



Viet Nam: Sustainable and Resilient Urban Development

Project Name	Sustainable and Resilient Urban Development	
Project Number	49153-001	
Country	Viet Nam	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 9002-VIE: Sustainable and Resilient Urban Development	
	Nordic Development Fund	US\$ 545,000.00
	United States Agency for International Development	US\$ 1.96 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Water and other urban infrastructure and services - Water and other urban infrastructure and services	
Gender Equity and Mainstreaming	Effective gender mainstreaming	

Description

The impact of the CDTA will support the National Climate Change Strategy 2011 (Prime Minister Decision 2139/QĐ-TTg) to turn low-carbon economy and green growth into main orientations for sustainable development. The outcome will be Climate and disaster resilience mainstreamed into the management of urban development. The outcome is in line with Prime Minister Decision 2623/QĐ-TTg of 2013.

The TA will advise the government on a pragmatic transformation of the framework for urban planning and governance, so that Vietnamese cities may be able to meet the demands imposed on them by their participation in regional and global economy, by the need for future equitable and sustained economic growth, and by the uncertainties imposed by climate change. To this end, the TA will assist the government with the formulation, acceptance, introduction and application of the National Urban Development Strategy, following a detailed assessment of the needs in the light of recently accepted legislation, in particular the new MPI Law on Planning.

The TA has three outputs: (1) The National Urban Development Strategy (NUDS) approved by 2018; (2) Guidelines to improve national urban planning by 2017; and (3) Capacity developed to implement climate change resilience at provincial and city levels. The TA will produce three specific deliverables consistent with these three outputs: (i) NUDS and its supporting strategic statements; (ii) an Urban Climate Change Investment Framework to guide future investment and priorities for urban development; and (iii) a pipeline of investment projects in urban climate change resilience for economic and environmental infrastructure to promote inclusive local economic development and city competitiveness.

The TA is planned, prepared, and will be delivered in collaboration with a parallel project funded through a grant by Cities Alliance to MOC for the preparation of NUDS. The Cities Alliance funded project will include an assessment of the current status of urban development in Viet Nam, based on a survey amongst cities. In addition, it will create a facility for the training of senior urban managers. The Cities Alliance project outputs will be supportive of and complementary to the proposed TA.

The preparation of NUDS constitutes a further development and detailing of government's National Urban Development Program (NUDP), a cornerstone of an emerging _ but as yet insufficiently articulated - urban development policy framework. In its formulation, NUDS will focus primarily on provincial administrations. As part of Output 1, the TA will consult with and gain explicit endorsement by provincial government, as essential to achieve sustainable impact of urban development plans. Consistent with its strategic importance, the NUDS will be endorsed as a national policy statement, through a Decision issued by the Prime Minister.

The key strategic feature of NUDS is the concept of the Urban Development Strategy Statement. Critical to the relevance and sustainable impact of NUDS will be acceptance and application at subnational (provincial) level. The TA will therefore include a piloting of the main features and key planning documents, at provincial level, by guiding the formulation by authorities at provincial level of three provincial and regional Urban Development Programs. The TA will encourage the concept of regional level planning and coordination in selected regions of Viet Nam, in recognition of the need for more balanced and targeted distribution of investments, avoiding counter-productive competition amongst adjacent provinces for limited resources, and identifying unique provincial assets and strengths that can synergize regional production. This builds on government's collaboration with ADB on development of economic corridors within the Greater Mekong Subregion program, to enhance trade and tourism.

At city level, Urban Development Plans under NUDS will be formulated for at least six cities under guidance of the TA, and taken through a process of acceptance by Provincial People's Committees (PPC). The original scope of these plans will be expanded to take the form of climate change action plans, consistent with global trends to climate change and environment resilient planning. Urban development plans will recognize in their planning process and out-comes the impact that climate change may have on urban areas, and how urban infrastructure and services should therefore be planned and designed to be more resilient to these impacts.

Focusing on adapted housing as one of NUDS' critical sub-sectors, under Output 2 the TA will pilot a climate and disaster resilient housing model, suitable for living with storms and floods in coastal areas, which are affected by extreme weather. The assistance will adapt resilient construction models for the target provinces based on a review of best practices in Viet Nam and their suitability for the Mekong region. Construction materials will be selected for resilience to weather changes, environmental sustainability, affordability, local accessibility and durability. An additional requirement is that these homes can be maintained by local people with limited assistance from local construction companies. The project will record its findings in a manual for low-cost climate resilient construction.

The TA will assist government with the formulation of - and advocacy for endorsement of - the National Target Program for Urban Climate Change Resilience (NTP-UCCR). As an essential component of NUDS reflecting the imperative of including climate change resilience in urban planning and governance, this NTP will support the 2008 National Target Program to Respond to Climate Change, and promote its effective application in urban planning. By a process of continuing capacity development as Output 3, the TA will apply these principles in their advocacy at provincial level, in gaining endorsement of climate change resilient development plans.

Using results from the analysis of sector performance, and benefitting from the experience in the formulation of urban development plans at sub-national level, the TA will formulate an Urban Climate Change Resilience Investment Framework. This framework, with a 15 year planning horizon, will identify still remaining gaps in urban policies and institutions, and define project selection criteria that will help to prioritize and determine a future 15 year investment program for the urban sector, through result based lending.

Guided by the policy directives formulated in the UCCR Investment Framework, the TA will identify an indicative pipeline of investment projects, for economic and environmental infra-structure to promote inclusive local economic development. Data on levels of existing infrastructure and services will be drawn from the UDA database and indicators on urban performance.

Viet Nam has made remarkable progress in the last two decades in transforming its economy, reducing poverty and making the transition towards an industrialized and urban society. However, the quality and reach of urban infrastructure and services for its urban population has not kept pace with this transition, despite clearly stated national vision, policy and strategy and legislation. The ability for cities to effectively manage their environment, in response to the real needs of sustaining balanced economic growth and the well-being of the urban population, and to respond to the impacts of climate change, is not only determined by sector legislation but perhaps more decisively by the framework of outdated urban planning regulations that are still in force. There is a disconnect between the current urban governance systems that are still the legacy of a centrally controlled planned system, and those required by vibrant towns and cities in a market economy, in particular when adding the uncertainties created by climate change.

The present planning system does not encourage urban local government to effectively prepare for the impact of climate change. Key urban planning legislation does not refer to climate change, despite having been promulgated after government's flagship national target program on climate change. Incentives propel cities towards sprawl, development in high-risk areas such as flood plains, and inefficient management of resources.

In response to these shortcomings within the existing framework for urban governance and planning, government has decided to formulate a National Urban Development Strategy (NUDS) as a central policy instrument to manage and to guide urban development in partnership with both provincial and local levels. The process is to be managed under responsibility of the Urban Development Agency (UDA), within the Ministry of Communication (MOC), but delivered at subnational level.

Through MOC, Government has requested the Asian Development Bank (ADB) to assist with the further development of NUDS in the coming years. Starting with a broad base needs assessment and service coverage inventory, the outcome of NUDS will need to include specific targets on preparing cities for climate change resilience. Following consultation with MOC and development partners in response to government's request, ADB conducted a fact finding mission in August 2015, the conclusions of which were confirmed in a Memorandum of Understanding (MOU) signed by ADB and government on 4 September 2015. The MOU confirms government's concurrence with the impact, outcome, outputs, implementation arrangements, cost, financing arrangements, and terms of reference.

The economic transformation that characterized Viet Nam's development since the early 1990s is closely linked with the growth of its urban centers. Cities have driven the economic transformation and generate further growth. At least 70% of GDP is generated in Viet Nam's cities. A vibrant and growing industrializing economy needs efficient urban centers; a growing urban population drives local consumption and attracts new skills, and thereby attracts further investment. On the other hand, industries and cities generate waste that needs to be managed in order to protect the natural resources that are essential for sustained growth.

For Viet Nam to sustain balanced and equitable growth in the face of global competition, productivity and efficiency needs to improve. This requires effectively operating cities. The continuing ability of cities, their infrastructure and services, to meet the evolving demands placed by further industrialization is still compromised through the constraints imposed by restrictive planning systems, excessive control from central government, uncertain funding streams and outdated structures in urban governance.

The current urban planning protocol in Viet Nam does not serve the rapidly evolving needs of an industrial and urbanizing society. Cities do not have a reliable, regular or adequate source to fund capital development or maintenance for urban infrastructure and services, an essential condition for delivering current obligations to people and commerce, and for planning future expansion. Pro-active and responsive urban management, including development control, as a process to protect resources, to guide land use and to anticipate future needs, are still relatively new concepts in Viet Nam.

Government has devolved some responsibility from the central government to the provinces. The current Law on Urban Planning stresses the decentralization of urban planning responsibility to include all government administration levels and require stakeholder consultation. A major challenge in achieving meaningful progress in substantive decentralization is the lack of experience below the national level with planning, urban management, or such critical tasks as budgeting and financial management.

Urban and provincial development is controlled or guided by three types of plans: (i) Social Economic Development Plans (SEDPs) prepared by the Ministry for Planning and Investment that reflect the national SEDP; (ii) spatial plans, also known as construction master plans, prepared at four levels of geographic detail; and (iii) sector development plans corresponding to line ministries. Provincial or city construction master plans guide the planning and implementation of infrastructure projects, but not necessarily in line with sector development plans and stated government vision. Master plans are prescriptive for land use rather than permissive and are not linked to funding or financing realities.

The actual application of the present planning system does not encourage urban local government to effectively prepare for the impact of climate change. Viet Nam is likely to be severely affected by climate change, in particular the cities in deltas and the flat coastal strip, where more extreme weather and sea-level rising will increase the risk of flooding and salt water intrusion. Promulgated after the 2008 National Target Program (NTP) to Respond to Climate Change, the key urban planning items of legislation do not refer to climate change. With limited options for local revenue at city level, cities offer land as payment for development, creating perverse incentives towards sprawl, development in high-risk areas such as flood plains. Under current policy, cities may be encouraged to ignore climate and disaster risks and focus on expansion. The legal framework does not mainstream responses to climate change nor encourage addressing of climate change issues in spatial plans. There are no legal obligations to reassess existing spatial settlement structures or to re-examine existing spatial plans through climate change resilience audits aiming at the reduction of vulnerability to climate change.

Project Outcome

Description of Outcome	Climate change and disaster resilience mainstreamed into urban development
Progress Toward Outcome	In progress. The inception workshop is planned on 24 March 2017.
Implementation Progress	
Description of Project Outputs	National urban resilience strategy and program prepared National urban planning capacity improved Capacity developed to implement climate change resilience at provincial and city levels
Status of Implementation Progress (Outputs, Activities, and Issues)	In progress (3%). In progress (0%). In progress (0%).
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>The Vice Minister of the Ministry of Construction in charge of the Urban Development Agency requested ADB assistance for the NUDES.</p> <p>The Urban Development Agency, MOC and the PPC of Ca Mau and Kien Giang, DOC and DPI were extensively involved in the design of this assistance.</p> <p>The initial request to ADB was made in May 2013 by Vice Minister of MOC and repeated during a reconnaissance mission in December 2013. ADB mobilized an urban environment consultant to review the proposed assistance in the Mekong Delta Province from November 2013 _ March 2014. The development partners and the members of the Urban Climate Change Resilience Community of Practice are supporting the TA.</p>
During Project Implementation	<p>For the Government, the TA will be monitored through the consultative Steering Committee, chaired by the MOC. The key Provincial agency is DOC (urban land use planning and developments), and coordination agencies are the DARD, DONRE. Quarterly reviews will be conducted by the TA Project Team in collaboration with MOC/ PMU.</p> <p>For ADB, the TA will be monitored through regular review missions by the ADB Project Officer outposted to Viet Nam Resident Mission.</p> <p>The TA includes 2 individual consultants in charge of knowledge management: One specialist in writing knowledge products and another one in media definition and production.</p>

Business Opportunities

Consulting Services	<p>The TA will finance a total 91 person-months (PM) of international consultants and 169 PM of national consultants. One firm will be recruited using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time), following Fixed Budget Selection, Full Technical Proposal and lump sum contract to deliver all three outputs for a budget of about \$1.75 million. The firm will provide 61 PM of international consultants and 97 PM of national consultants.</p> <p>The remaining consultants will be recruited as individual consultants, recognized for their unique skills in urban development, in general, and thematic or sector specialty in particular, such as in Land use administration (1 international), Knowledge Management (2 international), Urban Policy (1 international and 1 national) and Project Coordination (1 international and 1 national) to support the TA administration and reporting to the cofinanciers. All the consultants will be recruited under advance action expected by end of 2016</p>
Procurement	<p>Procurement of Works and Goods under the provisional sum to be managed by the firm will be done in accordance with the ADB's Procurement Guidelines (2015, as amended from time to time), under shopping procedures for ICT equipment and pilot shelter housing.</p>

Responsible Staff

Responsible ADB Officer	Ishii, Satoshi
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Urban Development and Water Division, SERD

Timetable

Concept Clearance	07 Aug 2015
Fact Finding	17 Jun 2015 to 04 Jul 2015
MRM	-
Approval	27 Nov 2015
Last Review Mission	-
Last PDS Update	20 Mar 2017

TA 9002-VIE

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
27 Nov 2015	24 Jun 2016	24 Jun 2016	31 Dec 2018	-	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	2,505,000.00	0.00	0.00	0.00	0.00	2,505,000.00	27 Nov 2015	361,805.92

Project Page	https://www.adb.org/projects/49153-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49153-001
Date Generated	06 July 2017

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.