as Appendix 4.

1.7 **Comments on Sharpe & Quang Report**

Section 4 -- “Regional Planning” of the Vietnam Urbanisation Issues Paper\(^2\) provides details of a “proposed role for World Bank in the Capital Region planning …” and this TARP assignment is the first of the recommendations for assistance to MOC.

The TARP assignment fully agrees with the overall approach to regional planning proposed in “Section 4 – Regional Planning” including the specific matters detailed under the headings “World Bank Role” (page 7) and “Initial World Bank Steps” (page 8), and in more general term with the concepts included in the “Recommendations” (page 8). The TARP assignment proposal for a comprehensive change in the overall approach to the preparation of Regional Plans as detailed in Chapter 4 of this Report is a direct response to the constraints imposed by established principles and practices that dictate all aspects of physical planning undertaken by MOC/NIURP and consequently which inhibited their capacity to grasp the opportunities proposed by Sharpe and Quang.

Specifically, regarding “The World Bank Role” (page 7):
1. There is no evidence currently available to suggest that “… the Capital Region Plan will be a strategic planning activity aimed at addressing emerging and contentious inter-provincial issues …”;
2. There is no evidence that a “… workable institutional framework for planning, finance and implementation …” is being addressed;
3. A “cooperative approach” between the TARP assignment, the MOC and the Hanoi Capital Region Planning Steering Committee was not possible as there was no official documentation between the World Bank and MOC that formally established a joint working relationship for undertaking the TARP assignment. Consequently access to senior experts in MOC and NIURP who are in a position to discuss possible new directions in the preparation of regional plans has been negligible, and participation in the assignment by counterparts from MOC/NIURP was not achieved;
4. Based on the observation by the TARP team that the preparation of the Hanoi Capital Region Plan is following an almost identical process to the preparation of provincial physical/spatial master plans it is anticipated that the Plan will lack sufficient “strength and effectiveness” to adequately support “feasibility studies of infrastructure investment projects” by donors.

Further, regarding “Initial World Bank Steps” (page 8):
1. As stated in 3 above no effective communication with MOC has been achieved to date. Consequently the opportunity to promote the inclusion of a “strategic approach as well as a technical approach in the scope of work” etc was not available, nor is it considered achievable given the rigidity of the framework within which MOC/NIURP is required to work.
2. The remaining three paragraphs under this heading related to:
   - “encourage the development of a mechanism to transparently prioritise projects”;
   - “offer longer term assistance in support of both regional strategic and technical planning”; and
   - “build local capacity through training in regional and metropolitan planning and decision making”
are consequently primary elements of the TARP assignment proposal for a comprehensive change in the overall approach to the preparation of Regional Plans as detailed in Chapter 4.
Overview of Regional Planning in Vietnam

Introduction
An appropriate starting point in this TARP assignment is to address the question “what is regional planning”? There are many ways to define regional planning and also many ways to describe its purpose. The definition/description will vary from country to country due to the development situation in each, and also will depend on its primary purpose and how it will be used. In addition, in common usage the terms “regional planning”, “regional development strategy” and “strategic planning” are interchangeable. Appendix 5 provides examples of definitions and descriptions that appear relevant to the conditions and circumstances that currently exist in Vietnam.

In the context of this assignment the following descriptions would appear to be relevant to defining the ideal:

- A process of regional development strategy formulation and application;
- A process for systematically establishing economic, social, technological, environmental, cultural and financial goals and objectives to provide a strategic framework for managing change in a region;
- A process to achieve an effective link between economic development planning and infrastructure planning;
- The basis for regional management to achieve the implementation of national socio-economic goals, the efficient exploitation of the regions resources, and the reduction or removal of unplanned or unintended constraints on development;
- A comprehensive and integrated mechanism for managing growth and development in a “region”.

Based on observations of the current preparation of the Hanoi Capital Region Plan by NIURP however, the reality is far removed from this ideal:

- Responsibility for operation of the “process” is spread over a range of ministries with limited coordination and cooperation;
- There is limited recognition of the instruments available to government to implement the plans, nor of the limitations imposed on government by the operation of the market economy. This is also relevant to the plans for the development of the focal economic zones under the authority of MPI;
- There is no formal supporting regional management process for the operation and implementation of the regional plans prepared under the authority of MOC;

In practice, regional physical/construction planning appears to be limited to the preparation of regional plans according to the traditional planning practices of MOC for the preparation of provincial master plans that were appropriate to the former centralised economic model of the pre-doi moi (economic renovation) era, but which are now of little relevance to a market economy. These practices have a very narrow focus on presenting the optimum physical and spatial orientation aspects for proposed construction investment projects with little regard to how the plans will be financed or to budget constraints, and consequently are now of limited assistance to the
stakeholders in regional planning.
2.2 The Practice of Regional Planning in Vietnam

In Vietnam the preparation of regional plans is a responsibility of all sector Ministries and agencies, and their “regions” are defined to suit the specific areas of responsibility of each sector Ministry. MPI has formally divided the whole of the country into 6 regions: (i) The Red River Delta and Northern key economic region; (ii) The South-eastern and Southern key economic region; (iii) The Northern Central area, Central Costal area and Central Key Economic Region; (iv) Northern Midlands and mountainous area (Northwest and Northeast); (v) Central Highland; and (vi) Mekong River Delta.

MOC does not have nationwide system of regional boundaries but rather is assigned responsibility (normally by the Prime Minister) for the preparation of a regional construction plan for a specific area. Decree 08/2005 ND-CP (refer Appendix 6) states that a Regional Plan can be prepared for the “comprehensive function” of a region and specifies the following areas that can be subjected to the preparation of a regional plan:

- A focal economic zone,
- An industrial zone,
- An inter-provincial region,
- A provincial region,
- An inter-town region,
- A town region,
- A mega-city region,
- A tourism region,
- A resort region,
- A Natural protection zone.

This list indicates that a regional plan can be prepared for almost any special purpose function and is not related to provincial boundaries nor limited to inter-provincial coordination. It is also informally recognised (but apparently not officially stated) that there are two “types” of regional plans, being: (i) Comprehensive Regional Plans, and (ii) Special Purpose Regional Plans however the distinction between the two types is unclear.

Ideally, there would appear to be advantages in terms of overall regional management if there was a nationwide delineation of regional boundaries that applied to all Ministries and sectors. In practice there is a lack of uniformity or commonality in the definition of regional boundaries. An example of this is the Northern Focal Economic Zone under the management of MPI, the Red River Delta Region (defined by both MPI and MARD), and the Hanoi Capital Region under the management of MOC. They are all focussed on a similar area however the list of provinces included in each “region” is not identical even though the respective regional plans ultimately have similar objectives being the efficient management of the “regions” resources to achieve national and regional socio-economic goals and objectives. Given that the purpose of regional planning is to achieve an effective link between economic development planning and infrastructure planning through the spatial distribution of economic and social activity in the region, it appears appropriate that the primary

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3 “Regional Development Direction” MPI
4 Decree 08/2005/ND-CP approved on 24th January 2005 in regard to Construction Planning
determinant in the definition of regional boundaries would be complementarity in socio-economic activity. Therefore regional boundaries defined by MPI should form the basis for the preparation of regional plans.

Interestingly, recently the Ministry of Transport (MOT) has requested the approval of the Prime Minister for a Transport Development Plan for the Northern Focal Economic Zone\(^5\). This request is in response to the Decision of the Prime Minister No. 145/2004/QĐ-TTg dated 13 August 2004 to approve the major direction for socio-economic development in the Northern Focal Economic Zone to 2010 and to target 2020. The MOT Report states:

“To meet the development objectives of the Northern Triangle Economic Zone to 2020, it is requested that there must be a unified and modern transport system which is developed in a consistent and comprehensive plan that takes advantage of different transportation modes and the socio-economic conditions of the region”.

This proposal indicates that the Transport Development Plan to be prepared by MOT is to be fully integrated with the Northern Focal Economic Zone defined by MPI.

On the other hand, a recent newspaper report\(^6\) suggest that there is no formal recognition of the links between the intended outcomes of planning for the Northern Focal Economic Zone (under the authority of MPI) and the intended outcomes of the Hanoi Capital Region Plan (under the authority of MOC), despite that fact that the Steering Committees have the same Chairman (the permanent Deputy Prime Minister) and similar membership. This tends to confirm that the plans are evolving in parallel with a narrow focus on the specific responsibilities of the respective Ministries, rather than as components of the same process.

Therefore, in general terms there is no single process of regional planning but rather a variety of processes that focus on the areas of responsibility of the sector Ministry and which are prepared by specialist Institutes belonging to the responsible Ministry acting in the capacity of a consultant (that is, working to a specific brief, timeframe and budget, and with no on-going role in the implementation process). For example, the Development Strategy Institute (DSI) belonging to MPI establishes the socio-economic goals for the nation and the region and MPI manages the allocation of resources to the line Ministries and the provinces to achieve these goals. At the provincial level the implementation of the socio-economic master plan is achieved by the creation of construction investment projects and the purpose of the physical/spatial master plan prepared by MOC/NIURP is to provide a framework to manage these projects in terms of an ideal building form, location or pattern of distribution, and with identifying the most appropriate visual and operational arrangement of buildings and uses.

As a result, the provincial physical/spatial master plan is simply a static “snapshot” or visual model of a desired (and ideal) future that is rapidly overtaken by a lack of resources to implement the investment projects or by unplanned development. Based on the observations of the preparation of the Hanoi Capital Region Plan by NIURP it

\(^5\) Ministry of Transport Report No 7498/GTVT-KHDT submitted to the Prime Minister on 24\(^{th}\) December 2004 “To request approval of Transport Development Plan for Northern Triangle Economic Zone to 2020”

\(^6\) VietNam News 17 May 2005 “Planning of key northern zone underway”.
is anticipated that a similar outcome will result. The following diagram depicts the current institutional model for preparation of a regional plan under the authority of MOC.
2.3 Problem Definition

In the preparation of a regional physical master plan under the authority of MOC, the inputs of the other sector Ministries are required. In this regard, the MOC regional master plan is a consolidation of all the proposed construction investment projects drawn from the regional plans provided by the sectors as they would appear at the assigned target date (e.g. the year 2020). This is the same methodology used for the preparation of provincial physical master plans.

In accordance with the recently approved Decree 08/2005/ND-CP\(^7\) for the implementation of the Law on Construction, and based on the inputs from the sectors, MOC/NIURP prepares an ‘Orientation for Spatial and Infrastructure Development’ for the designate region that consists of three principal components:

- Spatial and Functional Concepts Orientation Plan;
- Physical Infrastructure Orientation Plan – which consists of ‘master plans’ for each of the major physical infrastructure components of the built environment such as transportation, water supply, drainage etc;
- Social Infrastructure Orientation Plan (note that in the Vietnamese regional planning context “social infrastructure” refers to a key functional activity such as administration, education, health, trade, sport etc).

The following diagram depicts the current process for the preparation of regional plans by MOC/NIURP. It has been prepared by reference to Decree 08/2005/ND-CP

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\(^7\) Decree 08/2005/ND-CP approved on 24 January 2005
and to the corresponding elements for the preparation of provincial physical master plans, and shows the relationship to National/Regional Socio-Economic Master Plan.

*Diagram 2: Current Process for the Preparation of Regional Plans by MOC/NIURP*

The difficulty with this model is that the Plans represent the ideal situation at the assigned target date. The Plans have insufficient regard to the process of implementation and the practicality of achievement - especially the sources of finance, budget constraints, and the consequent need for definition of priorities; also they do not adequately reflect the impact of private sector investment and other forms of unplanned development. As a result the Plans quickly become outdated, and their relevance as a tool to assist in the effective and efficient management of investment in the region, province or city is increasingly limited.

The following points highlight specific deficiencies in the current model as practiced by MOC/NIURP in terms of its potential to operate as a comprehensive regional plan for the spatial distribution of the region’s economic and social development.

- The responsibilities assigned to MOC are heavily biased toward construction investment projects in the urban environment and consequently plans prepared by NIURP experts have strong focus on urban design and built-form outcomes. In the preparation of provincial physical master plans there is very limited coverage of physical planning for rural areas and it is anticipated that a
similar approach will apply to the preparation or regional master plans by MOC/NIURP. It is therefore assumed that investment planning for rural areas is considered a responsibility of MARD. It is also noted that the previously mentioned article in the VietNam News dated 17 May 2005 which identifies the sector Ministries considered relevant to the preparation of the Socio-economic Master Plan for the Northern Focal Economic Zone makes no mention of MARD. It must also be assumed that a similar situation will apply to the exploitation of other components of the regions natural resources such as mineral resources and water resources.

- The status of regional plans is vague due to imprecise and ill-defined mechanisms for implementation. Responsibility for implementation of the Hanoi Capital Region Plan is assigned to the Steering Committee\(^8\) and it can be assumed that an identical process will occur for all regional plans. Put simply the Steering Committee is responsible for supervising and accelerating relevant ministries and sectors and provincial people’s committees to implement the planning and management for construction investment in the region. What is lacking however is a formal institutional structure that is responsible for the on-going operation (including up-dating) of the regional plan and specifically the management, coordination and monitoring of its implementation. This regional management function is similar to that of a central project management unit (CPMU) for a multi-provincial investment project where the individual investment projects are managed at the provincial level by the provincial PMU but are monitored and coordinated by a CPMU.

- The current role is more of an inter-provincial coordination plan for the provision of technical infrastructure. There is recognition of the need for regional management, especially in terms of the more efficient management of technical infrastructure that is currently constrained by provincial boundaries. Examples that are being addressed by the provinces in the Hanoi Capital Region are solid waste management and location of cemeteries. However there is no formal recognition that an important purpose of regional planning is to provide a better link between socio-economic planning and infrastructure planning.

- An important component of regional management not recognised in the list of functions and responsibilities of the Steering Committee for the Hanoi Capital Regional Plan is the maintenance of the regional database established during the preparation of the Plan. This is a valuable resource for all stakeholders in the planning of the region and the investment needs to be maintained and regularly updated to maintain it relevance. This must include the establishment and maintenance of Geographic Information System (GIS) for recording and updating data that should accessible by all stakeholders. (It is noted that the Ile de France Region of France as part of a package of assistance provided NIURP with satellite imagery covering the whole of the Hanoi Capital Region suitable as a basis for GIS however the opportunity was not pursued).

This raises the whole question of how effective is the current process for the preparation of regional planning as practiced by MOC/NIURP? It must be assumed,
based on difficulties experience with the implementation of provincial spatial master plans, and on the absence of a formal implementation mechanism, that regional master plans will have a limited effect on the management of construction investment in the region apart from major government sponsored projects. Even the implementation of these government projects will be significantly influenced by rapid changes in the development of the region as a result of private sector investment decisions that driven by a whole different set of financial objectives and requirements. It is questionable whether MOC regional plans are in fact “regional plans” but rather are better described as “inter-provincial plans” having as their objective the better coordination of construction investment at the provincial level by removing the constraint of provincial boundaries.

### 2.4 Problem Analysis

Regional planning must be seen as operating at a higher level than provincial planning – that is, it focuses on the achievement of national goals and objectives, and particularly on the spatial orientation of construction investment projects that have a national significance. Regional plans need to place a greater emphasis on the definition of a regional framework for construction investment decisions and be far less prescriptive than is currently the case. A regional plan does not need to address projects that can be managed by a provincial master plan so long as the regional plan provides the appropriate regional strategic framework for the preparation of the provincial plan. This regional framework should guide the preparation of provincial master plan where the details necessary for the management of construction investment can be better prescribed. If the regional plan is too precise it will continually be in conflict with the provincial plan – and will tend to replace the provincial plan.

A primary requirement for the extension of the current process of preparation of regional plans to a process of “regional planning” is to create a management body with responsibility for the on-going operation and implementation of the regional plan. This management body should be responsible for the management of a ‘comprehensive’ regional development plan that covers all sectors of the economy in an integrated manner.

Regional planning also requires a clear appreciation of the economic management instruments (mechanisms) available to government to implement the Regional Plans; that is, to achieve the intended Outcomes. The primary role of regional plans is the spatial distribution of economic and social activity in a market economy however the difficulty with the current process of preparation of regional construction plans by MOC/NIURP is that the instruments available to government to influence this spatial distribution are either ill-defined in the Plan or not clearly understood. It is apparent that such regional plans will provide a very clear picture of the intended physical outcome at the target date but with little regard to the instruments available to government to achieve the planned outcomes.

It is evident that the whole approach to regional planning (being concerned with development and investment at the national and regional levels – i.e. the level above provinces) requires reform as it appears to be disjointed, and lacking in coordination, and consequently less effective than is considered appropriate for such important
issues. There is a need for change, to expand the focus of regional plans to make them more comprehensive in their coverage, and more focused on the means of implementation. This requires the increased coordination between the sectors, a clearer definition of national and regional socio-economic strategies including the definition of priorities by all sectors, and due consideration for the availability of financial resources and the impact of budget constraints on the implementation of prioritised construction investment projects.

2.5 Conclusion
The principal conclusion of this overview of regional planning practice in Vietnam is that the achievement of effective and efficient regional planning requires the institutional reform of the current practice whereby each sector Ministry is responsible for the formulation of a sector regional plan and the MOC is responsible for the physical/spatial orientation of the resulting construction investment projects. What is required is a single comprehensive regional development plan that focuses on the spatial distribution of the region’s economic and social development through a process of regional management to achieve the implementation of national socio-economic goals, the efficient exploitation of the regions resources, and the reduction or removal of unplanned or unintended constraints on development.
Concepts for Improvement

3.1 Concepts

The investigations and analysis undertaken during and following the Inception Report phase of the TARP Assignment have indicated an appropriate way forward in the achievement of the Assignment objectives. What is required in Vietnam is a new integrated approach and new institutional arrangements for the preparation and operation of comprehensive regional development plans.

The model for an integrated approach to regional planning in Vietnam should include the following characteristics:

- involves key stakeholders,
- incorporates environmental, cultural, heritage, and socio-economic planning with infrastructure planning,
- takes account of likely financing and financial constraints,
- supports the growing economy of the region,
- is responsive to the needs of the poor, and
- can accommodate the rapid changes that are occurring in both urban and rural areas.

The process of formulating the comprehensive regional development plan must include, as the initial stage, a clear, systematic and comprehensive regional analysis leading to the identification and definition of unmet needs, development constraints, and development opportunities. Such an analysis is essential to provide a sound basis for the formulation of the strategic goals and objectives to ensure that a consensus is achieved that is free of subjectivity and political posturing.

A regional plan is intended to address national and regional (and inter-provincial) issues. It should not address issues that are solely the concern of a single province. These issues will be determined by reference to four main sources:

1. National Government policy
2. National and regional sector plans
3. Diagnosis of socio-economic data
4. Provincial recognition of issues that require inter-provincial solutions

The quality, and consequently the value and relevance of regional plans will only be as good as the information (national and regional socio-economic and sector strategies) provided by MPI and sector Ministries. Therefore there must be a commitment to the formulation of such strategies by the MPI and sector Ministries that are comprehensive, relevant and focussed.

3.2 Components of an Improved Model for Regional Planning

It is apparent that regional planning needs to be the responsibility of a single agency committed to the achievement of the planned outcomes. Given that the current focus of MOC/NIURP produced regional plans is the spatial distribution of economic and social development in a market economy it is proposed that MOC should remain as
the agency responsible for the formulation of comprehensive regional development plans, based on improved procedures for the integration of policies and strategies from MPI and sector Ministries aimed at achieving an effective link between economic development planning and infrastructure planning, and on new institutional arrangements for the operation and implementation of the plans through a process of regional management. The following diagram depicts the institutional model considered necessary for the formulation of comprehensive regional development plans.

**Diagram 3: Proposed Institutional Model for Regional Planning**

The investigation undertaken in the TARP assignment suggest four parallel themes that need to be addressed for upgrading the preparation of regional plans under the authority of MOC to the level of Comprehensive Regional Development Plans:

1. Initiation of a formal process for review of the current practice of regional planning aimed at formulation and adoption of an indigenous model for the preparation of comprehensive and integrated regional development plans;

2. The consequent introduction of a regional planning process based on the formulation of mechanisms for the management, operation and implementation of regional plans that is responsive to the needs and requirements of the major stakeholders and is relevant to the political and administrative arrangements within which it will operate. The following diagram describes this process;

3. A primary focus on improving communication and coordination between stakeholders during the preparation of the regional plan, including a commitment that all stakeholders involved in the preparation of the Regional Plan identify their priorities for investment in their area of responsibility for
inclusion in the accompanying Regional Development Program;
4. The incremental improvement across all sector Ministries and agencies in the formulation of regional strategies that are comprehensive, relevant and focussed. This includes building capacity in the component stakeholders so that their contribution to regional planning improves along with their ability to fully exploit the benefits of more effective and efficient regional planning.

Diagram 4: Proposed Comprehensive Development Planning Process

[Diagram showing the proposed comprehensive development planning process with various stakeholders and their roles in the planning cycle.]
3.3 Conclusions & Recommendations

Based on the observations and investigations undertaken during this TARP assignment it is apparent that the current process of preparation of regional plans by MOC/NIURP is increasingly losing relevance as the economy advances towards the full adoption of the free-market economic model. The shift to a market economy as a result of doi moi requires that regional plans do much more than provide an ideal master plan for the implementation of anticipated state sector construction investment projects. Because the major changes now occurring throughout regions are primarily the result of non-state sector investment, it is essential that all spatial planning processes in Vietnam (both regional or urban) reflect the influences of all sectors of the economy – whether it be public investment or private sector investment, and manage this investment to achieve national, regional and provincial development goals and objectives.

The solution involves major changes in the way that regional plans are prepared by MOC/NIURP to ensure that they are:

- Comprehensive in their scope;
- Focussed on the achievement of national and regional goals and objectives;
- Responsive to economic instruments available to government;
- Achievable in terms of institutional arrangements;
- Relevant to the needs of the stakeholders.

The achievement of these changes will require the application of three key initiatives:

1. The formulation and adoption of a process of comprehensive regional development planning including reform of institutional arrangements to create a formal process of regional development management. This initiative is detailed in the following Chapter 4 under the heading: “Components of a Comprehensive Regional Development Planning System”;

2. A process of incremental change to the existing practices for the preparation and management of region plans including upgrading of skills and experience of the planning professionals and government officials. This initiative is detailed in the following Chapter 5 under the heading: “Regional Planning Improvement Program”;

3. An active commitment by the Government of Vietnam and Donors to the implementation of the Comprehensive Regional Development Planning System through participation in the Regional Planning Improvement Program. This initiative is detailed in the following Chapter 6 under the heading: “Regional Planning Partnership”.


Components of a Comprehensive Regional Development Planning System

The following components are considered essential elements of a comprehensive regional development planning system for Vietnam that addresses the deficiencies identified in previous Chapters of this Report. The following diagram graphically describes the recommended system.

4.1 Administrative Components:

4.1.1 National Steering Committee for Regional Planning

In order to recognize the significance of regional planning as an administrative process operating at a level above the provincial level of administration it is essential that a high level steering committee be established to oversee the introduction of the comprehensive regional planning process and to nurture it through the formative years. To reflect this significance and the cross-ministry involvement it is proposed that the steering committee be chaired by a Deputy Prime Minister. Further, given that the comprehensive regional planning process is to be managed by MOC the Executive Vice Chairperson should be the Minister of Construction. Membership of the National Steering Committee for Regional Planning should consist of Vice Ministers of the sector ministries involved in the preparation of comprehensive regional development plans.

4.1.2. Functions and Responsibilities of Regional Steering Committees (RSC)

Based on the decision of the Prime Minister for the establishment of the Steering Committee for the Hanoi Capital Region for managing planning and construction investment, the following functions and responsibilities are suggested for Regional Steering Committees for managing comprehensive planning and investment in each region:

1. Steering the comprehensive planning and investment in the Region;
2. Steering the appraisal of specific investment proposals together with appropriate mechanisms and solutions in the planning and managing process for the comprehensive investment in the Region, then submitting to the Prime Minister for assessment and approval, or being assigned by the Prime Minister to decide;
3. Supervising and accelerating the actions of relevant ministries and sectors and the People’s Committee of the provinces in the Region to implement the planning and management for comprehensive investment in the Region; and determining the appropriate solutions or measures to encountered problems during the implementing process;
4. Steering the cooperation with domestic and international organizations and experts on the investigation and implementation of planning and management of the comprehensive investment in the Region.

4.1.3. Functions and Responsibilities of Regional Coordination Units (RCU).

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9 Decision No. 118/2003 QDTTg dated 11/6/2003 of the Prime Minister regarding the establishment of the Steering Committee for Planning and Construction Investment in the Capital Region of Hanoi
Similar in operation to a Central Project Management Unit (CPMU) under the MOC but with reporting responsibility to the Regional Steering Committee as well, the RCU for each region is primarily responsible for:

- monitoring the implementation of the decisions of the Regional Steering Committee,
- coordination between the sector ministries, provinces and stakeholders in the implementation of the Regional Development Programs,
- maintaining and updating the regional database and operating as regional information and resource centre,
- responding to issues raised by the stakeholders and their referral to the Regional Steering Committee,
- providing advice to the Regional Steering Committee on all matters of regional planning significance,
- preparing the Annual Audit for adoption by the Regional Steering Committee and presentation to the National Assembly.

### 4.2 Operational Components

#### 4.2.1 A Standard Methodology for Preparation of Comprehensive Regional Development Plans (CRDP)

A standardised methodology for the preparation and operation of CRDP that has been formulated following extensive research and analysis by Vietnamese planning experts with foreign expert assistance during the proposed Pilot Project. This standardised methodology must be relevant to the needs of the stakeholders and responsive to the economic instruments available to government. The standardised methodology must be enshrined in the relevant Laws of Vietnam and implemented at the discretion of the Prime Minister.

#### 4.2.2 Planners Skilled and Experienced in the Preparation of Comprehensive Regional Development Plans

The preparation of a CRDP requires a high level of skill and experience by all of the experts from the Centre for Regional Planning in NIURP together with experts from the sector ministries and agencies who are contributing to the preparation of the CRDP by NIURP. The proposed Pilot Project will identify the skills necessary for the preparation of a CRDP and will propose a short to medium-term program for training and capacity building in NIURP and the sector ministries, and a medium to long-term program for under-graduate and post-graduate training for regional planners. It is anticipated that technical assistance from foreign experts may be required by NIURP for the preparation of Comprehensive Regional Development Plans for the next few years however as the benefits of the proposed training and capacity building programs become evident the need for foreign involvement will diminish.

#### 4.2.3 Definition of a Region.

The definition of the region must be relevant to the intended purpose of the regional plan. Given that the purpose of a CRDP is to achieve an effective link between economic development planning and infrastructure planning through the spatial distribution of economic and social activity in the region, it appears appropriate that the primary determinant in the definition of regional boundaries would be
complementarity in socio-economic activity. Therefore regional boundaries defined by MPI should form the basis for the preparation of CRDP. For regional planning purposes it is not necessary that regional boundaries follow provincial boundaries. Further, it may be appropriate to divide a region into sub-regions that become the focus for the preparation of CRDP and the three focal economic zones defined by MPI are relevant examples.

Diagram 5: Comprehensive Regional Development Planning System:
4.2.4 Regional Database
A regional database incorporating GIS technology developed during the preparation of the CRDP is a valuable resource which must be maintained and regularly updated, and be available to all of the stakeholders who have an interest in the planning of the region such as provincial authorities and potential investors. A comprehensive regional database ensures that the diagnosis of the data during the formulation of the Regional Strategic Framework is focussed on the identification of the full range of problems, issues and opportunities that need to be addressed. The management of the regional database is the responsibility of the Regional Coordination Unit and its status will be commented on in the annual audit of the CRDP prepared by the RCU.

4.2.5 Stakeholder participation
Stakeholder participation in the preparation of a CRDP is essential to the success of regional planning. The stakeholders are the end-users and beneficiaries of the regional planning process and therefore it is essential that the CRDP identifies and addresses their needs and requirements. It is anticipated that stakeholders may require training and capacity building so that their contribution to the preparation and review of CRDP improves along with their ability to fully exploit the benefits of more effective and efficient regional planning. Stakeholders in the regional planning process will include: sector ministries and agencies, provinces, mass organisations, civil society, and donors.

4.2.6 Comprehensive Regional Development Plan
A Comprehensive Regional Development Plan for each region designated by the Prime Minister, prepared by MOC/NIURP under the direction of a Regional Steering Committee and reviewed and updated every five years, consisting of three components:

1. A clearly defined and articulated Regional Strategic Framework derived from the socio-economic master plan for the “region” provided by MPI/DSI together with inputs from the relevant sectors ministries and incorporating a response to the problems, issues and development opportunities identified in the diagnosis of the regional database. The Regional Strategic Framework should include a vision statement as an overall guiding principle for the management of construction investment; The Regional Strategic Framework is a statement that incorporates:
   - National Government policy,
- National and regional sector plans,
- Diagnosis of socio-economic and physical data,
- Recognition of issues that require inter-provincial solutions,

to provide the strategic direction for the comprehensive and integrated development of the region for the following 20 to 30 year period in terms of:

- Strategies to be implemented,
- Problems and issues to be addressed
- Opportunities and resources to be exploited.

2. **A Comprehensive Regional Plan** that prescribes the spatial distribution of economic and social activity in the region, is relevant to the operation of the market economy, and is responsive to the economic management instruments available to government to achieve the planned outcomes.

3. **Regional Development Programmes** for construction investment projects that achieve the link between economic development planning and infrastructure planning, that are ranked in terms of achievement of national and regional priorities, and have regard to potential sources of financing and potential budgetary constraints; to be prepared with advice and assistance from subordinate agencies of MOC and implemented by the relevant sector Ministries, agencies and provinces with coordination and management assistance provided by the Regional Coordination Unit.

**4.2.7 Approval Mechanisms for a Comprehensive Regional Development Plan.**
The current process of approval of some regional construction plans is the responsibility of the Prime Minister (a focal economic zone, an inter-provincial region, and special purpose regional plans directly required by GOV) and it is proposed that this process is maintained for CRDP following their adoption by the Regional Steering Committee. However to reflect the importance of comprehensive regional planning as a level of management above the provincial level it is proposed that CRDP be considered by the National Assembly prior to submission to the Prime Minister for approval. This involvement of the National Assembly will significantly add to the status of regional planning and consequently would encourage the sector ministries to place a major emphasis on the quality and relevance of their inputs into the CRDP preparation.

**4.2.8 Annual Audits**
An auditing process undertaken annually by the Regional Coordination Unit to document the progress of implementation of the CRDP, including details of any changes in the region (e.g. a significant non-government investment project) that may have an impact on the implementation of the Plan and/or which may require amendment to the Plan. The Annual Audits are to be approved by the Regional Steering Committee and considered by the National Assembly.
5. Regional Planning Improvement Program

5.1 Objective of Program
The formulation and introduction of an indigenous regional planning methodology for Vietnam that focuses on the achievement of national and regional goals and objectives, provides an effective link between economic development planning and infrastructure planning, and builds on established institutional arrangements for the operation and implementation of the plans through a process of regional management.

5.2 Components of the Program

Component 1: Operational Arrangements
1) Adoption of the Program
2) Establishment of the National Steering Committee for Regional Planning
3) Establishment of the Pilot Project Team
4) Definition of the Region for the Pilot Project and establishment of the Regional Steering Committee

Component 2: Methodology Development
1) Formulation of the draft Methodology for the preparation of a Comprehensive Regional Development Plan (CRDP);
2) Monitoring of the plan preparation process, documentation and analysis of problems encountered during the pilot project, leading to refinement of the Methodology;
3) Preparation and circulation of Discussion Papers on relevant aspects of Methodology development;
4) Preparation of a draft Decree for the adoption and implementation of the Methodology together with an accompanying Circular detailing administrative arrangements necessary for effective regional management;
5) Preparation of Procedures Manuals for the formulation of CRDP based on the tested and refined Methodology.

Component 3: Pilot Project
Preparation of a Comprehensive Regional Development Plan consisting of:
1. A Regional Strategic Framework (RSF),
2. A Comprehensive Regional Plan (CRP),
3. A Regional Development Program (RDP);
as a pilot project to demonstrate and document the preparation process, to test and refine the methodology, and to identify and elaborate the areas for training and capacity building.

Component 4: Training and Capacity Building
Formulation of a training and capacity building program for all of the major contributors to the preparation of the CRDP plus the administrators in the RCU, together with proposals for broadly based undergraduate and postgraduate training.

Component 5: Technical Assistance Program
Preparation of a proposal for an on-going program of technical assistance to the RCU and the Regional Steering Committee for the operation of the Plan and the implementation of the Regional Development Programs, including the possibility of a
Technical Assistance Support Unit within MOC.

5.3 Steps in the Program

The formulation and introduction procedure consists of a series of sequential steps that result in the definition of an appropriate indigenous methodology and its presentation in a manner suitable for adoption by the GOV and application throughout Vietnam at the direction of the Prime Minister. The following diagram illustrates these steps.

Step 1: Government of Vietnam and Donor Commitment

(*Action by GOV and donors*)

The GOV and the Donors formally agree to the establishment of a Regional Planning Partnership that commits both parties to the implementation of the Regional Planning Improvement Program by:

- GOV commitment to institutional reforms necessary to achieve effective and efficient cooperation and coordination between sector ministries and agencies through the establishment of a National Steering Committee for Regional Planning chaired by a Deputy Prime Minister, and to the establishment of a regional management structure consisting of a regional steering committee and a regional coordination unit;
- Donor commitment to support the Program by the provision of financial and technical assistance and by an on-going involvement in the Program as Stakeholders in regional planning.

Step 2: Establish the Project Team

(*Action by GOV and donors*)

The Regional Planning Improvement Program is to be undertaken by a multi-disciplinary team of Vietnamese experts assembled by the NIURP Centre for Regional Planning and supported by foreign experts. The Project Team may also be supplemented by experts co-opted from other centres or divisions within MOC/NIURP or from sector ministries. It is important that a core of experts within the project team is involved in all of the components of the Program (detailed in 5.2 above) to provide a consistency and continuity to the development of the methodology. It is anticipated that the project team will consist of:

- Strategic planning specialist
- Regional planners/geographers
- Regional economist
- Regional Transport specialist
- Technical Infrastructure engineers
- GIS specialist
- Institutional development specialist
- Regional management specialist
- Training and capacity building specialist
Diagram 6: Steps in Regional Planning Improvement Program

NSC: National Steering Committee for Regional Planning
RSC: Regional Steering Committee
RCU: Regional Coordination Unit
PT: Project Team
RSF: Regional Strategic Framework
CRP: Comprehensive Regional Plan
RDP: Regional Development Program
TCBP: Training & Capacity Building Program
TAP: Technical Assistant Program
Step 3: Formulate the draft Methodology

(Action by Project Team)
Formulation of a draft methodology by the project team for the preparation of CRDP based on:

- an evaluation of the deficiencies in existing processes,
- the provision of an effective link between economic development planning and infrastructure planning,
- an appreciation of the economic instruments available to GOV to direct the spatial distribution of economic and social activity in the region,
- a clear understanding of how the Strategy will be used, and
- an appreciation of the expectation of the stakeholders, especially those who are users of the Plans.

Step 4: Definition of the Regional Study Area

(Action by GOV and Project Team)
Definition of the regional study area for the Pilot Project based on advice from the Institute of Development Strategy belonging to MPI and following consultation with the sector ministries, provinces and relevant stakeholders, as directed by the Prime Minister.

Step 5: Adopt the draft Methodology

(Action by Project Team and National Steering Committee)
Presentation of the draft Methodology for the formulation of a Comprehensive Regional Development Plan to the National Steering Committee for adoption, together with a request for approval of a proposal for the Pilot Project for a designated regional study area and for the establishment of a Regional Steering Committee.

Step 6: Establish the Regional Coordination Unit (RCU)

(Action by GOV)
The RCU needs to be in operation at the commencement of the pilot project to provide an initial project management role, to establish and maintain contact with main stakeholders, for involvement in the development and maintenance of the regional database, to provide a realistic context for the regional management evaluation process, and to provide continuity between the plan preparation, operation and implementation.

Step 7: Formulate the draft Regional Strategic Framework (RSF)

(Action by Project Team)
The formulation of the RSF requires close cooperation with the sector Ministries and provinces in order to identify all factors that influence the comprehensive development of the region. This will require:

- commissioning of reports from relevant sector Institutes to identify policy objectives, development proposals, and any other proposed initiatives,
- extensive data collection and diagnosis to identify problems/issues to be addressed and opportunities to be exploited,
- consultation with stakeholders.
In addition to the formulation of the RSF the following Outputs will be produced:

1. Proposals for refinement of the Methodology
2. Discussion Papers on aspects of the RSF process
4. Proposals for training and capacity building
5. The establishment of the regional database

**Step 8: Adopt the Regional Strategic Framework**
*(Action by Project team and Regional Steering Committee)*
The draft RSF is to be circulated to the relevant stakeholders for comment and then submitted to the Regional Steering Committee for adoption.

**Step 9: Prepare the draft Comprehensive Regional Plan (CRP)**
*(Action by Project Team)*
The preparation of the CRP is the main component of the pilot project and is intended to prescribe the spatial distribution of economic and social activity in the region over the study period, and will require the concerted inputs of the study team members. It will include a written explanation detailing how the CRP achieves the national and regional socio-economic plans and sector strategies. In addition to the preparation of the CRP the following Outputs will be produced:

1. Proposals for refinement of the Methodology
2. Discussion Papers on aspects of the CRP process
4. Proposals for training and capacity building
5. Expansion of the regional database

**Step 10: Adopt the Comprehensive Regional Plan**
*(Action by Project Team and Regional Steering Committee)*
The draft CRP is to be circulated to the relevant stakeholders for comment and then submitted to the Regional Steering Committee for adoption.

**Step 11: Prepare the draft Regional Development Programs (RDP)**
*(Action by Project Team)*
The preparation of the draft RDP will require technical assistance from subordinate agencies of MOC and from MPI and the sector ministries and provinces to ensure that the prioritised investment projects are feasible and relevant in terms of available financial resources and possible budgetary constraints. In addition to the preparation of the CRP the following Outputs will be produced:

1. Proposals for refinement of the Methodology
2. Discussion Papers on aspects of the RDP process
4. Proposals for training and capacity building
5. Expansion of the regional database

**Step 12: Adopt the Regional Development Program**
*(Action by Project Team and Regional Steering Committee)*
The draft RDP is to be circulated to the relevant stakeholders for comment and then submitted to the Regional Steering Committee for adoption.
Step 13: Consolidate the Regional Database
(Action by Project Team and Regional Coordination Unit)
The data collected and diagnosed during the preparation of the CRDP is a valuable resource that is to be transferred to the custody of the Regional Cooperation Unit by the Project Team, together with standard procedures for access by stakeholders, mechanisms for expansions of the database, and proposals for training in data management.

Step 14: Finalise and Adopt the Methodology
(Actions by Project Team and Program Steering Committee)
An effective methodology for the preparation of the Comprehensive Regional Development Strategy is a primary outcome of the Regional Planning Improvement Program. It is derived from the monitoring and evaluation of the pilot project and consequent refinement of the draft methodology. The final version, together with supporting explanation, produced by the project team should be widely circulated for discussion by stakeholders and planning professionals prior to presentation to the National Steering Committee for Regional Planning for adoption.

Step 15: Preparation of Procedures Manual
(Actions by Project Team)
The Procedures Manual implements the adopted methodology for the preparation of the CRDP. It consists of guidelines for undertaking each aspect of the preparation of the CRDP based on the experience gained from the pilot project. It is anticipated that, as further experience is gained in the preparation of CRDP, further refinements of the methodology will emerge that will require amendments to the relevant sections of the Procedures Manual.

Step 16: Preparation of draft Decree
(Actions by Project Team and Program Steering Committee)
The project team is responsible for the preparation of a draft Decree for Comprehensive Regional Development Planning together with accompanying Circular detailing administrative arrangements necessary for effective regional management, for presentation to the Program Steering Committee.

Step 17: Preparation of Training and Capacity Building Program
(Actions by Project Team)
Deficiencies in the capacity of institutions to contribute to the preparation of the CRDP and deficiencies in the skills base of the professionals will be identified and documented during the pilot project. The Training and Capacity Building Program will recognise the reality that capacity building will be incremental and become effective in the longer term. It is anticipated that the Program will primarily focus on identifying the deficiencies, propose training and capacity building programs to address the deficiencies, and nominate a range of providers or opportunities for technical assistance that can be adopted by donors through the Regional Planning Partnership. It is proposed that a particular focus for training and capacity building will be the MOC/NIURP Centre for Regional Planning to ensure that they have the professional skills and technical resources necessary to undertake the preparation of CRDP or to manage the process using consultants, and to subordinate agencies of
MOC to enable due consideration during the preparation of the Regional Development Programs for the availability of financial resources and the impact of budget constraints on the implementation of prioritised construction investment projects.

**Step 18: Preparation of Technical Assistance Program**  
*(Action by Project Team and Regional Coordination Unit)*

The manpower and technical resources necessary for the operation of the Regional Coordination Unit will be identified during the pilot project. This will result in the preparation of a proposal for an on-going program of technical assistance to the RCU and the Regional Steering Committee for the management of regional planning and the implementation of the Regional Development Programs, including the possibility of a Technical Assistance Support Unit within MOC.

### 5.4 Outputs

In summary, it is anticipated that the Regional Planning Improvement Program will produce the following Outputs:

1. An indigenous framework and methodology for Regional Planning;
2. A Comprehensive Regional Development Plan for a region nominated by the GOV consisting of:
   - A Regional Strategic Framework,
   - A Comprehensive Regional Plan,
   - A Regional Development Program;
4. A Training and Capacity Building Program;
5. A Technical Assistance Program.
6. Regional Planning Partnership

6.1 Purpose of the Regional Planning Partnership

A partnership between the GOV and Donors involved in aid projects and in the provision of financial assistance through ODA programs to improve the quality and relevance of regional planning in Vietnam. The donor involvement in the partnership is the result of their role as stakeholders in and beneficiaries of efficient and effective regional planning. The Partnership provides the basis for cooperation between donors and GOV for the achievement of a common objective of efficient and effective regional planning and development. The following diagram describes the relationship between the major components in the Regional Planning Partnership.

6.2 Justification for Donor Involvement

Donors have a common objective with GOV for the implementation of the national strategies for poverty alleviation and the consequent preparation and implementation of socio-economic plans that aim to achieve economic growth through investment in technical infrastructure. Because donor assistance is a significant component in the development of essential infrastructure in Vietnam it is important that the information available for the design and preparation of ODA proposals (both grants and preferential loans) is relevant, current, focussed and coordinated. This can be achieved by an effective and efficient process of regional planning.

Donors are interested in leads into the medium term development framework for Vietnam that indicate opportunities for loans or aid projects. They are looking for a clear strategy for development investment that focuses on national and regional goals and objectives and which provides a clear link between socio-economic objectives and spatial planning for infrastructure provision at the provincial level. They require a consistent and comprehensive medium term development framework upon which to research and base their project proposals. Regional planning that is comprehensive in its scope and based on adherence to a coordinated and integrated strategy for growth enables Donors to implement a more rational approach to formulation of ODA programs.

Donors are interested in such matter as efficient use of financial resources and especially in the provision of technical infrastructure, and aim to ensure that ODA funds are spent in the most cost effective way in the achievement of the national development goals; for example to ensure that urban growth corridors are determined according to cost effectiveness – serving the maximum population at the minimum cost.

Regional Construction Plans prepared by MOC are failing to meet the expectations of the donors because they lack certainty. This is a result of limited consideration for likely sources of financing and budget constraints and for the consequent need for establishing priorities for investment projects that most effectively implement the national and regional socio-economic development plans.
Diagram 7 Regional Planning Partnership Relationships

Final Report
The Regional Planning Partnership aims to address these issues by the promotion of an improved methodology for the preparation of regional development plans that are comprehensive in scope and based on an approach that is inclusive of local experts and institutions.

It is also important to note a comment attributed to the Vice Prime Minister Mr Nguyen Tan Dung in his capacity as Chairman of the Steering Committee for the preparation of the Hanoi Capital Region Plan that ‘all proposed ODA projects must be approved by the coordinating body’ (i.e. the Regional Steering Committee). This statement raises a number of issues: firstly, it suggests an on-going role for a regional steering committee in the regional planning process; and secondly, it suggests a second layer of approval for ODA projects in addition to the approval process currently undertaken by MPI. On face value both of these suggestions have merit as the evaluation of all major investment proposals (including ODA) should have regard to the regional planning context within which they are to be located. More particularly, the comment reinforces the link between regional planning and ODA projects and highlights both the necessity for, and potential benefits that can result from donor support for the introduction and operation of a comprehensive regional development planning process.

6.3 Functions of the Regional Planning Partnership

The Regional Planning Partnership has three primary functions:

1. The promotion of comprehensive regional planning through:
   • support for the proposed Regional Planning Improvement Program,
   • sponsoring the preparation of comprehensive regional plans in high priority regions nominated by GOV,
   • on-going support for training and capacity building for stakeholders who are contributors to regional planning.

2. A platform for dialogue and cooperation between donors through a common interested in the formulation of a comprehensive medium term regional development framework to ensure a more rational and integrated approach to the formulation ODA programs.

3. A commitment to a standard set of criteria for comprehensive regional planning that includes:
   • preparation by multi-disciplinary teams of local and foreign experts,
   • adherence to a standard methodology,
   • report on the CRDP preparation process,
   • development of a regional database,
   • a training and capacity building program, and
   • on-going technical support for the Regional Coordination Unit.

6.4 Participation by the Government of Vietnam

An Important issue to be addressed is where to focus the level of contact between the GOV and the donors within the Regional Planning Partnership. Ideally, given the importance of the issue and the cross-ministry involvement in regional planning the primary point of contact should be at Deputy Prime Minister level. Therefore the proposed National Steering Committee on Regional Planning to be chaired by a Deputy Prime Minister should be the “partner” representing the GOV.
Appendix 1: Review of the Terms of Reference for Hanoi Capital Region Plan

The TOR was approved after receiving comments from related agencies. The TOR is divided into 4 main parts:

(i) Rationale for regional plan preparation;
(ii) Legal documents that need to be referred in regional planning preparation;
(iii) Concept for Hanoi regional plan and
(iv) Conclusion and Proposal.

In the first part of the TOR, the need for having inter-provincial coordination has been stated as: “In order to achieve the effective and sustainable development to Hanoi and other regional provinces, the related issues to urban planning and construction, training, especially in infrastructure and social investment must not be solved separately in each province. It is needed to have the coordination and cooperation among regions on making plan, such as in industrial zone, water resource, new urban area, water treatment plan, landfill, etc. On the other hand, the preparation for socio-economic development plan for region must have the coordination between related ministries and local government in order to have the unique direction and productive investment”.

Comment: It appears that the decision makers have been aware on the importance of having coordination among stakeholder, but the required output does not logically state that issue. The institutional arrangement for implementing that plan therefore has not been fully explored and there is still less meaning in terms of a comprehensive regional plan.

In the second part of TOR, the concept for regional study has been stated which covers the objectives, time frame, scope of work, and the analysing of the existing data requirement such as natural resource, socio-economic, infrastructure, land use, etc, and proposes requirements for those issues without the feasibility condition to implement that plan. In this part, the orientation development for different phases is also identified, in which the first phase must include the priority list of infrastructure investment plan, clarify the development scope, investment quantity, investment model, investor, as well as cost estimated for these investments.

Comment: It seems that the entire requirement related to technical issues in regional planning preparation has been studied. The operation and implementation of regional plan still lacks consideration however; therefore the output is still less persuasive and impracticable.

In the last part of TOR, tasks for each ministry are identified during the planning preparation process. Those are: MPI with socio-economic plan, MOC with physical plan, MOF with financial mechanism and policy, MOT with transportation analysis and control, MARD and MPI will coordinate in preparing action plans for rural development and natural resource protection; MONRE with land use management mechanism, resettlement mechanism, land clearance mechanism and environmental protection regulation; and specifies the other relevant authorities like Hanoi PPC as
well as the other regional agencies that must deal with specific action plan within region.

Comment: It appears that the function for each authority has been identified, but due to the lack of experience, where there is no working mechanism the management body could not work out their likely role and function, the availability of human resources and financial assistance necessary to enable this body to operate effectively. These issues are not stated in the TOR, so no proposal is made for the working/implementing mechanism in regional plan preparation.

In conclusion, even when regional planning in Vietnam has covered the right objectives, and has appropriate technical skills, the practical implementation aspect required to achieve these objectives is still absent. Therefore, it is essential to focus on the institutional issues necessary for achievement of regional planning objectives.
Appendix 2: Inventory of Donors’ Interests

Swiss Agency for Development and Cooperation (SDC)
1. The Vietnam Urban Forum is being supported and financed by SDC under the Urban Governance Support from Feb 2002. The Overall Goal of the Urban Forum is to enhance the Government’s and development partners’ policy formulation and program implementation. The particular objectives are to: (i) build up an efficient and effective urban partnership (urban forum) as a major platform for knowledge management, policy dialogues and strategy development, and for the elaboration of innovative approaches and programs; (ii) build up an efficient SDC sector support capable of participating in the elaboration, coordination and management of an enhanced SDC urban Governance/Public Administration Reform Program in Vietnam.

2. The Dong Hoi Urban Development Project is part of the SDC supported urban governance program in Vietnam. It started with a main focus on municipal restructuring, before evolving into a more balanced approach of combining municipal reform with environmental and infrastructure planning and implementation. It now focuses on implementation of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and on Public Administration Reform (PAR) at the municipal level. The overall goals are to: (1) Enhance the contribution of medium-sized cities to the implementation of the CPRGS and the Public Administration Reform through engagement and strengthening of the three key stakeholders- municipal government, civil society and the private sector.

3. The Nam Dinh Urban Development Project is part of the SDC-supported urban governance program in Vietnam. As with the Dong Hoi project it started with a main focus on municipal restructuring, before evolving into a more balanced approach of combining municipal reform with environmental and infrastructure planning and implementation. It now focuses on implementation of the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) and on Public Administration Reform (PAR) at the municipal level. The overall goal is to enhance the contribution of medium-sized cities to the implementation of the CPRGS and the Public Administration Reform through engagement and strengthening of the three key stakeholders- municipal government, civil society and the private sector.

Asian Development Bank (ADB)
The ADB Country Strategy and Program (CSP) has four strategic priorities in which Geographic Focus on Central Region is the fourth priority order. The Central Region Urban Environmental Improvement Project is an advanced stage of the preparation and the other three projects are: (i) Forest for livelihood in Central Highland; (ii) Central Region Transport Network and (iii) Central Region Water Resources. These three sectoral projects focus on the multiple dimensions of poverty and development in the region. Moreover, ADB is preparing a Sub-regional Cooperation Strategy and Program for Greater Mekong Sub-region incorporating the Cambodia-Lao-Vietnam Development Triangle initiative.

ADB has promoted City Development Strategy (CDS) studies for most of the urban
area in the Asian region. In Vietnam, Danang has been chosen to studies, particularly in economic growth through sustainable environment. Five sectors have been identified as priorities: institutional and policy reform, infrastructure, resource, population and environment. By using SWOT analysis techniques, the study has provided significant development strategies and action plan for Danang. However, stakeholders’ participation is still needed to be strengthened. The ADB consultant team proposed further training programs to assist the Project Steering Group in preparing the CDS with tools for participation, investment program, poverty reduction and other CDS approaches.

**Japanese International Cooperation Agency (JICA)**

JICA is currently funding “The comprehensive Urban Development Program in Hanoi Capital City” (HAIDEP). The Program is being undertaken by a joint venture of ALMEC Cooperation, Nippon Koei and Yachiyo Engineering Companies. The objective of the Program is to translate the envisioned urban development of Hanoi into a concrete master plan and to assist in establishing a mechanism to implement the plan. Particular objectives are: (i) formulate the comprehensive urban development program for Hanoi Metropolitan area up to 2020; (ii) to formulate s short-term action plan; (i) to implement pilot projects to be reflected in the Master Plan and the short-term action plan; (iii) to strengthen administrative capacity for implementing the plan and (v) to promote the donor coordination through the Urban Forum and the Transport Sector Partnership.

Other studies and projects funded by JICA in the last 10 years include:

1. **Urban Planning & Development**
   - Master Plan of Industrial Development in the Hanoi Area (1994),
   - Study on the Hoa Lac and Xuan Mai Urban Area Development Projects, Phase 1. (1997),

2. **Transport Planning**
   - Study on Urban Transportation for Hanoi (1996),
   - Feasibility Study on the Thanh Tri Bridge and the Southern Section of Ring Road No.3 in Hanoi (1997),
   - Vietnam National Transport Strategy Study (1999)

3. **Urban Water Supply and Sanitation**
   - Study on Urban Drainage and Wastewater Disposal System in Hanoi City (1994),
   - Study on Hanoi Water Supply System (1997)
   - Study on Environmental Improvement for Hanoi City (1999).
Appendix 3: Review of Physical Infrastructure in Hanoi Region

General
The eight provinces located within Hanoi Capital Region are the city of Hanoi and the provinces of Vinh Phuc, Ha Tay, Bac Ninh, Hai Duong, Hung Yen, Ha Nam, and Hoa Binh. According to Dr. Pham Sy Liem, Director of Institute for Urban Research and Infrastructure Development, the total area of Hanoi Region is 13,376 km² with the total population is 2,818,200 in 2003 and the urbanization rate is 23.46%, which is increased 50% in 1995. However, this is only the statistic number. In reality, the total population of the Hanoi Capital region in 2003 is approximately 12 million, including 300,000 temporary residents. This number shows that the Hanoi regional urbanization rate is lower than national urbanization (25.8%). Besides that, the average rate of general poverty of the surrounding provinces is just under the national poverty rate, excluding Vinh Phuc and Ha Nam.

The figure below shows the incomes per month in each province in Hanoi region. Apart from Hanoi, the income in those provinces is still less than the national income, in which Bac Ninh is highest and Hoa Binh is lowest.

The physical environment is rapidly changing due to the construction investment. Apart from new residential areas, more than 200 new industrial zones are operating in surrounding provinces. Infrastructure is lagging seriously behind throughout the metropolitan area leading to high environmental and social cost. Development without infrastructure consideration also leads much higher financial cost when an attempt is made to retrofit infrastructure.
However, major urban management authorities in Hanoi Region are applying and promulgating sanctions on urban management such as: regulations on urban management, regulation on the management of parks, cemeteries, plants; regulations on gathering construction material resources and wastes in some main roads; temporary regulation on the treatment of land leveling, land transgressing, construction, environmental hygiene and urban traffic safety. The current objectives and assignment for those provinces in the Hanoi Capital region in the near future are: to continue its renovation, pushing the process of industrialization and modernization for the overall development; to enhance exploiting all construction sources for urban infrastructure.

**Transportation**

*Road network system:* The road network is allocated equally and rationally within region, particularly in urban area with 6 different types: national highway, provincial roads, district roads, urban roads, specialized roads and commune roads. Recently, some national highways have been upgraded such as No 18, No 5A, and N1A0 and have upgrading the surround urban areas: Bac Ninh, Chi Linh, Hai Duong, Pho Noi. It minimizes partly the congestion and time transferring in-and-out urban areas. These networks both directly and indirectly impact to the process of making decision through urban transportation plan. However, with current density of urban population and industrial zones along regional highways, such as No5, No1A in the Northern region and No32, No2, and No3 in the Southern region, and with the increasing number of vehicles, these road network system still do not meet the demand.

The table below particularly indicates the current capacity of national road network system in region. It could provide intentions for upgrading road network system in long-term.

**Table 2: Current capacity of national road network system in region**

<table>
<thead>
<tr>
<th>Name of Highways</th>
<th>Particular Parts (From-To)</th>
<th>Current Situation</th>
<th>Width (m)</th>
<th>Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.5</td>
<td>Hanoi- Hai Phong Port</td>
<td>Have been upgraded to 1st standard</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>No. 18</td>
<td>Bac Ninh Town-Cai Lan port</td>
<td>Upgrading by OECF fund</td>
<td>12</td>
<td>Extending from Bac Ninh to Noi Bai Airport</td>
</tr>
<tr>
<td>No. 2</td>
<td>Phu Lo- Ha Giang</td>
<td>Upgraded</td>
<td>9-11</td>
<td></td>
</tr>
<tr>
<td>No.32</td>
<td>Hanoi- Son Tay town</td>
<td>Upgraded</td>
<td>9-11</td>
<td>Not available</td>
</tr>
<tr>
<td>Lang-Hoa Lac</td>
<td>Son Tay-Hoa Lac- Xuan Mai-Mieu Mon Connection</td>
<td>2 lanes</td>
<td>Not available</td>
<td>Expanding to 35.5m width</td>
</tr>
<tr>
<td>No.21A</td>
<td>Son Tay-Hang Tram</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>No.6</td>
<td>Hanoi-Gia Lam-Bac Ninh</td>
<td>4 lanes</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>No.3</td>
<td>Hanoi-Cao Bang</td>
<td>Upgraded</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>No.1A</td>
<td>Hanoi-Phu Ly</td>
<td>Upgrading</td>
<td>4 lanes</td>
<td></td>
</tr>
</tbody>
</table>

*Source:* NIURP/HCRP

In addition, Ha Tay PPC is proposing to upgrade the Mieu Mon airport to become an international airport and Hoa Lac to become a heliport for tourism and local transportation purposes.
**Railway:** Hanoi region with its center in Hanoi is a meeting point of 5 national railway routes and 01 ring route. The total length in Hanoi region is 350 km, average density is 0.045 km/km$^2$ with a completed station system. The following table shows the current technical information on railway system in Hanoi Region:
Table 3 Current Railway System in Hanoi Region

<table>
<thead>
<tr>
<th>Routes</th>
<th>Level</th>
<th>Width (mm)</th>
<th>Permission Speed (km/h)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hanoi-HCMC</td>
<td>B</td>
<td>1000</td>
<td>25-40</td>
</tr>
<tr>
<td>Hanoi-Thai Nguyen</td>
<td>C</td>
<td>1000</td>
<td>25-40</td>
</tr>
<tr>
<td>Hanoi-Lang Son</td>
<td>C</td>
<td>1000</td>
<td>35</td>
</tr>
<tr>
<td>Hanoi-Hai Phong</td>
<td>B</td>
<td>1000</td>
<td>25-60</td>
</tr>
<tr>
<td>Hanoi- Lao Cai</td>
<td>C</td>
<td>1000</td>
<td>25-30</td>
</tr>
</tbody>
</table>

Source: Ha Noi Station (2003)

The above table also shows that almost major cities in the region are connected to Hanoi by railway system, both from the North and South. In addition, the Western ring route is identified as a good opportunity to serve and develop the western suburban.

Waterway: Hanoi region is one part of the Red river delta with the dense river/cannel system. It could create a convenient waterway system. Waterway traffic is divided into two major purposes passenger and goods transportation. The total length of this waterway system in region is approximately 700 km. However, the waterway system is currently in natural condition and poor port system so it could not maximize the waterway power.

The table following shows the proposed transportation projects in some provinces. This table is based on the available data provided by each provincial Department of Transport in Hanoi Region.

Table 4 Proposed Transportation Project in Hanoi Region

<table>
<thead>
<tr>
<th>Province</th>
<th>Project Name</th>
<th>Project Description</th>
<th>Project Cost Needed (USD)</th>
<th>Implementing Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoa Binh</td>
<td>Upgrading Transportation system for highland</td>
<td>Upgrading road surface to 6 districts</td>
<td>6.2</td>
<td>Not available</td>
</tr>
<tr>
<td>Ha Nam</td>
<td>Rural Transport Development</td>
<td>Upgrading Rural Road</td>
<td>7.5</td>
<td>2001-2005</td>
</tr>
<tr>
<td></td>
<td>Provincial road construction</td>
<td>Constructing and Upgrading road for lowland</td>
<td>8.3</td>
<td>2001-2005</td>
</tr>
<tr>
<td></td>
<td>Transportation development for 97 communes in</td>
<td>Enhancing rural transportation</td>
<td>8.1</td>
<td>2005-2008</td>
</tr>
<tr>
<td></td>
<td>province</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hung Yen</td>
<td>Upgrading Rural road network</td>
<td>Upgrading and Improving the commune road network for local use.</td>
<td>4.5</td>
<td>2005-2008</td>
</tr>
</tbody>
</table>

Source: Relevant DPIs

Solid Waste Management

Solid waste collection and treatment has improved significantly. The average waste collection ratio is 60-75% in Hoa Binh Province, 70% in Bac Ninh and 60-75% in Ha Nam province. However, landfills have been overloaded in some places. Apart from the Nam Son landfill facility, the rest are much too close to the residential area and cause a bad environmental quality. In most instances landfill plans are limited by the availability of suitable land within provincial administrative borders, so it is difficult for expansion having regard to environmentally safe distances from residential areas. Moreover, it is difficult to choose the appropriated new landfill sites for new urban...
area and new industrial zones when the other 9 landfills have been overloaded and are now close to their maximum capacity.

It is apparent that solid waste management and disposal is a major issue in Hanoi Capital region, but the data on solid waste management is not readily available and it appears that there is only limited study of solid waste issues. It is surprising that there are no solid waste disposal proposals in the list of provincial projects calling for investment.

**Water Supply**

Almost all urban areas in Hanoi Capital region have been provided with a water supply collection system, but water supply capacity is still lower than demand. There are only 45% of total urban population that has access to clean water supply with 50-120 m$^3$/day-night. The rest are located in a poor living conditions without access to a water supply system. Water quality is lower than local standard because of several reasons: inadequate capacity in the water treatment plants which restricts delivery to users, low quality of artesian wells and/or deep wells and inappropriate water resources exploitation. In addition, water supply has undergone a significant loss during delivery in water pipe system. It is estimated that this loss is 40-50% and causes a significant impact to water capacity and water resources as well.

The following table shows the current availability of water from water treatment plants in the Hanoi Region. However, it does not show all the other type of water supply which is commonly available to individual from local sources or local providers such as private wells, bores and mobile tanks.
Table 5 Summary of water supply from treatment plants in Hanoi Region

<table>
<thead>
<tr>
<th>Province</th>
<th>Available Water Supply Plants</th>
<th>Capacity m^3/day-night</th>
<th>Location Provided</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Type</td>
<td>Quantity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hanoi</td>
<td>Gathering</td>
<td>9</td>
<td>415,000</td>
<td>Not available</td>
</tr>
<tr>
<td></td>
<td>Gathering</td>
<td>Not available</td>
<td>70,000</td>
<td>Gia Lam, Sai Dong, Dong Anh</td>
</tr>
<tr>
<td>Ha Tay</td>
<td>Gathering</td>
<td>4</td>
<td>38,000</td>
<td>Ha Dong, Ha Tay and Son Tay Towns</td>
</tr>
<tr>
<td>Bac Ninh</td>
<td>Gathering</td>
<td>1</td>
<td>11,000</td>
<td>Not available</td>
</tr>
<tr>
<td>Hung Yen</td>
<td>Gathering</td>
<td>2</td>
<td>7,000</td>
<td>Hung Yen and Pho Noi Towns</td>
</tr>
<tr>
<td>Hai Duong</td>
<td>Gathering</td>
<td>2</td>
<td>31,200</td>
<td>Cam Thuong, Viet Hoa Towns</td>
</tr>
<tr>
<td>Ha Nam</td>
<td>Gathering</td>
<td>2</td>
<td>25,000</td>
<td>Phu Ly Town</td>
</tr>
<tr>
<td>Vinh Phuc</td>
<td>Gathering</td>
<td>2</td>
<td>16,000</td>
<td>Vinh Yen Town</td>
</tr>
<tr>
<td></td>
<td>Gathering</td>
<td>2</td>
<td>23,600</td>
<td>Phuc Yen Town, Dai Lai Resort, Xuan Hoa Town</td>
</tr>
<tr>
<td>Hoa Binh</td>
<td>Gathering</td>
<td>1</td>
<td>8,000</td>
<td>Not available</td>
</tr>
<tr>
<td></td>
<td>Gathering</td>
<td>1</td>
<td>6,000</td>
<td>Not available</td>
</tr>
<tr>
<td><strong>Total capacity used</strong></td>
<td></td>
<td></td>
<td><strong>650,080</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: The available information shows that the total water supply provided is 651,000 m^3/day-night in which 650,080 m^3/day-night are provided by water supply plants and the rest is from the other types such as artesian wells, deep wells or local providers.

*Source: NIRUP/HCRP*
In some provinces, water supply projects have been identified as requiring major investment. The table below shows the provinces that are proposing and/or calling for ODA investment in water supply projects.

Table 6 Water Supply Projects calling for investment

<table>
<thead>
<tr>
<th>Province</th>
<th>Project Name</th>
<th>Project Description</th>
<th>Project (USD)</th>
<th>Cost Needed (USD)</th>
<th>Implementing Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>ODA Counterpart</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ha Nam</td>
<td>Western Day River Water Supply System</td>
<td>Develop water supply system in the west of Day River to supply clean water for the town and manufacturing zone</td>
<td>4.8 mil. 5.5 mil</td>
<td>2001-2010</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural Clean Water</td>
<td>Improving water supply system for rural area under the national water supply program</td>
<td>5.2 21</td>
<td>2001-2010</td>
<td></td>
</tr>
<tr>
<td>Ha Tay</td>
<td>1. Clean Water Supply system for Hoa Lac, Xuan Mai, Mieu Mon, Hanoi</td>
<td>Providing WS for new town of Hoa Lac; Building Water sanitation in Da River, capacity 600,000m³/day</td>
<td>228 mil 25 mil</td>
<td>2002-2010</td>
<td></td>
</tr>
<tr>
<td>Hung Yen</td>
<td>Water Supply Plant for Hung Yen Town</td>
<td>20,000 m³/day</td>
<td>2.8 mil 0.8 mil</td>
<td>2002…</td>
<td></td>
</tr>
</tbody>
</table>

**Wastewater and Drainage**

The drainage and wastewater systems have not been separated into household wastewater, hospital wastewater and industrial wastewater. Apart from new major manufacturing areas, wastewater is preliminarily treated and discharged to shared wastewater system. It pollutes other sources such as lagoon, lakes and rivers. Besides that, wastewater collection systems are not provided broadly and systematically; they are only focussed in urban area and the remaining areas without wastewater collection system result in severe waterlogging in the rainy season.

Wastewater only receives preliminary treatment by septic tank, and hospital wastewater is not treated to an acceptable environmental standard. In particular, there are 18 hospitals that are a serious source of pollution in the Hanoi Capital region. This is the major cause of surface water pollution in Hanoi Region, particularly in urban areas.

The quick review indicates that there are number of wastewater treatment projects in Hanoi Region.

Table 7 Wastewater treatment projects in Hanoi Region

<table>
<thead>
<tr>
<th>Province</th>
<th>Project Name</th>
<th>Project Description</th>
<th>Project (USD)</th>
<th>Cost Needed (USD)</th>
<th>Implementing Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>ODA Counterpart</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ha Nam</td>
<td>Enhancing Province-wide Rural Environment Sanitation</td>
<td>Enhancing environment sanitation for households with wastewater treatment</td>
<td>3.1 10.3</td>
<td>2001-2005</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improving Phu Ly Drainage system</td>
<td>Improving the old drainage system and developing the new one (pipes, pumping, and treatment plant)</td>
<td>2.4 3.1</td>
<td>2001-2005</td>
<td></td>
</tr>
<tr>
<td>Area</td>
<td>Project Description</td>
<td>Cost 1</td>
<td>Cost 2</td>
<td>Time Period</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>--------</td>
<td>--------------------</td>
<td></td>
</tr>
<tr>
<td>Hung Yen</td>
<td>Wastewater treatment and environmental protection</td>
<td>3.5</td>
<td>0.5</td>
<td>2003-2007 (on-going)</td>
<td></td>
</tr>
<tr>
<td>Hoai Duc District</td>
<td>Wastewater treatment for industrial zones</td>
<td>5</td>
<td>1</td>
<td>2005-2008 (on-going)</td>
<td></td>
</tr>
<tr>
<td>Hai Duong</td>
<td>Rehabilitate and Complete water drainage and wastewater treatment for Ha Duong City</td>
<td>26</td>
<td>15</td>
<td>2002-2007</td>
<td></td>
</tr>
<tr>
<td>Hanoi</td>
<td>Survey and Research for surface water for supplying clean water for Hanoi</td>
<td>4</td>
<td>5</td>
<td>2001-2005</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Invest n building technical infrastructure for the lake system in Hanoi</td>
<td>30</td>
<td>27</td>
<td>2002-2004</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 4: Review of ODA Projects in Hanoi Province

1. Projects Statistics by Fields:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Type</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply and Drainage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of Cau Dien Waste Disposal Factory for Production of Organic Fertilizer</td>
<td>Spain</td>
<td>0.444</td>
</tr>
<tr>
<td>Improvement of West lake water quality</td>
<td>Austria</td>
<td>0.037</td>
</tr>
<tr>
<td>Satellite of Planet formulation</td>
<td>France</td>
<td>0.21</td>
</tr>
<tr>
<td>Supply of urgent facilities for Hanoi city</td>
<td>Germany</td>
<td>0.29</td>
</tr>
<tr>
<td>Hanoi Drainage Project for environmental improvement in Vietnam-Phase I</td>
<td>Japan</td>
<td>5.002</td>
</tr>
<tr>
<td>Environment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement and development of Hanoi water supply system - 1A Water Supply Project</td>
<td>World Bank</td>
<td>4.838</td>
</tr>
</tbody>
</table>

2. Project Statistics by Total Cost

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Total Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland water supply program for Hanoi city</td>
<td>9.547</td>
</tr>
<tr>
<td>Hanoi Drainage Project for environmental improvement in Vietnam-Phase I</td>
<td>5.002</td>
</tr>
<tr>
<td>Improvement and development of Hanoi water supply system -1A Water Supply Project</td>
<td>4.838</td>
</tr>
<tr>
<td>Gia Lam water supply</td>
<td>3.973</td>
</tr>
<tr>
<td>Urban transportation capability strengthening</td>
<td>2.278</td>
</tr>
<tr>
<td>Public Light Facilities</td>
<td>1.890</td>
</tr>
<tr>
<td>Assistance for SMEs</td>
<td>1.549</td>
</tr>
<tr>
<td>Strengthening of Urban management capacity - VIE/95/050</td>
<td>0.997</td>
</tr>
<tr>
<td>Traffic light project</td>
<td>0.625</td>
</tr>
<tr>
<td>Improvement of Hanoi old water pipeline using new technology</td>
<td>0.550</td>
</tr>
</tbody>
</table>
3. Completed Projects

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Donor</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotan-Duoi ca bus line</td>
<td>France</td>
<td>0.055</td>
</tr>
<tr>
<td>OECF special assistance for feasibility study of Hanoi New Town</td>
<td>Korea</td>
<td>0.022</td>
</tr>
<tr>
<td>Public Light Facilities</td>
<td>France</td>
<td>1.890</td>
</tr>
<tr>
<td>Strengthening of Urban management capacity - VIE/95/050</td>
<td>UNDP</td>
<td>0.997</td>
</tr>
<tr>
<td>Study on public transportation</td>
<td>Sweden</td>
<td>0.064</td>
</tr>
<tr>
<td>Technical Assistance for feasibility study of Hanoi New Town</td>
<td>Korea</td>
<td>0.022</td>
</tr>
<tr>
<td>Traffic light project</td>
<td>France</td>
<td>0.625</td>
</tr>
</tbody>
</table>

4. Proposed Project Statistics by Fields:

- Infrastructure: 8.14%
- Industry: 67.58%
- Agriculture-Forestry-Pisciculture: 5.49%
- Real estates: 2.14%
- Health-Education: 0.53%
<table>
<thead>
<tr>
<th>Project Name</th>
<th>Project Type</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Urban Transportation Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master Plan on transportation network</td>
<td>Technical Assistance</td>
<td>2</td>
</tr>
<tr>
<td>Master plan on inner transportation network combine with national railway, road, waterway and airway transportation system</td>
<td>Technical Assistance</td>
<td>2</td>
</tr>
<tr>
<td>Development of Public Transportation (bus and taxi)</td>
<td>Investment Project</td>
<td>18</td>
</tr>
<tr>
<td>Hanoi urban transportation infrastructure development Phase II</td>
<td>Investment Project</td>
<td>400</td>
</tr>
<tr>
<td>Development of Tramcar system of Hanoi city</td>
<td>Investment Project</td>
<td>106</td>
</tr>
<tr>
<td>Construction of Center for raining, testing and enhancing quality of vehicle conductor, granting national driver license</td>
<td>Investment Project</td>
<td>5</td>
</tr>
<tr>
<td>Development of river port and water-way transportation in Hanoi</td>
<td>Investment Project</td>
<td>35</td>
</tr>
<tr>
<td><strong>Water Supply</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of Eco-Town in Hanoi city</td>
<td>Investment Project</td>
<td>33</td>
</tr>
<tr>
<td>Construction of infrastructure of lakes in Hanoi</td>
<td>Investment Project</td>
<td>30</td>
</tr>
<tr>
<td>Hanoi Drainage and environment improvement phase I</td>
<td>Investment Project</td>
<td>250</td>
</tr>
<tr>
<td>Feasibility Study on water-surface for the use of Hanoi and neighboring areas.</td>
<td>Technical Assistance</td>
<td>2</td>
</tr>
<tr>
<td>Housing development for low income people in Hanoi</td>
<td>Investment Project</td>
<td>36</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction of Sanitary Waste Land-fill and Entreprot system at Soc Son and Nam Son</td>
<td>Investment Project</td>
<td>31</td>
</tr>
<tr>
<td>Treatment of waste and low grade coal for electricity production in Hanoi</td>
<td>Investment Project</td>
<td>83</td>
</tr>
</tbody>
</table>
Appendix 5: Definitions and Descriptions of Regional Planning

A search of available literature on the subject of “regional planning” and “regional development strategy” indicates that there are many ways in which they can be defined, and also many ways to describe their purpose. The definition/description will vary from country to country due to the development situation in each, and also will depend on its primary purpose and how it will be used. In addition, in common usage the terms “regional development strategy” and “strategic planning” regional planning” are interchangeable.

The following definitions and descriptions appear relevant to the conditions and circumstances which currently exist in Vietnam

1. Regional Development Strategy: Office of the Minister for Industry and Regional Development. DEV (0021) 15 may 2000 - by the Chair, Cabinet Economic Development Committee

Regional Strategy in New Zealand is about applying sustainable development on a regional scale. The overall aim is to assist individuals, firms, industries and communities within regions to identify local opportunities, develop capability and capacity to respond to opportunities, and exploit opportunities. Three key principles on which to base a regional development strategy are:

a) an approach based on making the most of what the region has rather than solely a vehicle for transfers from prosperous regions to less prosperous regions

b) engagement with the local community that allows and facilitates the development of local strategies to respond to local opportunities, and that integrates social, environmental and economic concerns

c) a "whole of government" response where the activities of central government are integrated into regional strategies together with local players.


The strategic planning process is used to clarify future direction, to make today’s decisions in light of future consequences and to develop coherent and defensible assumptions for decision making. The process itself identifies and resolves disparate interests, assesses the current environment and develops a vision for the future. Simply put, the strategic planning process provides a blueprint for building a sound economic development infrastructure for Illinois to the benefit of small business and the residents of the state.

Regional Development Strategy “Simply defined is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization like state government is doing, why it is doing it and whether or not it could be doing better”. (George H.Ryan, Transforming Illinois Government, Campaign Position
The purpose of strategic planning for economic development is to “establish a consensus on a long-term economic development strategy that recognizes both the competitive position of the state’s regions and needs of commerce and industry” (Public Act 91-476; 20 ILCS 695-20 et.seq.)


Strategic planning is a systematic way to manage change and create the best possible future. It is creative process for identifying and accomplishing the most important actions in view of (a region’s) strengths and weaknesses, threats and opportunities.

Implementation is the key to strategic planning, as opposed to long-range planning and goal-setting. Strategic planning focuses on the allocation of scarce resources to critical issues. Development of the plan sets the stage for the crucial implementation phase.

Strategic planning is not always labelled “strategic” nor is it easily defined. It can be distinguished from other kinds of planning by its specific methodology, as well as by these key characteristics:
(i) it is a focused process that concentrates on selected issues;
(ii) It explicitly considers resource availability;
(iii) It assesses strengths and weakness;
(iv) It considers major events and changes occurring outside the organization or jurisdiction; and
(v) It is action-oriented with a strong emphasis on practical results.


Objectives and Scope: The project will assist the Government in preparing an integrated strategic regional development framework to reduce poverty through strengthening rural-urban linkages and flows; reviewing the existing legal, regulatory, and institutional arrangements for regional development, particularly in the context of decentralization; and making recommendations for necessary reforms for effective implementation of regional development initiatives.
Appendix 6: Review of Decree 08/2005 ND-CP

1. Decree 08/2005 ND-CP was signed on 24 January 2005 by the Government, and is relevant to all government and non-government agencies involved in the planning and development of any specified region.

2. The process of making Regional Plans has been revised since the Construction Law came into affect on (date). The Decree introduces a revised methodology on preparation, approval, and management of a regional plan, particularly on:
   (i) procedures on preparing a regional plan
   (ii) time requirement on regional plan preparation;
   (iii) TOR format and other maps required;
   (iv) required input documents;
   (v) concepts on preparation of regional planning;
   (vi) reports and maps required;
   (vii) regulations on regional planning management;
   (viii) approval of regional planning; and
   (ix) conditions to review the regional plan.

3. Compared with the former guideline on the preparation of regional plan, the new Decree appears to be more specific on why a regional plan is needed, to what required documents the regional plan must refer to, how a regional plan should be prepared, how it will be approved, as well as how long before it will be reviewed. However, reading through the Decree, it does not appear to specify which particular agencies will be responsible for implementing the regional plan.

4. In reference to the concepts stated in the new guideline, the preparation of regional plans could be summarized as follows:
   I. Subject and time frame applied for preparing regional plan:
      - A Regional Plan is prepared for the comprehensive function of its region, such as: focal economic region, industrial zone, Inter-provincial region, provincial region, inter-town region, town region, mega-city, tourism region, resort region, natural protection zone, etc.
      - A Regional plan is prepared for three phases: 5 year for short-term, 10 years for medium-term and from 20 year or more for long-term.
      - Time for making plan is not more than 18 months.

   II. Term of Reference for making a regional plan (in general)
      - Concept: (i) estimating the population growth in both rural and urban areas to ensure that it is consistent with the socio-economic development plans as well as the population allocation strategy in each phase; (ii) making spatial plans for major industrial zones and infrastructure system to ensure that it is basically following the socio-economic development plans; (iii) making spatial plans for urban and rural residential areas compatible with the geographic and natural conditions of the area to ensure sustainable and effective natural resource management.
      - Time for preparing and approving TOR is not more than 3 months for provincial regional plan and 06 months for inter-provincial regional plan.
III. Legal documents that must be applied in the preparation of a regional plan:
- The approved TOR,
- The socio-economic development plan and inter-disciplinary plan (if any),
- Any urban development system and infrastructure system plan which have been approved.
- Output of data analysis
- Construction Law and Regulations

IV. Concepts to be applied in the preparation of Regional Plans:
- Analysing the existing situation: natural condition, and socio-economic potential.
- Identifying the physical pattern for the urban system, residential areas, and industrial zones,
- Identifying infrastructure system and indicators at regional level,
- Proposing the potential development areas and possible resources,
- Estimating EIA to minimize the adverse impacts.

V. Reports and Maps required for a Regional Plan:
- Maps: (i) Location maps and the geographic inter-relationship with region, scale 1:100000 or 1:500000; (ii) the comprehensive map which covers land-use, socio-economic system, rural and urban residential system, infrastructure system, construction land analysis with the scale of 1:25000 or 1:250000; (iii) urban spatial orientation maps which covers urban and rural residential system, industrial zone, agriculture land, forest land, coastal, tourism resource, heritage protection zone, natural landscape, social and historical landmark, and potential for further development, 1:25000 to 1:250000 scale; (iv) Orientation map on infrastructure system plan, 1:25000 to 1:250000 scale.
- Comprehensive reports which covers the main report, related legal documents, and cover letter for approval of the plan.
- Comprehensive reports which covers the main report, related legal documents, and cover letter for approval of the plan.

VI. Regulation on management of Regional Plan:
The Approval agency will have responsibility to prepare the regulations for managing the regional plan. The regulation concept must cover: (i) regulation on position, role, function, and scope of inter-regional, regional infrastructure system; (ii) Regulation on scope of protection zone or safety corridor for the indicative buildings as well as the major infrastructure lining the inter-provincial and provincial axes; (iii) regulation on natural resource protection, remarkable architecture building, landmarks, historical areas and buildings within the region; and (iv) other regulation including environmental protection and environmental solution.

VII. Appraisal and Approval for a regional plan
- For the focal economic region, inter-provincial region or other plan required to be prepared directly by the Government: (i) the PM will approve the regional plan and duration for approval is 25 working days since receiving the final submission of the proposal; (ii) the MOC will appraise the regional plan
for these above regions within 20 working days of receiving the final submission of the proposal;
- For the regional plan which belonged to province: (i) the PPC will approve the TOR of regional plan in that province within 15 working days of receiving the final submission; (ii) the DOC or DOAP will appraise the TOR and the plan within 20 working days of receiving the final submission of the proposal.

VIII. Reviewing the regional plan:
The regional plan will be reviewed in accordance with one of the following cases:
- When the regional socio-economic development plan, the multidisciplinary development plan and the national security plan have been reviewed.
- When the condition of geography, nature and socio-economic have been changed.
The review of the content of a regional plan must be based on the evaluation and analysis of the output of the previous regional plan which has been approved, then on identifying the impact of that reviewing and only adjusting the changeable components.

5. This review describes the main content required for the preparation of a regional plan as stated in the Decree 08/2005. When compared with the TOR stated for the preparation of a provincial master plan, there appears to be little or no differences between them in term of the tasks requirement. In other words, the revised methodology for preparing a regional plan as specified in Decree 08/2005 is still following ‘the old way’, without any consideration of institutional arrangements necessary to operate the plan and to the financial resources required to implement the plan. The consequence is that the preparation of regional plans will continue to be a process of producing coloured maps rather than a powerful tool in providing a strategic framework for resource management and development at the regional level.