

FINAL REPORT

LOCAL RESOURCE-BASED INFRASTRUCTURE PLANNING IN VIETNAM

Prepared by

Nori T. Palarca
with contributions from
Nguyen van Sy, Le Tuyen Hai, Hien Nguyen

for

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List of Abbreviations

ADB	Asian Development Bank
CERPAD	Center for Rural Planning and Development
CPC	Commune People's Committee
DOC	Department of Construction
DANIDA	Danish International Development Assistance
DARD	Department of Agriculture and Rural Development
DFID	UK Department for International Development
DOT	Department of Transport
DPC	District People's Committee
DPI	Department of Planning and Investment
EU	European Union
GTZ	German Technical Cooperation
ILO ASIST-AP	International Labour Organization Advisory Support Information Services and Training for Asia Pacific
LFA	Logical Framework Analysis
LB-ES	Labor-based Equipment-Supported
MARD	Ministry of Agriculture and Rural Development
MOC	Ministry of Construction
MOF	Ministry of Finance
MPI	Ministry of Planning and Investment
NGO	Non-government Organization
ODA	Official Development Assistance
PMU	Project Management Unit
PPC	Provincial People's Committee
RT2	Second Rural Transport Project
SEPS	Socio-Economic Policy and Strategy
TDSI	Transport Development and Strategy Institute
WB	World Bank
VDP	Village Development Planning

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1.0 Introduction

The International Labour Organization (ILO) Advisory Support, Information, Services and Training for Asia-Pacific (ASIST-AP) is a specialized programme of the ILO that aims to mainstream sustainable infrastructure development as a strategy to address poverty. ILO ASIST AP is already active in several countries in the region providing advise to governments and donor agencies on how investments in infrastructure can also be utilized to generate employment. Its activities in Socialist Republic of Vietnam have been limited, but work has recently been carried out to raise awareness on local level planning activities and current contract management procedures with regards to infrastructure development. The initial activities, 2 research studies, have been done through collaboration between the ILO and the Center for Rural Planning and Development (CERPAD) of the National Institute for Urban and Rural Planning, Ministry of Construction. The studies aimed, among others, to find ways on how to introduce the ILO approach and share the ASIST-AP's vast experience and knowledge in infrastructure planning and employment generation.

Two teams composed of local and international consultants from the ILO and CERPAD, one focusing on local level planning and the other on contract management, studied existing conditions in a bid not only to understand the practice but also to determine how the ILO approach on using infrastructure development as a strategy to generate employment can be effectively applied in the country.

This ILO-funded project has 4 main activities, which together constitute a comprehensive activity to enable ASIST-AP to pursue its longer term strategy for developing activities in Vietnam. These are the following:

1. A review of the prescribed general planning system in Vietnam
2. A review of the current planning practices in Vietnam in relation to rural infrastructure¹ development

¹ This would include rural roads, rural water supplies, irrigation, social infrastructure (health and education) and rural markets.

3. The formulation of a draft Integrated Rural Accessibility Action Plan for two selected districts.
4. A recommendation for a possible Rural Access Planning methodology for Vietnam and the identification of possible entry points.

To attain the objectives, the following specific activities and outputs have to be undertaken:

1. Identify and summarize the country's legislation and prescribed process regarding investment planning in general and rural infrastructure in particular;
2. Identify the national and local authorities responsible for rural infrastructure planning and development in particular in relation to rural roads, rural water supplies, communal irrigation, small-scale social infrastructure and rural markets;
3. Describe the responsibilities of the national and local authorities responsible for rural infrastructure planning and development in relation to the different sectors listed above;
4. Identify current practices, methodologies and tools used by different authorities and projects in relation to rural infrastructure development. Describe to what extent these practices depart from the prescribed process;
5. Analyze the available accessibility data collected under an earlier DFID project and prepare a data analysis report setting out access conditions in 2 selected areas for which data is available;
6. Develop accessibility maps following standard IRAP procedures for the areas mentioned above;
7. Develop a draft Action Plan for improving accessibility for 2 selected areas and identify data/information gaps for finalizing these plans;
8. Propose an outline for a methodology, based on IRAP, for use at commune and district levels;
9. Conduct two workshops to discuss the potentials of the Action Plan and methodology with District/Commune authorities;
10. Identify possible levels and points of entry for further demonstrating the methodology proposed.

This report is about the study conducted on local level infrastructure planning.

2.0 Scope of the Study

The study focuses on an understanding of planning processes at national and local level and how these relate with local infrastructure planning and development. A total of 6 provinces, 3 around Hanoi City (Ha Tay, Ninh Binh and Vin Phuc), and 1 each in the mountainous northern territory (Lai Chau), in the central region (Ha Tinh) and in the Mekong River Delta in the south (Vinh Long) were visited for first hand information on infrastructure planning and development practices. In addition, demonstration workshops in 2 selected districts were conducted to showcase the ILO-developed planning technology and determine how this can be applied in the country.

The 2-month study consisted of a review of official documents relevant to rural infrastructure development, field visits to interview key informants and interact with local government officials, and use of data generated by a DFID-funded study on accessibility conditions in selected districts in upland and river delta provinces to demonstrate the application of accessibility planning technology. Some of the official documents provided were written in Vietnamese and had to be translated yet by the local consultants. The activities at Hanoi and the 6 provinces provided an appreciation of the prescribed and actual planning practices and a clear understanding of the issues and concerns with regards to rural infrastructure development.

3.0 The Planning Environment

Relevant policies and laws were studied to get the framework wherein development planning operates. This also entailed understanding of the institutions, organizations and individuals involved at the various levels of decision-making and their respective roles and responsibilities. Also studied were the resources available for rural infrastructure development, how they should be managed and spent, and the mechanisms to ensure consistency and quality of delivery.

3.1 POLICIES AND RELEVANT LAWS

3.1.1 Socio-Economic Policy and Strategy 2001-2010²

Central government formulated the 10-year Socio-Economic Policy and Strategy (SEPS) document providing the overall development direction of the country. The said document defines the goals to be attained within the 10-year period and how these are to be achieved, prescribes the development approaches and strategies and serves as the basis for the formulation of sectoral and local development plans. From this document, sectoral long-term strategies such as those for transportation, energy, telecommunication and tourism have been developed.

Provisions in the SEPS relevant to infrastructure planning and development are the following:

² *The Communist Party of Viet Nam Central Committee's Political Report to the Ninth National Party Congress, Viet Nam News, April 20, 2001*

Strategy:

- *Push forward industrialization and modernization*
- *Build and independent and autonomous economy*
- *Promote to the utmost domestic resources while taking advantage of external resources*
- *Proactive international economic integration for a rapid, efficient and sustainable development*
- *Combine economic growth with cultural development*
- *Enhance national defense and security*

Strategic Goals:

- *Bring the country out of underdevelopment*
- *Improve the people's material and spiritual life*
- *Lay the foundation for a modern-oriented industrialized country by 2020*
- *Ensure human resources, scientific and technological capacity, infrastructures and economic, defense and security potentials are enhanced*
- *Establish the institutions of a socialist-oriented market economy*
- *Heighten the country's status in the international arena*

Development Approaches

- *To ensure rapid, efficient and sustainable development, economic growth is to go along with social progress and equity, and environmental protection*
- *To consider economic development and central task, and the synchronized laying of foundations for an industrialized country is an urgent requirement*
- *To step up the renovation process, generate a driving force for releasing and promoting all resources*
- *To closely link building of an independent and autonomous economy with proactive international economic integration*
- *To closely combine socio-economic development with security and defense*

Sectoral and Regional Economic Development Orientations

- *Agricultural development*
- *Industry and construction*
- *Infrastructures*
- *Services*

Regional Development Orientations

- *Urban regions*
- *Lowland rural regions*
- *Midland and mountain rural regions*
- *Offshore and island regions*

3.1.2 Socio-Economic Development Plan 2001-2005³

The national long-term development strategy also provided basis for the formulation of a 5-year socio-economic development plan. The 2001-2005 Socio-Economic Development Plan approved by the National Assembly now provides the basis for the preparation and approval of annual plans and has become an effective instrument for determining development investment priorities. This 5-year plan serves as basis for the preparation of provincial and district development plans.

The following summarizes the objectives of the 5-year socio-economic plan:

Objectives:

- *Achieve a rapid and sustainable economic growth*
- *Effect a vigorous and labour restructuring geared toward industrialization and modernization*
- *Improve the efficiency and competitiveness of the economy*
- *Expand foreign economic relations*
- *Generate an upsurge in education and training, science and technology and the promotion of the human factor*
- *Multiply job opportunities*
- *Eradicate basically hunger, reduce the number of poor households, curb social vices, stabilize and improve the people's well-being*
- *Continue enhancing the socio-economic infrastructure*
- *Take a major step in establishing the institution of a socialist-oriented market economy*
- *Maintain political stability and social order and safety*
- *Firmly defend national independence, sovereignty, territorial integrity and security*
- *Strive an average GDP growth rate of 7.5 per cent*

The relevant provisions in the two documents partly offer the rationale for the introduction of innovative approaches in poverty alleviation strategies, such as employment generation through local resource based rural infrastructure development. How these can be introduced and applied require looking into local planning processes to determine effective entry points for the approach.

³ Ibid

3.2 RELEVANT LAWS

The following summarizes the relevant laws of the country and presents specific provisions in the said laws that directly influence rural infrastructure planning and development.

3.2.1 Constitution of the Socialist Republic of Vietnam 1992⁴

The Constitution is the fundamental law of the land and lays the framework for other laws, policies, practices and regulations. The Constitution declares that “Democratic centralism” is the principle governing the organization and activity of the National Assembly, the People’s Councils and all other state organs. The Constitution also describes the duties and powers of the Government, the People’s Councils and People’s Committees and lays the foundation for development actions and local decision-making.

At national level, the National Assembly acts as the highest representative organ of the people. Its members hold office for 5 years and conduct 2 annual sessions. The Government, headed by the Prime Minister and assisted by the various line ministries is the National Assembly’s executive arm. At local level, the People’s Council is the local legislative body with the People’s Committee as the executive branch. In the government structure, the local People’s Councils of provinces and cities are under direct central rule.⁵

Relevant provisions of the Constitution are the following:

Chapter VIII, Art. 112. Duties and Powers of the Government

Item number 1 in this Chapter indicates that the People’s Committees and Councils, and all national government agency offices at all levels of local governance fall under the direct supervision of the Prime Minister.

1. *Direct the work of the ministries, organs of ministerial rank and the organs of government, the People’s Committees at all levels; to build and consolidate the united system of the apparatus of State administration from the center to the grassroots; to guide and control the People’s Councils in their implementation of the directives of superior organs of State administration; to create favorable conditions for the People’s Councils to fulfill their duties and exercise their powers as laid down by law; to train, foster, dispose and use State officials and employees;*
2. *To present draft laws, decree-laws and other projects to the National Assembly and its Standing Committee;*

⁴ A Selection of Fundamental Laws of Vietnam, 2001

⁵ Constitution of the Socialist Republic of Vietnam

3. *to ensure the overall management of the building and development of the national economy;to carry out the plan for socio-economic development and to give effect to the State budget;*

Chapter IX. The People's Councils and the People's Committees

The People's Council is an elected assembly and serves as the legislative arm of local government. The members sit for a 5-year term and are accountable both to the people and central authority. The People's Committee is the executive branch appointed by the People's Council. The Committee is responsible for implementing development programs and projects. The Chairman of the People's Committee exercise supervision over local organs of a lower rank.

*Art. 119. The **People's Council** is the local organ of the State power. It represents the will, aspirations, and mastery of the people; it is elected by the local people and is accountable to them and to the superior State organs.*

*Art. 120. On the basis of the Constitution, the law, and the formal written order of superior State organs, the **People's Council** shall pass resolutions and measures for the serious implementation of the Constitution and the law at local level; on the plan for socio-economic development and the execution of the budget;.... On measures for stabilizing and improving the people's living conditions, fulfilling all duties entrusted by the superior authorities and all obligations to the country as a whole.*

*Art. 121. The **deputy to the People's Council** must maintain close ties with the electors, keep regular contact with them, regularly report to them on his activities and those of the People's Council, answer their requests for proposals, look into and activate the settlement of the people's complaints and denunciations.*

*Art. 122. The **deputy to the People's Council** has the right to interpellate the Chairman of the People's Council, the Chairmen and other members of the People's Committee, the President of the People's Court, the Head of the People's Office of Supervision and Control, and the heads of the organs under the People's Committee. ... The deputy to the People's Council has the right to make proposals to local State organs. The officials in charge of these organs have the responsibility to receive him, and to examine and settle the issues raised in his proposals.*

*Art. 123. The **People's Committee** elected by the People's Council is the latter's executive organ, the organ of local State administration. Its responsibility is to implement the Constitution, the law, the formal written orders of superior State organs and the resolutions of the People's Council.*

*Art. 124. Within the bounds of its duties and powers, the **People's Committee** shall issue decisions and directives and supervise their execution. The Chairman of the People's Committee shall give leadership and operational guidance to the activities of the People's Committee. When deciding major local matters, the People's Committee shall undertake collegial discussion and its decisions must conform to the will of the majority. The Chairman of the People's Committee can suspend or annul the wrong decisions of organs under the People's Committees and People's Councils*

of a lower rank; it can suspend wrong resolutions of People's Council of a lower rank and at the same time propose to the People's Council at his own level to annul such resolutions.

*Art. 125. The Chairman of the **Vietnam Fatherland Front** and heads of mass organizations in the locality shall be invited to attend sessions of the People's Council and to attend meetings of the People's Committee at the same level when relevant problems are discussed.*

*The **People's Council** and the **People's Committee** shall make regular reports on the local situation in all fields to the Fatherland Front and the mass organizations; shall listen to their opinions and proposals on local power building and socio-economic development; shall cooperate with them in urging the people to work together with the State for the implementation of socio-economic, national defense and security tasks in the locality.*

3.2.2 LAW ON ENTERPRISES

This Law prescribes the establishment, management, organization and operation of enterprises of various types: limited liability, joint-stock, partnerships and private enterprises. The Law also covers State-owned enterprises, as well as political or socio-political organizations that convert into limited liability companies or joint-stock companies. This law applies to construction and consulting companies that provide services and engage in infrastructure development.

3.2.3 LAW ON STATE-OWNED ENTERPRISES

This Law provides the legal status for State-owned enterprises to operate like any economic organization, transacting business or providing specific services to generate income to maintain viability of operation. The Law describes the enterprises' civilian rights and obligations, its responsibilities within the limit of the capital entrusted by government. This law is exclusive for state-owned companies that also engage in construction and infrastructure development.

3.2.4 LAW ON FOREIGN INVESTMENT IN VIETNAM

This Law provides the framework within which foreign capital can be invested in Vietnam. The Law provides the legal protection for investments and investors, and outlines the favorable conditions to encourage the entry of said investments.

3.2.5 LAW ON ENCOURAGEMENT OF DOMESTIC INVESTMENT

This Law encourages domestic investments by organizations, private citizens residing either in Vietnam or abroad, for the socio-economic development of the country. The Law also specifies the areas where investments are encouraged.

3.2.6 STATE BUDGET LAW

The Law provides the legal framework and prescribes the process for the use of revenues and other income of the State, to be implemented within one year after the collective decision by the competent State agencies have been achieved, in order to ensure the implementation of the functions and responsibilities of the State. The law also describes the tasks, powers, responsibilities and obligations of the different government agencies, organizations and individuals regarding the use of the State budget. The organizations include the National Assembly and its Standing Committee, the various National Assembly Commissions, the State President, the Government, the Ministry of Finance, Ministry of Planning and Investments, the Vietnam State Bank, and the other Ministries and their field offices. The Law also describes the tasks and powers of the People's Councils and the People's Committees at all levels of government, the State Budget drafting units and also of the concerned organizations and individuals.

The law describes the sources of revenues and the spending responsibilities at national, provincial, district and commune levels. In general, the sources of funds for infrastructure development are: state budget, foreign assistance and people contribution. The law also provides that a portion of the fund available for local governments is allotted for socio-economic infrastructure investments.

Fund sources and spending tasks provided in the Law are as follows:

Art. 32. Revenue sources of the district budget include

- *Revenues collected from taxes, fees and charges from activities of agencies under the district management, collections from non-business operations of units managed by the district, grants and other forms of aid from foreign organizations and individuals, private contributions in the construction of infrastructure projects, revenue from the balance of the district's budget, supplements from provincial budget, and other revenues as provided by law.*
- *Percentage of revenues collected from taxes on agricultural land use, transfer of land use rights, house and land taxes and land use charges.*
- *Additional percentage of turnover tax, profit tax, registration fees collected in their respective territory, and are entitled to establish their own investment funds in accordance with the provisions of the Government.*

Art. 33. Spending tasks of the district's budget

Regular spending on:

- *Non-business activities in the fields of economy, culture, information, sports and social affairs and other non-business activities managed by the district agencies;*
- *National defense, security and social order and safety assigned to the districts;*

- *Activities of the agencies of the State, the Communist Party of Vietnam and socio-political organizations in accordance with the law;*
- *Financial support for district social organizations and socio-professional organizations in accordance with law;*
- *Management, repair and maintenance of public works and on urban non-business operations*

Development investment:

Spending on socio-economic infrastructure projects of the provincial level in accordance with the division of responsibility, construction of general education schools of all levels and public utility projects such as lighting, traffic safety, urban sanitation

Supplementing lower-level budgets.

Art. 34. Revenue sources of the commune and township budget

1. Revenues to be 100% collected:

- *Trade license tax on small business households;*
 - *Animal slaughtering tax*
 - *Fees, charges and contributions to be collected for the commune or township in accordance with the provisions of law;*
 - *Revenues from the use of public land fund and profits from other public properties;*
 - *Collections from non-business operations managed by the commune or township*
 - *Voluntary contributions to the commune or township;*
 - *Non-refund aid directly donated by foreign organizations and individuals to the commune or township in accordance with the provision of law;*
 - *Revenue from the balance of the commune or township budget;*
 - *Supplementary allocation from the higher-level budget;*
 - *Other revenues in accordance with the provision of law.*
- 2. Distribution of revenues between the province, district and commune generated from taxes on agricultural lands, transfer of land use rights, house and land taxes and land use charges, shall be determined by the concerned local governments.*

Art. 35. The spending tasks of the commune or township budget

1. Regular spending on:

- *Social work and activities in the fields of culture, information and sports managed by the commune or township;*

- *Financial support for extracurricular education, crèches and kindergartens managed by the commune or township;*
- *Health care activities in the commune or township;*
- *Management, repair or maintenance of architectural projects, public properties, welfare projects and roads managed by the commune or township;*
- *Activities of the agencies of the State, the Communist Party of Vietnam and socio-political organizations of the commune or township;*
- *Militia and self-defense work; maintenance of social order and safety in the commune or township;*
- *Other spending in accordance with the provisions of law.*

2. *Spending on development investments*

Spending on investment in the construction of socio-economic infrastructure projects in accordance with the assignment of responsibilities by the province.

Art. 36. Contributions

Aside from the revenues and expenditures mentioned in Articles 34 and 35, the commune or township administration can mobilize contributions from organizations or individuals for the construction of infrastructure projects in the commune on the principle of voluntariness. The management of said contribution shall be guided by transparency, subject to examination and control to ensure that it shall be used appropriately and in accordance with the provisions of law.

This law provides the legal basis for generating funds from the people for the State to undertake infrastructure development at local level. This law also provides the rationale for the re-prioritization of infrastructure projects should the residents fail to commit their contribution for its development.

3.3 DECREEES

3.3.1 REGULATIONS ON MANAGEMENT OF INVESTMENT AND CONSTRUCTION⁶

No. 52-19990-ND-CP, Socialist Republic of Vietnam, July 8, 1999
Amended on May 5, 2000.

The Decree lays the framework for the proper coordination between the Ministry of Construction, Ministry of Planning and Investment, Ministry of Finance, the State Bank of Vietnam, and the relevant ministries and branches, for the formulation, approval, adoption, implementation, monitoring and evaluation aimed at the optimal use of all investments in infrastructure development in the country. The Decree provides the guidelines for a concerted effort by the relevant ministries, agencies, local governments and organizations on infrastructure development at all levels of governance, from national, province, district and commune levels.

⁶ Decree on Management of Investment and Construction, Vietnam, 2000

Some of the provisions relevant to local infrastructure development are in the following:

Article 2. Fundamental principles of management of investment and construction

1. *Management of investment and construction shall be conducted in accordance with projects, planning and the law.*
2. *Investment projects funded by capital from the State Budget, credit facilities guaranteed by the State, State-owned credit facilities for investment and development and invested capital of the State owned enterprises shall be strictly managed in accordance with the procedures for investment and construction applicable to each type of capital.*
3. *With respect to investment and construction by the people, the State shall only assume management in terms of planning, architecture and the ecological environment.*
4. *The responsibilities and powers of State administrative bodies, investors, consultancy organizations and contractors during the course of investment and construction must be clearly defined.*

Article 3. Applicability and scope of application of the Regulations on Management of Investment and Construction

1. *Management of investment and construction shall apply to the following:*
 - (a) *New investment and construction projects and renovation, major repair or upgrading of existing investment and construction projects;*
 - (b) *Investment projects for procurement of assets, including machinery and equipment without installation and products of new technology and science;*
 - (c) *Projects funded by capital from the State Budget for planning regional and territorial development, planning for industry development, and planning for construction or urban and rural areas;*
 - (d) *Construction works funded by State owned capital for which an investment project is not required to be prepared;*
 - (e) *Other investment and construction not utilizing State owned capital.*
2. *Scope of Application*
 - (a) *With respect to investment projects of State bodies and state-owned enterprises funded by capital from the State Budget, credit facilities guaranteed by the State, State-owned credit facilities for investment and development and invested capital of State-owned enterprises, the State shall assume management of investment and construction through investment decisions after completion of the evaluation of the projects in terms of planning for industry development, planning for construction for urban and rural areas, construction regulations, constructions standards, use of land and natural resources, protection of the ecological*

environment (depending of the requirements of each type of project), financial plan, prices and efficiency of investment projects.

(b) Investment projects of enterprises funded by the State owned credit facilities shall be carried out in accordance with the regulations of the State owned credit facilities....

(c) ...

(d) With respect to projects for planning for regional and territorial development, planning for industry development and planning for construction of urban and rural areas, the State shall assume management of use of capital sources from the State Budget for implementation of projects and, at the same time, control the mobilization of other capital sources for preparation and implementation of projects for further detailed planning.

(e)

(f)

3.3.2 Decree on the Democratization of the Commune⁷

Decree No. 29/1998/ND-CP

This Decree declares that the people have the right to be informed of issues and concerns affecting their areas and lays the groundwork for their participation in development actions, by the national and local governments or other development organizations in the area. The Decree also calls for coordination among the Commune People's Councils and Committees with the Motherland Front and other social organizations regarding the publication and circulation of the significant information. The Decree also outlines the development issues and activities that should be discussed and decided upon, the people's contribution and participation in development actions, and the consensus-building processes in reaching decisions. Also covered by the Decree are the responsibilities and duties of commune residents in information generation, sharing and their participation in the selection of their leaders.

Relevant provisions of the Decree are the following:

Article 4. The local government is responsible for the timely and open publication of the following information.

The Decree provides the forum for exchange and sharing of information at local level. This can be seen as a useful avenue for capacity building, empowerment and participation as well as the introduction of new approaches in local development. The provision of this type of forum can facilitate productive deliberations and encourage a broader role for the beneficiaries in influencing local development actions directly affecting their lives. Such forum can also be seen as an effective feedback mechanism to guide leadership actions.

⁷ The Democracy Exercise at the Commune Level, Vietnam, 1998

1. *Government policies and laws*
2. *State and local government regulations on administrative procedures that apply to the population.*
3. *Long term and annual socio-economic development plans*
4. *Land use and master plans*
5. *People's Council resolutions and decisions taken by the People's Committee at commune or higher level that directly affect the residents.*
6. *Annual budget and liquidation of allocation.*
7. *Disbursements, liquidation and performance of funds and people's contribution for the construction of basic and social infrastructures in the communes and villages.*
8. *Programs implemented in the commune that are funded by the Government, organizations and individuals*
9. *Credit loan policies, development plans, production aimed at alleviating poverty.*
10. *Adjustment of the commune's administrative borders and related units.*
11. *Results of investigations, inspections and penalties on corruption of commune and village officials*
12. *Cultural, social activities as well as actions against social evils to maintain security and safety of the residents in the commune.*
13. *Partial and final results of the work of the commune People's Council and People's Committee.*
14. *Others that the local government considers as necessary or upon the request of the commune residents.*

Art. 5. The Commune People's Council and Committee are responsible to coordinate with the commune Motherland Front Committee and other social organizations in the commune for the provision of the information listed in Art. 4.

Art. 6. Residents in the commune and villages must directly discuss and decide on the following major works.

1. *Policies and level of contribution for the construction of infrastructure and public welfare works (electricity, roads, schools, health care stations, revolutionary martyr cemeteries, sport and cultural facilities, etc.)*
2. *Establishment, collection and expenditure of official funds.*
3. *Formulation of village regulations, cultural village conventions, protection and security, abolition of unsound customs, superstitions and social evils.*
4. *Internal affairs of the communities and villages following the legal framework*
5. *Establishment of project management units to supervise the construction of infrastructures with investments from commune residents.*
6. *Protection of local production and business.*

Art. 7. In addition to contributions listed in Art. 6, residents' contribution for charitable purposes is encouraged and motivated by local government, motherland front committee, social organizations, as a spontaneous act and therefore avoiding forced allocations.

Art. 8. Ways of resolving issues at commune level.

The Commune Communist Party guides, the Commune People's Committee establishes alternatives, programs and plans; the Commune People's Committee coordinates with the Commune Motherland Front committee regarding the provision of guidance, organization of meetings for residents to discuss and reach decisions under the following:

- 1. Gathering residents in every village to discuss and vote for final decision by show of hands or by secret polls. The result shall be subsequently recorded and submitted to the Commune People's Committee.*
- 2. Meetings with households to discuss and vote for final decision by show of hands or by secret polls. The result shall be subsequently recorded and submitted to the CPC. Such meetings should only be conducted with the presence of at least two thirds of the invited residents or households.*
- 3. In case the holding of such a meeting can not happen, questionnaires should be delivered to solicit the views and opinions of the households. If majority of the residents or households agree, the CPC shall implement the outcome with the supervision of the commune inspection unit or PMU selected by the residents themselves. Residents are to accept the majority decision. Should the decision does not follow the law and local regulations, the CPC shall report it to the DPC for consideration and resolution.*

Art. 9. The key issues that residents should discuss or contribute views before the CPC and Committee decide (or submit to the higher level) for decisions shall include:

- 1. Drafting of long-term master plans, annual plans on the commune socio-economic development, alternatives to the current economic structure, production structure, as well as to the develop and diversify production, creating employment for laborers.*
- 2. Drafting commune master and land use plans for the effective management of the commune's public lands.*
- 3. Drafting of residential master plans and agricultural projects and settlements and newly-developed economic areas, drafting of plans and projects on mobilization and use of people's contribution for the construction of commune infrastructures to be managed by the people themselves.*
- 4. Drafting proposals on the administration of commune borders and the villages within the commune.*
- 5. Drafting of action plans for national programs on health care, water supply and sanitation, and the environment.*
- 6. Formulating policies and measures on land acquisition for construction site clearance.*
- 7. Nominating candidates for the Commune People's Council.*
- 8. Other issues that the Commune People's Council and Committee consider as necessary.*

Art. 10. Ways of resolving issues that residents should discuss and contribute their opinion and views for the CPCouncil to make decisions (or submit to authority for decisions)

Based on the resolution of the commune communist party, CPCouncil, CPCCommittee, the CPC drafts papers, plans and alternatives and coordinates with the commune motherland front committee and mass organizations to conduct opinion survey under the following procedures:

- 1. Deliver survey questionnaires to be answered by all households in the commune.*
- 2. Conduct meetings with all the residents or heads of households in every village to discuss the issues. The result shall be recorded and submitted to the CPC.*
- 3. Conduct meetings with mass and economic organizations to discuss the issues. The result shall be recorded and submitted to the CPC.*
- 4. Install opinion mailing post, and the CPC sums up the opinions expressed.*

The result of the meetings and opinion survey shall be reported adequately and objectively to the CPC for consideration prior to submission to the CPCouncil (or higher level Council) for decisions.

Art. 11. The development activities supervised and inspected by the commune residents include the following:

- 1. Activities of the CPC and Committee*
- 2. Implementation of the people council's resolutions and people's committee decisions*
- 3. Activities of the members of the commune people's council, officials of the commune people's committee and government officials working in the commune.*
- 4. Sort out complaints, appeals and denouncements of residents*
- 5. Expenditure and liquidation of commune budget.*
- 6. Acceptance and liquidation of construction works invested in with contributions from residents as well as other programs and projects funded by government, organizations and individuals.*
- 7. Management and use of land.*
- 8. Collection and expenditure of funds, fees and contribution in accordance with government regulation*
- 9. Reporting and investigation of corruption committed by commune officials.*
- 10. Implementation of compensation policies, taking care of and providing assistance and support to families of revolutionary martyrs, war invalid soldiers and people who benefit from social and charity policies.*

Art. 12. Forms of monitoring and supervision.

- 1. Residents supervise activities and behavior of representatives of CP Council and Committee. They have the right to propose, appeal, denounce actions that violate laws, harass or bribe representatives of the CPCouncil and members of the Committee.*
- 2. Meetings of commune should be participated in by representatives of mass organizations with representatives of residents attending as supervisors.*

3. *Through commune Motherland Front Committee, youth union, women's union, farmers' union, veterans' union, union of the old.*
4. *Through people inspection unit, established and operated in accordance with law.*
5. *Commune people's committee is responsible to receive and sort proposals, appeals, denouncements submitted by residents in accordance with law.*
6. *Once signs of corruption, mis-usage or squandering of collection, expenditure of the state budget, contribution, funds as well as land management have been discovered, residents have the right to question and be clarified with the case and the issues involved. The CPC and Committee are to provide appropriate explanations without any limitation or condition.*

This Decree calls for the active participation of residents in commune administration and assures that a ready audience awaits any technical assistance team that would introduce new or innovative approaches to benefit the area. It can be said that the government structure at local level is “friendly” to such incursions.

3.4 Institutions Involved in Infrastructure Development Planning

All provinces, districts and communes are expected to prepare and submit their respective development plans based on the national policies, guidelines and regulations. Some provinces and districts have their master plans that provide the basis for their annual investment plans. The preparation of local infrastructure plans is dependent upon the formulation and approval of the provincial, district or commune short-term and annual plans. Some provinces and districts have prepared their development plans but some do not have any infrastructure development plan. Occasionally, donors and NGOs implement infrastructures that may not be consistent with the priority needs at local level as directions for the implementation of NGO investment activities come from central level.

To distinguish the dynamics in local infrastructure planning, the institutions engaged in said activity are discussed in this section.

3.4.1 National Assembly

The National Assembly is tasked to review and approve long and short term socio-economic development plans of the country. The Government, headed by the Prime Minister, is assisted by the Ministry of Planning and Investment (MPI) in coordinating all the line ministries and their counterpart agencies at local level, all the provincial and city People's Committees for adherence to national policies, strategies and long-term plans, in the preparation of their respective short-term and annual plans. The finalized plans are then submitted to the National Assembly for ratification.

3.4.2 Ministry of Planning and Investment (MPI)

The MPI is tasked to take on a broad responsibility, with the participation of all line ministries and their respective counterpart agencies at local level, in finalizing and delivering the national socio-economic development strategies

and plans and in establishing economic management mechanisms and policies. The MPI is also tasked to ensure that sectoral and local plans are consistent with the overall development directions described in national policies, strategies, and goals and targets provided for in the long-term development plans. The MPI is also responsible for coordinating, managing and judiciously utilizing ODA as well as in monitoring socio-economic development plans of the various government agencies. The following describes the specific role of the MPI as provided in the *Decree on Management of Investment and Construction*.

- Study and develop mechanisms and policies for investment as well as for the State management of domestic investment, foreign investment in Vietnam and overseas investments by Vietnamese
- Identify orientation and structure for investment capital in order to ensure the balance between the domestic investment and foreign investment, then submit to the Government for decision
- Submit to the Government draft laws, ordinances and legal documents concerning the economic management mechanisms and policies, the promotion of domestic and foreign investment in order to achieve an economic structure suitable to the strategies, planning and plans for socio-economic stability and development;
- Issue investment licenses and guide foreign invested enterprises to make the investment preparation

Department of Local Economic Affairs

Department of local economic affairs is under the MPI and its functions are to take charge of supervising, analyzing and managing provincial socio-economic development plans. Major tasks are as follows:

1. Cooperate with the Strategic Development Institute and other departments of MPI to study provincial socio-economic development planning and strategies
2. Cooperate with the Department of General Economic Affairs to provide instructions for provinces and cities in planning process of short-term, medium term and long term socio-economic development strategies, which are at par with state orientations for local and national socio-economic development.
3. Supervise, collect information and evaluate implementation of socio-economic development strategies in provinces and cities; propose implementation solutions for municipal and provincial plans; analyze and propose economic mechanism and policies to foster local socio-economic development and to secure sustainable local development; present evaluation of potentials and actual status of provincial and municipal socio-economic development at requests of the Government and the National Assembly

4. Evaluate establishment of state-owned enterprises, evaluate investment projects (both domestic and foreign sources); study and compile local socio-economic development projects; allocate ODA funded projects to provinces; allocate export quotas; participate in bidding appraisal in response to assignment of the Ministry's leaders.
5. Resolve unexpected problems in process of project implementation of provinces; complete documents to allocate plans for provinces; generalize plans proposed by the National Committee of Minorities and Mountainous Areas
6. Implement other assignments of the Minister of MPI

Department of Infrastructure

Department of Infrastructure is under the Ministry of Planning and Investment. Its functions are to supervise and manage construction and infrastructure development projects as follows:

1. Study sectoral development planning of construction, public transport and transportation, telecommunication sectors; study urban design and planning including public utility, housing, infrastructure facilities for industrial parks across the country
2. Generalize and compile short-term, medium term and long term development strategies for construction, public transport and transportation, telecommunication and urban design and planning
3. Propose planning mechanism in a bid to achieve objectives of sectoral development strategies; directly compile planning policies and mechanism under assignment of the Ministry's leaders; study and selecting domestic and foreign invested projects
4. Evaluate establishment of state-owned enterprises; evaluate investment projects (both domestic and foreign sources), bidding appraisal, allocate ODA funds, manage projects and national programs in the sectors under its functions
5. Forecast, collect information and systematize economic information in support of sectoral development planning
6. Summarize plans of the Ministry of Construction, of Transport and General Department of Post
7. Implement other assignments of MPI's leaders.

3.4.3 Ministry of Construction

The Ministry of Construction is responsible for State administration of construction and the establishment of mechanisms and policies for construction management and planning of urban and rural areas. The MoC is tasked to promulgate construction standards, norms and rules, design processes and regulations that will ensure quality, systems of limits, technical and economic criteria, limits of costs of investments and construction consultancy and regulations for specialized construction work. The Ministry is also tasked to evaluate technical designs and budget for Group A investments, assume uniform State management of standards of quality, produce guidelines for operation of construction consultancy enterprises and implementation of the Regulations on Management of Investment and Construction.

The MoC has the National Institute for Urban and Rural Planning, which has 9 Centers covering urban, and industry, regional planning, environmental planning and rural planning. Under the National Institute is the Center for Rural Planning and Development (CERPAD), which provide extension service on rural planning and development, rural infrastructure development, socio-economic appraisal of projects, technical services on design and construction of rural infrastructure emphasizing on the use of appropriate technology, and management of rural infrastructure works.

3.4.4 Ministry of Agriculture and Rural Development

The Ministry of Agriculture and Rural Development (MARD) engage in policy formulation and state management of agricultural production areas. MARD has the Department of Agriculture and Rural Development and local-based teams of professionals that provide technical assistance to provinces, districts and communes. The Ministry also engage in business through its various agriculture-focused companies, provide extension and capacity building services through its training and research Institutes, like the *Water Resources University*, and Centers such as the *Center for Rural Water Supply and Environmental Sanitation*. MARD is responsible for documenting and setting standards for agricultural production, its support infrastructure facilities like irrigation and water supply, and provide design services upon the request of DPI or local People's Committees.

3.4.5 Ministry of Transportation

The Ministry of Transportation is responsible for the State management of the transportation sector. MoT oversees planning activities for the 5 transport modes in the whole country. The Ministry has the Transport Development Strategy Institute (TDSI), a technical institute involved in policy studies and formulation, documentation of transport-related information, standards and design services, coordination of foreign and in-country organizations on the formulation of pre-FS and FS, transfer of transport technology to units at local level, and the provision of investment and consultancy services.

MoT provides services in forecasting, research, transport development planning, prices and norms, information and international relations. It has a Center for Research and Development of Transport in the south. It is involved in the formulation of a

strategy for transport development in Vietnam until 2020, planning and transport development of some provinces, conduct of pre-FS and FS, and on the study of urban transport development.

4.0 Local Planning Process related to infrastructure development

4.1 Classification of Infrastructure Projects

Infrastructure projects are classified based on type and total investment costs. Group A projects are those concerning national security covering defense, strategic and socio-political importance. These projects, with capitalization in the 300-600 billion Vn dong, have to be approved by the Prime Minister.

Projects under Group B are the responsibility of the concerned Ministries, People's Committees of provinces or cities and pass through the Ministry of Planning and Investment and other responsible ministries for approval. Capitalization range from 30-600 billion Vn dong. Also included under this category are joint venture projects with foreign capital of US\$1.5 million and above.

Group C projects are planned by the ministries, people's committees of provinces or cities and get approval from the MPI and sector ministries. These projects must be part of the master plan and with capitalization in the range of 7-30 billion Vn dong.

Group D projects are planned at local level and fall under their responsibility. Projects under Group D can be influenced by provincial responsibility. The infrastructure projects under these categories are the ones referred to in the study of the rural infrastructure development of this paper described in Section 4.3.

4.2 Responsibilities of local authorities concerned with rural infrastructure planning:

At local level, planning for infrastructure projects is the responsibility of the local People's Committee. The Chairmen of said committees delegate the responsibility of to a sub-committee headed by the designated committee member. This sub-committee, should it require technical inputs for the planning, detailed design and cost estimates, will tap the technical expertise from the concerned technical office at the same level or higher. For instance, a commune People's Committee may call upon the district office of the Department of Transport for assistance in planning and designing an access road, or the office of the Department of Agriculture and Rural Development for the design of irrigation channels, or the office of the Department of Construction for rural markets and other small-scale infrastructures. The members of the technical staff from these counterpart offices of national agencies are mandated by law to assist local governments upon the direction and request of the DPI or the People's Committee.

At the district and provincial levels, the listed technical departments are tasked to provide inputs for the following infrastructures:

- **Rural roads** – Department of Transportation (DoT), oversee application of road construction standards, provide technical assistance on design, responsible for big transport development programs with donor funding
- **Rural water supply** – Department of Agriculture and Rural Development (DARD), especially big programs with outside funding
- **Communal irrigation** - DARD, big and small programs
- **Small-scale social infrastructures** implemented by local governments - with assistance from the professional departments of DARD, DoT, Department of Construction (DoC) and sometimes Department of Training and Education
- **Rural markets** - can be built into a local plan with a project management unit (PMU) established to deal with the planning and design requirements
- **Other infrastructures under Programme 135** – MOLISA, establish a project management committee to manage the State Budget funds to be released to the provincial budget

4.3 Infrastructure Planning and Development at Local Level

Planning activities in the provinces, districts and communes follow a pattern prescribed by Central government. Since it is typical for local authorities to strictly follow prescribed procedures, it is expected that all local government units utilize the same pattern.

The preparation of lower level annual development plans, outlining investments and expenditures for the following year, starts at around May-June. The final output which is to be integrated into the provincial annual development plan is expected to be finished at around October, in time for the National Assembly session scheduled during the last quarter of the year. It is only after the National Assembly session that the information on the official allocation for a province can be ascertained. For infrastructure development contained in the plan, some provinces require that detailed designs and cost estimate be part of the initial output. In some areas, work on the design and estimates starts only as soon as the official State Budget allocation reaches the district, usually during the first quarter of the following year.

The identification and prioritization of the needed rural infrastructures happen almost simultaneously throughout the country, except for some foreign-funded initiatives where information generation may be done by an NGO for a specific infrastructure project based on their own schedule. The professional support organizations under the relevant technical departments at province and district levels have the capacity, competence and experience in addressing the technical assistance requirements of the commune and the district government units. It was mentioned that design and standard for any rural infrastructure are well documented by the consulting organizations under the technical departments and such assistance can be provided to communes or districts at a relatively short period of time. To illustrate, a commune

can package, on their own, a proposal based on a standard format provided by consultants at district level. The detailed designs utilizing accepted standards can be finished in a month, and review and comments on a proposal by relevant technical departments can happen within a shorter period. In a commune where the People's Committee proposed the improvement of an irrigation channel, the whole technical and administrative documentation were completed within 2 months, and the project was started within the first quarter of the year.

It must be distinguished that the annual development plan covers a comprehensive investment package to access state budget allocation. An infrastructure development plan, which comes after the needed funds have been officially provided, is for a specific infrastructure project requested at commune or district level. It is expected that in most provinces and districts, the detailed infrastructure development planning start during the first quarter of the year.

Drawing from the interactions with provincial, district, commune, NGO and donor representatives, the following describes the local development planning procedure.

Development Planning Process at Local Level

Infrastructure planning, or the identification and prioritization of projects to be considered in the district annual plan, which is to be considered later in the provincial annual plan, follows a prescribed procedure. Deviations from these steps are seldom and mostly insignificant. Planning is always an initiative of the local government unit.

Foreign-funded initiatives, which also engage in planning, are either direct investments by the donor organization or coursed through NGOs operating in the area. As foreign investments pass through central government, specifically through the MPI, it is expected that these are directed to areas in accordance with existing policies and programmes. For instance, foreign investments are recommended to go to the poor communities identified under Programme 135, or the poor communes in remote and mountainous areas and where effort to break their relative isolation is a primary concern. In addition, NGOs and donors come in with their own sets of priorities and pre-conceived ideas as to how to provide effective assistance with their investments. This position of the NGO or donor organization soon fits into the local government unit development thrust when deliberations, either during the planning workshops or during the consultations with the various technical departments, happen.

A typical planning process is described in the following:

1. Situational analysis: questionnaire or project identification workshop
Timeframe: May to June

Provinces and NGOs conduct a survey of actual conditions in their study area to develop a set of relevant information about the target communes. Enumerators are trained and the communes visited, and interactions with commune leaders and elders form part of a validation process. The resulting information is then analyzed and recommendations presented to the communes. Infrastructure projects are identified and prioritized through a process of information sharing and

participatory consensus-building exercises (Section 3.3.2). These are packaged as proposals for consideration in the district annual plan.

Another approach at situational analysis is to conduct a series of workshops to be attended by representatives from the province, the district, relevant agencies at district level, donor and NGOs, and representatives from the target communes. The workshop facilitators draw information from the key informants in attendance by using various information generation techniques. One favorite technique is the logical framework analysis (LFA). The procedure helps identify the needed infrastructure, pinpoint the location, project type, the needed (and available) resources, the roles and responsibilities of those concerned, and an estimate of the required contribution from the target beneficiaries, or even get an official commitment to contribute. The result is a list of potential infrastructure investments for consideration in the district development plan.

2. Integration into the district annual development plan
Timeframe: July-September

The Department of Planning and Investment, with directive from the District People's Committee, will then circulate the proposals to the relevant departments in the district for review and comments. Said proposals will be evaluated as to consistency with national policies and regulations, with the provincial and district priorities as contained in the master plans, and the percentage of people contribution committed. The result is either a trimming down of the identified infrastructure projects, or a re-prioritization of the list. The approved list will be presented to the commune representatives and later submitted to the District People's Council for adoption prior to submission to the Provincial People's Council for approval.

3. Integration into the provincial annual development plan
Timeframe: October-November

The approved district plans, if found consistent with provincial priorities and national policies and regulations, are later integrated into the provincial annual development plan and submitted to the MPI and national Government for presentation to the National Assembly. All the provincial and city annual plans will be taken up during the annual meeting sometime in November-December for the official allocation from the State Budget.

4. Approval of Annual Plans and announcement of budget allocation for the following year.
Timeframe: December

Following the closing of the annual session of the National Assembly, the approved plans will be sent to the respective provinces with the information as to how much of the requested budget has been approved. It has been mentioned that in some instances, the National Assembly declared a change of investment priorities in reaction to changes that directly influence national development directions. In such a situation, the priorities in an endorsed provincial plan may

not be in conformity with the new set of national priorities. The allocation for the approved infrastructure projects may not come. Nevertheless, the province will inform the districts of the outcome.

5. Announcement of allocation to the communes by the districts
Timeframe: January-February

With the information and directive from the province, the District People's Committee will submit a proposal as to how the provincial allocation to the district will be distributed to the communes. If approved, the district Committee through the DPI, will inform the communes of the allocation. Should the proposed projects be covered by the allocation, the communes are directed to do a detailed design/feasibility study of the infrastructure and formulate an investment plan based on the approved amount. The same is done for an approved district infrastructure project. The people's commitment to contribute will now determine whether the infrastructure project as requested will push through. A withdrawal of such commitment may lower the chances of project implementation.

6. Provision of technical assistance by professional organizations

It has been acknowledged that the communes lack the capacity to produce a detailed design of a needed infrastructure. To address this, the DPI coordinates with the relevant technical departments, at the district or provincial level, for the services of their professional staff. These professional groups are mandated to assist the communes and the districts for such activities. Sometimes, university professors and/or consultancy firms in the area are invited to participate in the production of the needed detailed design.

7. Submission of detailed design to the appropriate technical department and approved by the District or Provincial People's Council, depending on the kind of project

The final design will be submitted to the appropriate technical department. Final approval will be done by the DPC or PPC after concerned departments have reviewed the documents. Once approved, a project management unit (PMU) is formed and preparations for bidding are started.

8. Bidding

The DPI reviews and approves the bidding plan and after agreement between the Commune People's Committee, DPC and DPI, the bidding will be advertised through local newspapers, based on the kind of bidding.

9. Selection of the winning bid

A group of specialists will be asked to evaluate the bids submitted by short-listed bidders. DPI will receive the results of the bidding and will submit to the Provincial People's Council for the final decision.

10. Inform winning and losing bidders

After the PPC's comments, the stakeholders will inform the winning and losing bidders. The winning bidder will be invited to sign a contract.

11. Monitoring

During implementation, independent consultants are invited to monitor the construction of the project. The people are also expected to participate in the monitoring during construction as provided by Law.

12. Completion and hand over

The project, once completed, will be handed over to the commune. Depending on the type of project, the operation and maintenance of the new infrastructure will have to be seriously considered by the new owners. For example, concrete irrigation canals will be managed and maintained by a water users' association, village roads will be maintained by the villagers, commune roads by the benefiting commune authorities, an elementary school by an association of parents and teachers, etc.

5.0 Issues Identified

5.1 Limited Capacity at District and Commune levels

It has been mentioned on several occasions that there is very little capacity for planning and design of infrastructure projects at commune level, and limited capacity at district level. To address this, the concerned local government taps the field offices of technical ministries for assistance. It has been mentioned that there is much dependence on inputs from professional organizations like the various Centers under each Ministry.

During interviews with key informants outside of government, it was clearly mentioned that data is available at all levels, and these are found consistent in all the levels. In addition, there is a wealth of technical documents among the professional agencies providing assistance to local governments that consultations with the direct beneficiaries are sometimes not undertaken. The informants added that there exists a standard for almost all infrastructure projects that can be proposed such that detailed designs can be produced easily without doing much field research. This is contrary to the principles of people empowerment and participation professed by the Decree on Democratization of the Communes.

5.2 Limited Resources available from State budget

In principle, the resources available for infrastructure projects come from 3 sources – State budget, outside donations and people contribution. As it has been the policy that the State and the people should work together for development, and with the limited resources available for the districts and the communes, the people contribution

becomes the major source to cover infrastructure construction at commune level. In some instances, this is augmented by allocations from the district and the province. However, one major consideration for the approval of a proposal from the district or the commune is a guarantee that the people will indeed contribute following an agreed sharing formula. This immediately affects the decision as to which district or commune should provincial funds be allocated. Without the pledge of community contribution, approval of a project proposal by a higher-level authority may be difficult to achieve.

5.3 Payment for Small Infrastructure Contract

In a commune that was able to improve their irrigation channel with funds from district allocation and people contribution, it was admitted that the contractor who implemented the project had to advance the amount needed for the work. It was also mentioned that the people would not contribute until water is delivered to their fields, and that the administrative requirements for a contractor to collect the district allocation make such activity a tedious exercise. As such, the said contractor had to practically pay for the construction cost from his own pocket and later collect once the project is handed over and accepted by the beneficiaries. If such is indeed the practice, this may be an issue to be contended with in developing local-based small contractors who may not have the capital and the resources to embark in similar construction work. It was understood that the people pay only after full satisfaction of the delivery.

5.4 Uncertain Tenure of office of commune technical officials

One issue that has also been mentioned on several occasions is the possibility of non-continued stay of commune officials. It was pointed out that the Chairman of the People's Committee at commune level sits for a 5-year term. If the incumbent is not re-appointed, the new administrator will bring in a new set of officials to assist in the implementation of activities, thus requiring a new round of training and capacity building activities. The experience gained by the people who worked with the exiting incumbent is therefore not put to good use, unless the incoming Chairman also utilizes them. NGOs mentioned that they train commune level people who may not stay to continue applying the skills they have acquired.

6.0 Conclusion and Recommendations

The Vietnamese government is undergoing significant change and has opted to move from the centrally planned to a market-oriented economy, initiating reforms to encourage greater participation in a more open socialist setting. The transformation consists of three inter-related fundamental thrusts. The first is the shift from a bureaucratically centralized planned economy to a multi-sector one operating under a state-managed market mechanism with a socialist orientation. Second is through reforms in the social life of the people by providing a democratic legal apparatus. Third is by opening its doors and join all other countries in building a community of nations for peace, independence and development.⁸

The country's bold reforms towards development is also reflected in its Socio-Economic Policy and Strategy for 2001-2010 and the 5-year Socio-Economic Development Plan, discussed in Section 3.1.1. The over-arching thrust is to eradicate hunger and reduce the number of poor households through modernization, rapid and sustainable economic growth, human resource development, enhanced socio-economic infrastructure, better job opportunities for all, etc. To help attain these are the various laws and decrees, some of which are cited in Chapter 3, promulgated to lay the foundation for harmonizing various efforts towards progress and development.

The country's transformation also present opportunities for the introduction and application of innovative approaches that can reinforce earlier work and facilitate attainment of development objectives. An example of such an approach is one developed and successfully applied in several countries by the International Labour Organization Advisory Support Information Services and Training for Asia and the Pacific (ILO ASIST-AP).

6.1 Development planning in Vietnam and the ILO ASIST Programme

The ILO ASIST-AP overall objective of mainstreaming poverty alleviation strategies through sustainable infrastructure development exhibit potentials for effective application in Vietnam in the light of this knowledge of the country's rural development initiatives. The study provides an understanding of possible entry points for the ILO ASIST-AP initiatives, particularly its accessibility planning technology, the labour-based equipment-supported (LB-ES) methods in rural infrastructure development, management and maintenance of rural infrastructures, and the development of local-based small contractors.

The rural infrastructure planning identification procedure as practiced and discussed in Section 4.3 provide insight into the dynamics of Vietnam's local level development and decision making processes and presents opportunities for the introduction and application of the above-mentioned ILO-developed technology. The entry point for the ILO accessibility planning technology, the labor-based equipment-supported (LB-ES) and small contractor development are recommended in this section.

⁸ Vater, Structure of the Vietnamese Planning System, 2001

6.1.1 Accessibility Planning

The typical local level infrastructure project identification procedure is a mix of top-down and bottom-up approaches with people empowerment and participation being brought into play. The ILO-developed accessibility planning technology fits well into this stage as it was primarily designed to encourage participation of beneficiaries in determining what is best for them within their limited capacity and resources.

The rural accessibility planning technology is a simple, relatively inexpensive and easy-to-use tool that can be effectively applied at the lowest level of local decision-making. The technology helps identify and prioritize investments in basic rural transport infrastructures by using access to basic goods, services and facilities as the means to determine the rural households' development needs. The technology has evolved into a package that is easy to understand and apply even by those who are not technically prepared to do so, facilitating deliberations and debate. Simplifying data generation, analysis and interpretation of information, and presentation to enhance interaction between and among the major actors of local decision-making have facilitated understanding and application of the procedure.

The accessibility planning technology can identify infrastructure improvement requirements in water supply and sanitation, health, education, agricultural production and marketing and transport systems.

Entry Point

As the technology helps identify and prioritize small infrastructure projects that fall under several technical departments at district and provincial level, it is recommended that the technology be housed in the Department of Planning and Investment (DPI) as it is tasked to coordinate the involvement of Agriculture and Rural Development, Health, Transportation, Education, etc., in rural development.

The provincial office of DPI will be the best place as its technical staff provides assistance to their counterpart at district level, who in turn provides direct assistance to the communes. Similar to the experience in other countries, the ILO can develop the expertise at provincial level and make use of existing bureaucratic mechanisms to transfer the technology to the direct users. The provincial accessibility information, generated at commune level and aggregated to form the provincial database, can easily provide a picture of access conditions in the whole province, in a district or even among the villages in a commune. This information is envisaged to effectively guide the matching of needs and resources, build capacity at local level and lay the groundwork for the development of user-friendly accessibility data bases in the country.

To effectively access the DPI at provincial level, official representations should be made with the Ministry of Planning and Investment (MPI) at national level. Full support and endorsement from the center is needed to facilitate the introduction and application of the accessibility planning technology at local level.

6.1.2 Labour-based Equipment-supported Methods for Rural Infrastructure Development and Rural Infrastructure Management and Maintenance

It has been established that the professional technical support organizations under the various line ministries are capable of providing technical assistance to the district and commune administrators with regards to rural development. The experience and exposure these offices have make them a reliable and convenient source of expertise that can also ensure consistency of envisaged development with national priorities. These offices also can be made to acquire the ILO-developed LB-ES technology to be shared with the direct users at local level.

The ILO developed the LB-ES method to help local government units take-off on their rural infrastructure development programs with the view of addressing rural poverty by optimizing the use of meager resources, building capacity among those who can be involved and acquire practical skills for an alternative livelihood source, and take advantage of rural infrastructure construction and maintenance as an employment-generation scheme. The ILO aims to convince decision-makers of the benefits that this approach in local resource based infrastructure development.

Entry Point

The Ministry of Construction has the Center for Rural Planning and Development (CERPAD) of the National Institute for Urban and Rural Planning. CERPAD has been at the forefront of project formulation and implementation of integrated planning in the rural areas. It provides services to provinces, districts and communes in small infrastructure research, design and construction. The Center also engages in technology transfer and capacity building activities for rural administrators.

As the Ministry of Construction is also tasked to develop standards for infrastructure design and construction and provides extension services to local governments, it is recommended that the LB-ES technology be housed in CERPAD for collaboration with the ILO in applying and sharing the technology. Incorporation of this approach as a recommended technique is very much in line with the Vietnamese government policy of encouraging beneficiary participation, in the form of labour man-hours, as the people's contribution in infrastructure development. This further promotes the sense of ownership of the infrastructure thus enhancing also involvement in its management and maintenance.

It is recommended that official work be started with the MoC at central level to effectively introduce the LB-ES technology to CERPAD prior to a wider transfer to local level users.

6.1.3 Small Contractor Development

If the village residents were involved during construction of a facility in their area, the excellent conditions of the said facility is very noticeable. This was noticed in village roads seen in one of the communes visited. It was mentioned that the residents contributed as much as 60% of the total project cost. It was also mentioned that it was

undertaken by a private contractor and that the residents contribution was both in cash and labour man-hours.

The involvement of residents not only results in a good output but also to proper use and maintenance. As people contribution is a norm with regards to local infrastructure construction in the country, the development of small contractors may not only facilitate realization of local-based initiatives but also produce a group of competent and capable small contractors that can be tapped to deliver the needed facilities. With proper training coupled with work at policy level to set the stage for the emergence of these local-based contractors, the optimization of the use of meager local resources can be realized.

For the development of small local-based contractors, the ILO has developed a comprehensive training package to prepare capable individuals for this alternative livelihood opportunity.

Entry Point

CERPAD of the Ministry of Construction provide extension services that can easily be enhanced with the ILO comprehensive training package on small contract management and development. It is therefore recommended that this ILO program be shared with the Center for collaboration with the ILO ASIST-AP in future activities to facilitate accomplishment of Steps 6-12 in the rural infrastructure development procedure presented in Section 4.3.

6.2 Other Programs and Projects

Donors and international financing institutions are actively involved in rural infrastructure development projects in the country. It is recommended that the accessibility planning technology be shared with these on-going initiatives for broader application possibilities. Some of these on-going activities are:

- Northern Mountains Rural Development Project (NMRDP), a 120 million US\$ World Bank funded project in 6 provinces on rural infrastructure.
- Central Region Poverty Reduction Programme (CRPRP), an ADB funded project in 18 provinces in the center of the country being executed by the MARD. DFID is providing institutional technical assistance.
- Community Based Rural Infrastructure Project (CBRIP), another World Bank funded project focused on the poorest communes, mostly in the north and center of the country. This is a social fund type project.
- Second Rural Transport Project (RT2), a US\$150 million World Bank project for some 1,500 kilometers of district to commune roads in 38 provinces being executed by the Ministry of Transport through a project management unit (PMU 18). DFID is also providing TA to the MoT from the WSP.

- Rural Infrastructure Support Programme, an ADB-funded activity on infrastructure development through the provinces and districts, relying on existing planning and contracting procedures at local level.
- Son La and Lai Chau Rural Development Project, an EU-funded initiative focused on agriculture, forestry, education and infrastructure. The project has introduced the Village Development Planning (VDP) process, a 3-day workshop aimed to allow much more participation. The infrastructure component costs about 10 million Euro.
- Ha Tinh Provincial Development Planning Project, a joint undertaking between GTZ and the government of Vietnam to assess existing information base to identify viable potentials which may have been neglected or overseen in the current planning approach.

Attachment A - List of Officials and Persons Interviewed

Name	Position	Office
Rose Marie Greve	Director	International Labour Office 2E Van Phuc, Hanoi, Vietnam Tel. (84)-4-8465100 Fax (84)-4-8465101 Email: rgreve@hn.vnn.vn
Cornelis Bot	Project Co-Director	Son La and Lai Chau Rural Development Project Muong Thanh Hotel Dien Bien Phu Town Tel. 023-826546 Fax 023-826544 Email: eulaichau@hn.vnn.vn
Michael Green Don Townsend Rob Petts Bach The Dung	Project Manager Rural Transport Planner Appropriate Tech Adviser Local Team Leader	Second Rural Transport Project (RT2) Transport Development and Strategy Institute 162 Tran Quang Khai, Hanoi Tel. +84 (04) 9341065 Fax +84 (04) 8240712 Email: gtnt@fpt.vn wspihanoi@fpt.vn
Dr. Nguyen Quang Bau	Director	Transport Development and Strategy Institute 162 Tran Quang Khai, Hanoi Tel. 084-4-8256408 Fax 084-4-8260370 Email: vclptgt@hn.vnn.vn
Steve Ray	Rural Infrastructure Adviser	DFID Vietnam, British Embassy 6 th Flr., Central Building 31 Hai Ba Trung, Hanoi Tel. 84-4-9344404 Fax 84-4-9344403 Email: S-J-Ray@dfid.gov.uk
Dr. Robert Riethmueller	Regional Planner, CTA	Ha Tinh Prov'l Dev't Planning Proj 07 Duong Vo Liem So, Ha Tinh Town Tel. (0084)39-854193 Fax (0084)39-854191 Email: gtzpdp@hn.vnn.vn
Ramesh Khadka, PhD	Country Director	ActionAid Vietnam Room 206, G5 Building Kim Ma Road, Ba Dinh, Hanoi Tel. ++84-4-7717692 Fax ++84-4-7717693 Email: RameshK@aaviet.netnam.vn

Name	Position	Office
Mandy Woodhouse Nguyen Thi Oanh Truong Duc Tung	Country Representative Programme Coordinator Programme Officer	Oxfam GB La Thanh Hotel 218 Doi Can Street, Hanoi Tel. 84.4.8325491 Fax 84.4.8325247 Email: mandy@oxfamgb.org.vn ntoanh@oxfamgb.org.vn tdtung@oxfamgb.org.vn
Arch. Dam Quang Tuan Tran Nguyen Chinh	Director Vice-Director	Center for Rural Development Planning National Institute for Urban and Rural Construction, MoC 243 A La Thanh Dyke Road, Hanoi Tel. 84.4.8347057 Fax 84.4.7661253/8340020
Lam Hung Son	Deputy Chief	Water Environmental Planning Div. & Chief of Water Quality Analytical Lab. 162A Tran Quang Khai St., Hanoi Tel. 84.4.8264884 Fax 84.4.8252807 Email: lamhungson@vol.vnn.vn
Ha Tinh Province		
Tran Van Lam	Vice-Chairman	Provincial People's Committee Ha Tinh Province
Duong Hai Luu	Chief	People's Aid Coordinating Committee Office 21, Phan Dinh Phung Ha Tinh Town Tel. 039-856689 Fax 039-855588 Email: dnht@hn.vnn.vn
Mr. Ha	Chief	General Office, DPI Ha Tinh
Mr. Dao	Chairman	District People's Committee, Ky Anh District, Ha Tinh Province
Ninh Binh Province		
Mr. Ha	Chief	Provincial Cabinet, PPC, Ninh Binh
Mr. Chuc	Director	DoC, Ninh Binh Province
Mr. Toan	Vice Chairman	DPC, Yen Khanh Dist, Ninh Binh
Mr. Khanh	Chairman	DPC, Hoa Lu District, Ninh Binh

Name	Position	Office
Vinh Phuc Province		
Nguyen Van Long	Director	DPI, Vinh Phuc Province Nguyen Trai Rd., Dong Da Quarter Vinh Yen Town, Vinh Phuc Tel. 084-211-862478 Fax 084-211-862480
Dam Tam So	Manager	External Economic Relations Division Vinh Phuc DPI Nguyen Trai St., Dong Da Quarter Tel. 084-211-861-776 Fax 084-211-862480
Tran Minh Khai	Vice Head	External Economic Relations Division DPI, Vinh Phuc Province Tel. ++84-211-861776 / 862480 Fax ++84-211-862480
Le Duy Ngo	Member	DPC, Vinh Tuong District, Vinh Phuc
Mr. Tri	Chief	DPI, Vinh Tuong District, Vinh Phuc
Mr. Han	Chairman	Dai Dong Commune People's Committee, Vinh Tuong District
Mr. Loi	Chairman	Dai Dong Commune People's Council
Mr. Cuong	Secretary	Communist Party, Dai Dong Commune
Ha Tay Province		
Mr. Truong	Planner	Department of Construction, Ha Tay
Do Lai Luat	Expert	DPI, Quoc Oai District, Ha Tay Tel. 034-843475
Lai Chau Province		
Quang Van Binh	Chairman	Provincial People's Committee Lai Chau Province Tel. 023-825109
Nguyen Minh Quang	Vice-Chairman	PPC, Lai Chau Tel. 825106
Tran Dinh Trai	Vice-Director	Agriculture and Rural Development, DPI Lai Chau Province

Name	Position	Office
Ly Nu Phinh	Vice-Chairman	DPC, Muong Lay District Tel. 023-842143
Lu Van Vin	Secretary	Communist Party, Muong Lay District 97B Muong Thanh 1 Ward Dien Bien Phu Town Tel. 023-842228 / 827047
Phi Trong Lap	Chairman	DPC, Muong Lay District
Mr. Hoanh	Chief	District Cabinet
Mr. Vu Tat Dat	Head	District Transport Division

Attachment B - List of References

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