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Ministry of Construction



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Implemented by

giz Deutsche Gesellschaft
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Zusammenarbeit (GIZ) GmbH

Success Story #5

Regional Coordination in the Mekong-Delta

The problem

Impacts of climate change in the Mekong-Delta

The Mekong-Delta has been farmed for many generations and is one of the principle agricultural regions of Vietnam, contributing 50 percent of total food output and 90 percent of rice exports, as well as 70 percent of fruit and 65 percent of aquatic products. Although productivity is still high, it is at risk from multiple threats and any decline in output would have severe consequences not just for the region but for the country as a whole.

Changing climate and hydrological conditions in the Mekong-Delta are a complex interaction of a number of factors that are likely to have widespread and unpredictable impacts on many aspects of the development of the area. The natural characteristics of a large, low-lying deltaic area means that it is both opportunity and problem in the Mekong-Delta but the dynamic interactions in recent years between changing river flows, over-abstraction of groundwater, sea level rises, changing patterns of land use and climate change mean that there are real concerns that the benefits are likely to decline and the problems increase in this vital economic area of Vietnam.

Meeting these challenges and taking advantage of these opportunities will involve concerted action in a number of areas and will necessitate higher levels of coherence and cooperation in planning and budgeting. Responses tried and piloted in this regard so far have led to only unsatisfactory results. Most only covered part of the Mekong-Delta region and many are not sustained.

Current planning system in Vietnam

The planning system of Vietnam is highly fragmented, disintegrated, lacks effective local participation, and misses a meaningful regional planning level. Presently, the planning system is not capable to address climate change and general development challenges, such as infrastructure planning in an integrated, inter-provincial, efficient and citizen-oriented manner. The Vietnamese government system lacks a regional planning level and has not yet developed a specific approach to regional planning. The

present system for infrastructure planning is exemplified as follows:

On the **national level**, the government follows a top-down approach allocating responsibilities for infrastructure investment planning across various actors. The orientation and policy framework has significant overlaps, gaps, inconsistencies and contradictions between ministries and other national level institutions. Different ministries and departments within ministries are mandated to carry out different aspects of infrastructure investment planning and coordination but there is a significant lack of cohesion between them, for example:

- On behalf of the Prime Minister, three departments within the Office of the Government are responsible for the oversight of national/provincial relations, inter-provincial coordination, climate change, regional planning and economic development.
- Three departments within MPI are responsible for different aspects of investment planning and inter-provincial cooperation in the Mekong-Delta.
- Mandates for climate resilient planning and investment are dispersed across various ministries, such as MPI, MoC, MONRE and MARD.
- While the government as the executive is at the forefront of implementation of plans, the Communist Party's Central Economic Commission and Provincial Party Secretaries have the responsibility to establish the strategic orientation for infrastructure investments and socio-economic development planning and supervise and guide the government to carry out climate resilient planning, infrastructure investment and coordination.

On the **provincial level**, the decentralization process in Vietnam has resulted in a staggering 63 provinces. The existing infrastructure investment planning and budgeting framework for these provinces has little consideration of climate resilience. Appropriate guidelines, selection indicators and criteria for investments are lacking. The investment and budgeting frameworks are established by each province and do not take into account how investments in one province – for example, the construction of a dyke or sluice gate – may affect the situation in a neighboring

province or might not even be necessary at all. Presently, the annual planning and budgeting linkage is from national to a province only.

- Attempts for inter-provincial planning and coordination sometimes fail because of the impossibility to align inter-provincial planning objectives with the multitude of provincial objectives outlined in the annual resolution directing socio-economic development issued by the provincial CPV secretary.
- Each province develops its own master and socio-economic development plans leading to an estimated 200 sector and provincial development plans per province. Difficulties arise trying to integrate these plans and budgets with a coherent inter-provincial plan that also requires budget allocation from the provinces.
- National budgets are allocated only on a provincial basis and provincial leaders are unwilling to plan and commit provincial budget to activities that do not directly benefit their province.
- While the overall policy and provincial development objectives are made by the Provincial People's Committees, the implementing provincial departments also need to adhere to the directions of their respective line ministries and ministerial sector development plans.

In sum, the current planning system of Vietnam displays a multitude of plans by various political actors on different levels which are not embedded in an overarching planning hierarchy. Plans do not present an integrated perspective on sectoral development but address singular challenges. Most important, a meaningful spatial planning level (such as a region) that would allow for addressing wider challenges such as climate change in a coherent way is absent. This makes existing plans largely unresponsive as tools for strategic investment decisions. Inefficiency is further exacerbated by complicated planning procedures and parallel routines that absorb decision-makers' time and efforts. There is an urgent need for a transformation towards a cross-sectoral and regional spatial planning approach to enable inclusive, sustainable and climate-resilient development.

The Solution

Regional Planning in Vietnam

The Vietnamese government seeks to address the challenges described above with the new Law on Planning (Law 21/2017/QH14), that became effective as of 01 January 2019. The law establishes a new system of national, regional, provincial, urban and rural plans, and sets down a number of planning principles. It requires the participation of stakeholders, effective use of resources,

and unified state management of planning activities. Under the new law, a planning period would last 10 years, coinciding with the period of the corresponding socio-economic development strategy, with a vision of 20 to 50 years. Master plans would be reviewed once every five years and adjusted to suit practical conditions. The new law introduces four key changes:

- i) it abolishes master plans for specific industries and products;
- ii) it attempts to ensure consistency in the legal system governing planning activities;
- iii) it lays a legal foundation for unified direction and management of planning activities; and
- iv) it changes the planning methodology, following an integrated and multi-sectoral approach, which is expected to help effectively address cross-sectoral, interregional and interprovincial issues.

The new planning law provides the framework to establish regional master plans that integrate all sectors into a concerted strategic plan and investment portfolio for the region and outline institutional arrangements at national, regional and provincial levels. This involves significant changes in state management at national and provincial levels as well as the potential roles of the private sector and urban and rural communities. The successful transition from traditional sector planning to this integrated planning approach at a regional level is so far unprecedented in Vietnam.

To facilitate the implementation of the new planning law, the Mekong-Delta Master Plan was selected as the pilot for regional master planning in Vietnam and lessons and results shall be replicated in other regions. The plan shall be ready for implementation by January 2021. One important function of regional plans is to improve climate resilience through the planning, construction and operation of infrastructure such as water supply and flood control, transport or natural disaster early warning and response systems (see Figure 1). In the Mekong-Delta, water, floods and storms are a focal area of infrastructure planning.

Drafting the Mekong-Delta Master Plan will require planners to identify and apply innovative approaches to multi-sector integrated planning and budgeting and the Prime Minister's Decree 37/2019/NĐ-CP clarifies the roles and responsibilities of stakeholders during the preparation, drafting and appraisal of the new regional master plans.

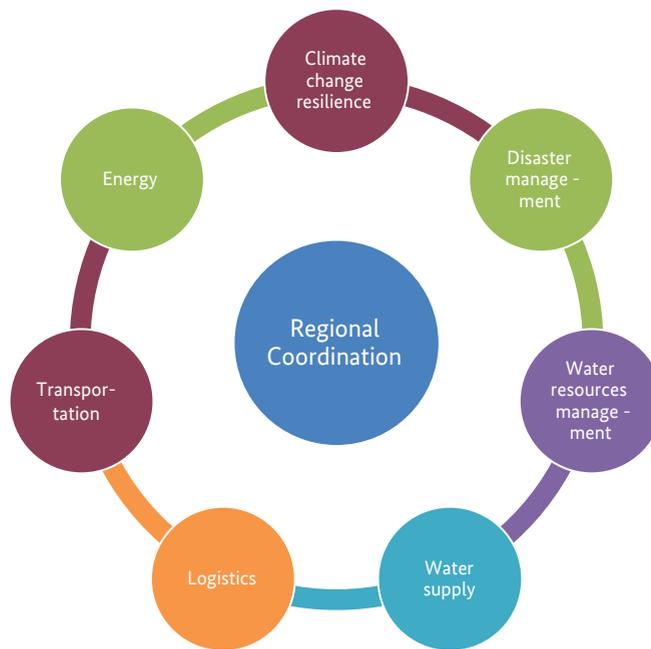


Figure 1: Areas that could benefit from improved regional coordination

Effective regional planning and coordination will increase the effectiveness and efficiency of the use of the resources available to respond to the challenges that the region faces now and in the future. Although in the past, central government has issued legislation that promotes regional coordination and provincial leaders have established sub-regional coordination models, the results have been limited. The new planning law provides the legal framework to effectively link regional planning and investment budgeting with appropriate institutional arrangements.

Regional Coordination in Vietnam

Regional coordination is a widely used concept that refers to collaboration for specific functions between sovereign bodies such as various types of government agencies. It often refers to cooperation between countries, including through formally established bodies such as ASEAN and the EU, but can also relate to links between sub-national agencies within one country. There are a number of definitions which can vary in detail but the following one from the U.S. State of New Jersey is appropriate for Vietnamese conditions: “Regional coordination focuses on improving communication, increasing cooperation and reducing contradictory policies, programs and actions related to land use and planning activities between state entities and other levels of government, regional entities and allied organizations”.

There are a large number of existing or recent initiatives intended to engender regional or sub-regional coordination in the Mekong-Delta. A total of nine regional, sub-regional and network-based mechanisms

for coordination were counted in a GIZ assessment study in 2019. Most initiatives that have been established on the basis of GoV programmes or voluntarily by provinces based on common needs, mutual interests and benefits:

1. Mekong-Delta Regional Coordination for social and economic development: 13 provinces
2. The Southern Key Economic Region: 2 provinces
3. The Mekong-Delta Key Economic Region: 4 provinces
4. Long Xuyen Quadrangle Sub-region: 4 provinces.
5. The Plain of Reed Sub-region: 4 provinces.
6. Ca Mau Peninsula Sub-region: 6 provinces and cities
7. Western Hau River Sub-region: 4 provinces
8. Eastern Coastal Sub-region: 4 provinces
9. ABCD Mekong Network: 4 provinces

While most of the 13 Mekong-Delta provinces are involved in at least two, some provinces participate in up to five of these initiatives. Although having multiple overlapping networks in place may increase the potential for synergies, the downside is that at the same time the possibility of confusion and diseconomies rises. Clearly, however, what this does not represent at this time is a coherent and coordinated approach to the development of the Mekong-Delta.

Another government body involved in regional coordination was the now dissolved Mekong-Delta Steering Committee. The Central Committee of the Communist Party decided with immediate effect during its plenary committee meeting in October 2017 to terminate all three existing Steering Committee bodies.

The steering committees were originally mandated to monitor and assess defense and internal stability and later extended to actively foster economic and social integration in their respective regional areas (Mekong Delta, Central Highlands and Northern Mountain Region). However, the steering committees were not effectively linked to government implementing agencies such as PPCs and departments, the mandate of the steering committees was too limited, and they did not have the capacity to effectively carry out their designated role.

In addition to all the locally grown initiatives, the international donor community has established a Mekong-Delta Working Group, currently co-chaired by Germany and the World Bank. The purpose of the Working Group is to align the different commitments of the donors that are active in the Mekong-Delta so that they act with one voice in their support to the Vietnamese Government. The focus of this support is the joint implementation of key processes with regards to climate resilient planning/budgeting and regional coordination.

As the examples above show, regional and inter-provincial coordination is not new in Vietnam, but, in the past institutional development, technical solutions and financial arrangements for this coordination have not been sustainable. The big game changer was the issuance of the new planning law. The law provides the legal framework and the opportunity to renovate and modernize the planning and budgeting system in Vietnam. But to do this a new way of doing things is crucial. This new way involves an integrated approach with three pillars:

- Cooperation with ministries such as MPI and MONRE;
- Strengthening the Office of the Government in its role to monitor work carried out by ministries, and

conduct its own assessments and appraisals to keep the Prime Minister regularly informed; and

- Provincial Party and Provincial People’s Committee leaders need to play a central role in the consultation process to establish regional coordination and the Mekong-Delta Master Plan.

In addition, political will and national level ‘champions’ in the government and the Party to ‘push down’ regional coordination policies as well as an effective inter-provincial financial mechanism for infrastructure are required.

FPP Contribution

Co-Financed by Switzerland and Germany and implemented by MOC and GIZ, the “Mekong Urban Flood Resilience” programme (FPP) in its phase two has targeted to tackle urban climate resilience in three Mekong-Delta provinces via a holistic, integrated approach that emphasized inter-provincial exchange and collaboration. In doing so, the FPP has successfully applied innovative ways of planning and learned important lessons that form a strong basis for a future orientation towards supporting the establishment of a formalized regional coordination mechanism in the Mekong-Delta.

To ensure sustainability in the implementation of its activities, FPP applied a uniquely integrated advisory approach that gathers concrete experiences on the ground and channels these from local to central government levels in order to provide practical evidence for central level policy formulation. FPP successfully established close linkages between national and provincial levels. Provincial experiences and requirements for policy were presented to the central level and advocacy was carried out to support policy amendments and changes.



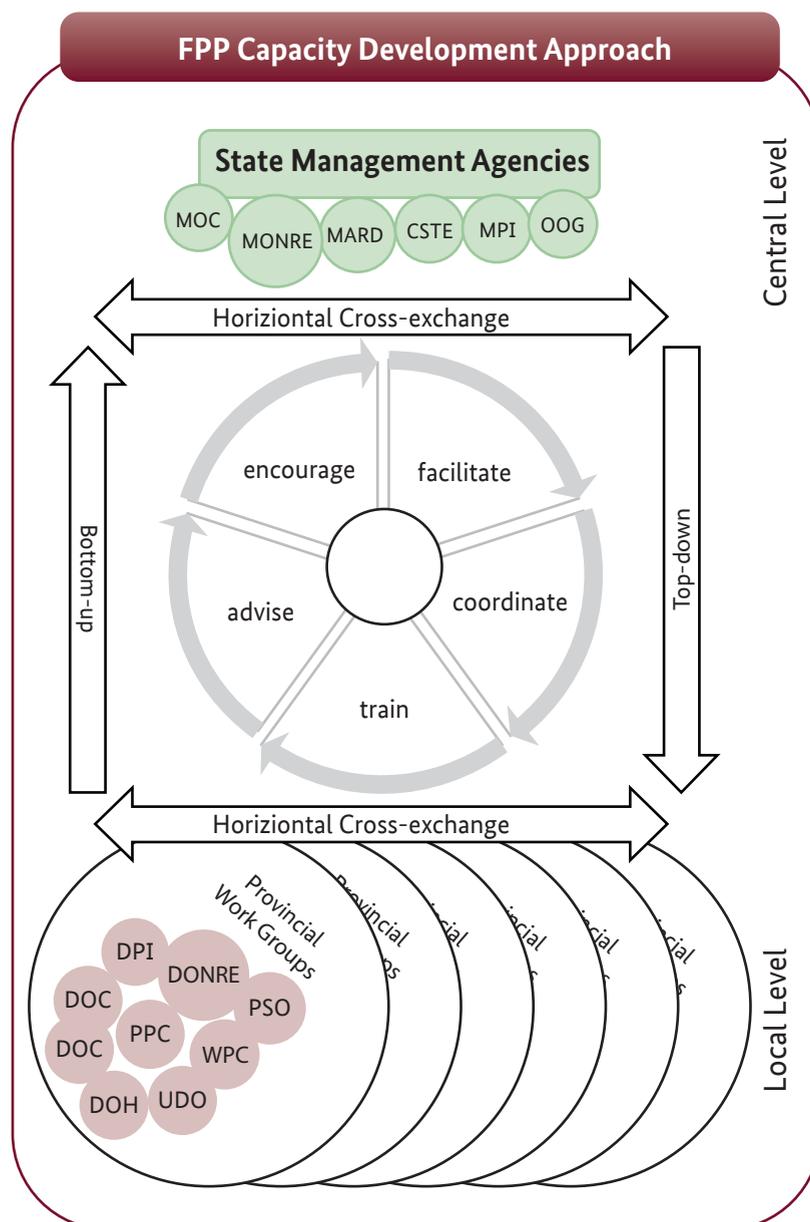


Figure 2: FPP capacity development approach

Capacity development efforts of FPP emphasize information flow, learning and experience sharing along both vertical (central to local level and vice versa) and horizontal (province to province, inner-provincial and between state management agencies) lines of administration, ensuring a high degree of effectiveness, improved local capacities and strong ownership of activities and outputs. Figure 2 illustrates the FPP approach to capacity development.

Key elements of the FPP approach are:

- **Efficiency through formal local collaboration:** Instead of approaching each local stakeholder individually, provincial working groups were established via official PPC decisions in each partner province; these working groups, together with the FPP team, jointly

planned, agreed and implemented all programme activities; following the traditional Vietnamese consensus principle, this approach ensures that all relevant partners are constantly informed of ongoing developments, problems are always considered from all necessary angles, conflicting interests and competitive thinking are limited to a minimum, common agreements enable efficient progress and effective results.

- **Capacity through participation:** Giving programme partners at all levels the responsibility in the production of outputs and reducing the role of the FPP team to facilitating, advising, and coordinating these processes instead of writing documents on partners' behalf ensured a high degree of participation and motivation, providing a strong foundation for the sustainability of results.

- **Horizontal cross-exchange (central level):** A large number of central level state management agencies was brought together, ensuring that flood proofing and climate change are mainstreamed in a coordinated and mutually agreed manner across all relevant sectors.
- **Horizontal cross-exchange (local level):** Bringing together decision makers of FPP partner provinces and those of other provinces in the Mekong-Delta region ensures positive reinforcement through peer-group exchange and feedback, creates healthy competition and contributes to motivation and ownership, a foundation for successful regional coordination.
- **Bottom-up information flow:** Provincial experiences and requirements for policy were presented to national level and advocacy carried out to support policy amendments and changes.
- **Top-down information flow:** Revised national policies served as a basis for provinces to develop local by-laws or guidelines that serve to institutionalize locally piloted outputs within provinces, cities, districts, wards and communes.

The FPP working approach has resulted in strong working relationships building on trust and mutual respect, resulting in high motivation and a strong commitment of local leaders and officials involved in the programme. This outcome builds a strong foundation for the support of establishing a sustainable regional coordination mechanism in the Mekong-Delta.

Voices of Local Government Leaders

During an FPP assessment and research mission, leaders from Provincial People's Committees, Provincial Party Committees and provincial and city departments from the 13 provinces in the Mekong-Delta discussed reasons for past failures, identified the needs, potential opportunities and benefits, and the challenges in implementing regional coordination. Some statements from provincial leaders on the topic include:

“The existing policy framework for regional and sub-regional cooperation does not support provincial leaders making these key decisions. There is a lack of guidelines and circulars on implementing national policy and national decisions on activities are not followed up with the allocation of national budget. The present level of provincial budgets cannot cover expenditure for the proposed regional and sub-regional coordination activities.”

(Consensus of Provincial Leaders)

“Soc Trang, Bac Lieu, Ca Mau and Hau Giang signed an economic cooperation agreement but need assistance on developing actions, activities and allocate budget. Also, each year leaders from Soc Trang meet with

Can Tho and Ho-Chi-Minh City to sign an agreement on economic cooperation but after the meeting little action is taken, there is no substantive progress and the agreement is formal with a lack of practical content.”
(Leader of Soc Trang PPC)

“The Central Party Committee should issue clear directives to provincial Party Secretaries to develop provincial resolutions consistent with regional coordination objectives.”
(Provincial Party Leader)

“Policies, such as Decision 593/QD-TTg and Resolution 120/NQ-CP outline many activities for implementation in the provinces. However, the province does not have receive any budget from the national level to carry out these activities and the provincial budget does not include contingency funds for these type of activities. As a result, most activities are not implemented.”
(Hau Giang DPI Leader)

“The province has participated in sub-regional cooperation for a decade, with provinces meeting each year, but the results of these activities are low. For example, Ca Mau is a member of the Council for Economic Development with An Giang and Kien Giang. The Council meets once a year but has no budget to carry out joint activities and so results are minimal. Ca Mau is cooperating with Bac Lieu and Soc Trang for the production and processing of seafood but these provinces have different technical capacity and economic development which hinders the cooperation. Regional coordination will help these provinces with these challenges. Ca Mau cannot wait until the other provinces catch up and so cooperation is fragmented.”
(Ca Mau DPI Leader)

“Salt water intrusion and coastal and river-bank erosion is affecting many provinces. Ca Mau wants to develop cooperation with similarly affected provinces with higher socio-economic conditions to learn from their experiences on responding to the problems and at the same time develop their economy sustainably. However, there is no regulatory or institutional framework to support this.”
(Ca Mau PPC Leader)



“Can Tho City has signed 11 agreements with other provinces but there is no monitoring or enforcement of the agreements.”

(Can Tho Party Committee Leader)

“Kien Giang and An Giang have a close working relation on many issues centered on the regulation of irrigation and drainage for agricultural production, pollution control and trade. The PPC is in discussion with Ca Mau about cooperation to ameliorate problems of coastal protection and riverbank erosion. However, this cooperation is informal. National policy is required to formalize this type of cooperation so state management can be structured more effectively and budget can be allocated.”

(Kien Giang PPC Leader)

“We urgently need a regional master plan and all master plans from the 13 provinces must be aligned with this regional master plan. For the regional master plan, provinces must ‘compromise’ their demands and this must be combined with clear policy directions from the Party and government.”

(Long An PPC Leader)

“It is not necessary to establish a Steering Committee for Regional Coordination according to Resolution 120/NQ-CP. Instead, the regional master plan established according to the Law on Planning should outline clear institutional arrangements, instructions and mechanisms for the implementation of the plan. National and provincial level would follow these guidelines and instructions.”

(Consensus of Provincial Leaders)

“A permanent unit should be established to support the drafting process of the regional master plan, and after the plan is approved to monitor, assess and prepare revisions to the regional master plan. This could be a role suitable for the private sector, consultants and universities.”

(Consensus of Provincial Leaders)

“The Prime Minister is the ‘champion’ to focus political will to carry out the transition to the new integrated regional planning approach.”

(Consensus of Provincial Leaders)

“It is important to include urban and rural communities, and small and large businesses in consultations to present the benefits, opportunities and advantages of regional cooperation as well as the disadvantages. Improving awareness of regional coordination in society and commerce will reduce the potential for tensions and misunderstandings during the transition to integrated regional planning.”

(Consensus of Provincial Leaders)

“Increasing the income and livelihoods of farmers must be central to regional coordination for it to be successful.”

(Dong Thap PPC Leaders)

“Inter-provincial cooperation should start small, simple and based on one commodity. Products with a large market, such as rice, fruit, and seafood, need centralizing, perhaps in Can Tho for economies of scale.”

(Consensus of Provincial Leaders)



“A main problem is the lack of access to information about what other provinces are doing and issues that other provinces are cooperating on.”
(Tra Vinh PPC Leader)

“We have been discussing regional coordination in the Mekong Delta for several decades and the situation is still perplexing. A key point is that all issues such as coastal and riverbank erosion and transport touch on institutional arrangements and other problems, so

we need to prioritize. Provincial leaders need to direct progress to resolve problems. The big problem in the Mekong Delta is farmers only think about seasonal production, and enterprises only think about business. As a result, value chains, economies of scale and commercial linkages are not well developed, which impacts on farmers’ incomes and overall economic growth for the region.”
(Dong Thap Party Secretary)



Published by Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Mekong Urban Flood Resilience and Drainage Programme
37 Le Dai Hanh, Hai Ba Trung
Hanoi, Viet Nam
www.giz.de

As at June 2020
Printed by Golden Sky
Design Golden Sky

Photo credits GIZ
Text Chris Scharfe
GIZ is responsible for the content of this publication.
On behalf of Federal Ministry for Economic
Cooperation and Development (BMZ)
State Secretariat for Economic Affairs (SECO)
In cooperation with Viet Nam's Ministry of Construction