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Policy highlights



Notes

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Introduction

With 91.7 million people in 2016, Viet Nam is the third-most populated country in Southeast Asia, after Indonesia and the Philippines. The *Doi Moi* reform, started in 1986, has led its transformation process from an agriculture-based economy into a rapidly urbanising industrial economy. Since 1990, the country has boosted income per capita fourfold and sustained a remarkable economic growth rate, 7% per year, thanks to the thriving manufacturing and construction sectors, robust exports and growing foreign investment. Since 2003, the country has ranked, on average, as the third destination of foreign direct investment in the Asia-Pacific region after China and India. Recently, the service sector has also experienced strong growth and now represents more than 40% of Viet Nam's GDP.

Viet Nam's rapid economic growth has also raised people's living standards and dramatically reduced poverty rates. While its economy is forecasted to keep growing over 6% in the coming years, some challenges to improve competitiveness and quality of life for all persist. In particular, the rapid urbanisation has raised serious concerns about the sustainable development of the country and people's well-being.

This report, *OECD Urban Policy Review of Viet Nam*, analyses Viet Nam's urban development and related challenges, policy and governance practices.



The Vietnamese urban system and its challenges

Viet Nam's urban system

The current territorial structure in Viet Nam, updated in 2013, divides the country into 58 provinces and five centrally-administered cities: Ha Noi, Ho Chi Minh City, Hai Phong, Da Nang and Can Tho. They are subdivided into district-level administrative units, and further into municipalities. All 11 162 municipalities in Viet Nam are classified as either “urban” municipalities (wards and townships) or “rural” municipalities (communes). The current definition examines each municipality and gives urban or rural status individually, instead of looking at functional boundaries and connections among these municipalities.

Redefining Viet Nam's urban areas may increase understanding of urbanisation

In order to provide a meaningful comparison of Viet Nam's urbanisation level with other countries and to address some of the drawbacks of the current methodology, this report proposes and applies the OECD-EU methodology to define Functional Urban Areas (FUAs) in Viet Nam. FUAs define urban areas as functional socio-economic units, rather than using official administrative boundaries. As a result, 63 FUAs are identified in Viet Nam which cover 7% of the national territory

and host 41% (37.1 million people) of the population in 2013. Out of the 63 FUAs, 12 are classified as metropolitan areas (with a population of 500 000 or more). Using a residential population grid is likely to show even higher levels of urbanisation. The FUA analysis shows that Viet Nam's urbanisation level may be in fact much higher than currently defined by the national statistics (32% in 2013).

Figure 1. Population in Functional Urban Areas and official urban population, 2013

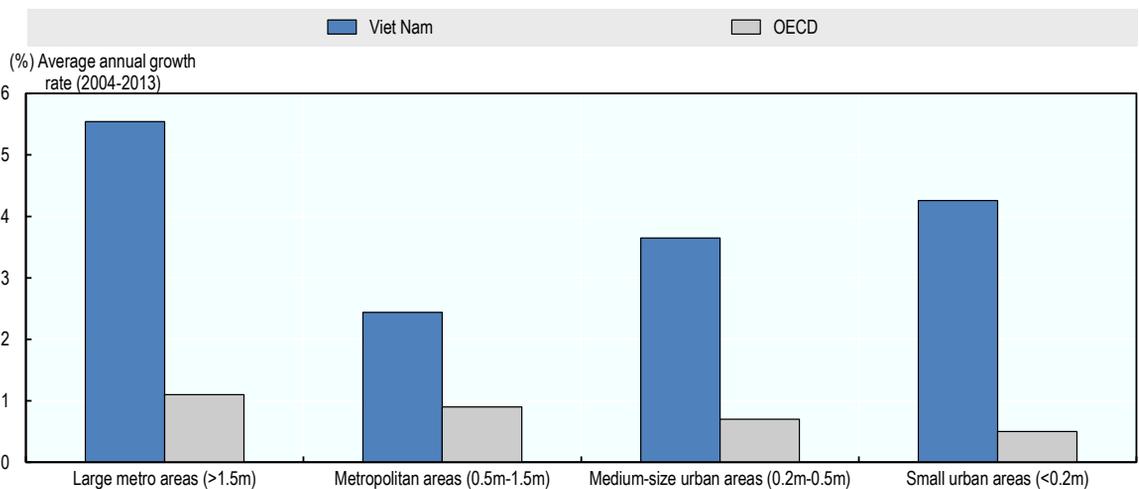
	FUAs	Population FUA 2013 (thousand)	Share urban core population in FUA (%)	Official Urban Population 2013 (thousand)
Metro areas	Ho Chi Minh city	9 764	91	6 479
	Ha Noi	6 743	61	2 827
	Hai Phong	1 818	61	897
	Thai Binh	1 158	42	179
	Da Nang	792	82	861
	Thanh Hoa	739	29	492
	Binh Dinh	664	42	465
	Can Tho	649	57	818
	Hue	617	60	543
	Ba Ria – Vung Tau	611	57	524
	Nghe An	588	56	454
	Nam Dinh	568	29	333
Total metro areas		24 711	70	14 871
Viet Nam's urban population		37 084	64	28 875
Total municipalities		2 860		1 773

Source: OECD elaboration based on data from “LandScan Global Population Database”, <http://web.ornl.gov/sci/landscan/index.shtml> (accessed July 2017) and the General Statistics Office of Viet Nam (2017) and the Ministry of Construction of Viet Nam (2017).

The three largest Functional Urban Areas are driving urban population growth in Viet Nam

Between 2004 and 2013, population of FUAs in Viet Nam grew much faster (4.3% annual average) than the average of the OECD countries (0.8% annual average). This rapid growth in Viet Nam's urban areas is being led by the three large metropolitan areas (Ho Chi Minh City, Ha Noi and Hai Phong). However, it is worth noting that the population growth in Viet Nam for FUAs of all sizes was above OECD average. The FUA analysis also shows that the population of the 20 small urban areas in Viet Nam grew at a faster pace than medium size cities with an average annual rate above 4%. This rapid growth might in part reflect the effect of the continuous administrative reclassification in the country and the incentives created by the city classification system to expand urban land area.

Figure 2. Population growth of FUAs by city size, 2004-2013



Source: OECD (2017), "Metropolitan areas", OECD Regional Statistics (database), <http://dx.doi.org/10.1787/data-00531-en>; For Viet Nam: OECD elaboration based on data from LandScan Global Population Database (<http://web.ornl.gov/sci/landscan/index.shtml>), General Statistics Office (2017) and Ministry of Construction of Viet Nam (2017).





Fast-paced, migrant-driven urbanisation

Since 1990, Viet Nam's urban population has almost doubled, and has been growing much faster (3% per year since 2010) than the average of Southeast Asian countries (2.5%). Upon closer look, this rapid urbanisation was mainly driven by rural-urban migration. Just between 2004 and 2009, 4.3% of the total population moved to a province (or centrally administered city) different from their native one. More than 40% of those moved to the two largest cities: Ho Chi Minh City (30%) and Ha Noi (11%). Importantly, almost half of the inter-provincial migrants during this period were between 20 and 29 years old.

Strong economic growth and a higher quality of life accompanies Vietnamese urbanisation...

Viet Nam's urbanisation process has come together with strong increases in income levels. Between 2010 and 2015, the average GDP growth of the five centrally-administered cities (11%) has been four percentage points higher than the rest of the country. In 2015, the two largest metropolitan areas of Ha Noi and Ho Chi Minh City produced more than one-third of national GDP and hosted more than 25% of national employment.

The strong economic growth, in turn, has resulted in poverty reduction and higher quality of life. The share of people living in extreme poverty has fallen drastically from about 50% in 1990 to 3% in 2014. Viet Nam also stands out for its high educational performance. In 2015, Viet Nam ranked among the top ten countries in sciences, according to the PISA results for high school students.

..but low skilled labour, poor living and mobility conditions, as well as pollution challenge Vietnamese cities

Even though all these facts underscore Viet Nam's current success, several challenges are also identified. First is the low educational attainment of the economically-active population. In 2015, 80% of the labour force in Viet Nam did not have any type of technical or professional qualification (college, university or higher), a share which represented almost two thirds of the labour force within urban areas. The large unskilled labour force in Viet Nam is associated with a high degree of insecure and temporary jobs and serious disparity in wages across urban areas. In 2014, the average wage per capita in Ha Noi and Ho Chi Minh City was almost three times higher than the country's average. International comparison also illustrates that the regional income disparity in Vietnam is among the highest in the world.

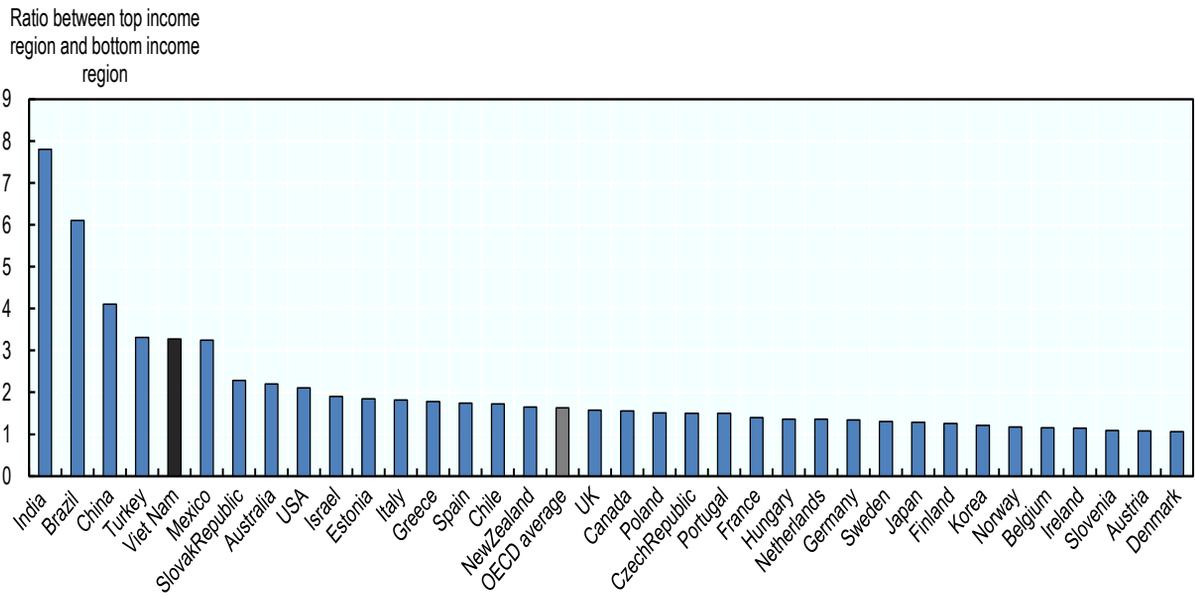
Poor housing and living standards, as well as mobility and safety in urban areas, with large disparities across cities, are also serious concerns. For example, in 2014, 25% of urban households

still sourced their water from hand-dug wells or rain water. Air pollution and poor solid waste and wastewater management are among the most critical issues in Viet Nam. The annual average PM10 level in Ho Chi Minh City ($96 \mu\text{g}/\text{m}^3$) is far above the level recommended by the World Health Organisation ($20 \mu\text{g}/\text{m}^3$). The increasing urban population puts further pressure on the already weak solid waste and wastewater management system. The performance in solid waste and wastewater management is poorer in smaller cities. For example, only 5% of Class IV and V cities meet the national wastewater treatment criteria

Besides traffic congestion, the level of traffic accidents is a very serious concern for the country. In 2014, traffic accidents were the second cause of death in Viet Nam, accounting for 5% of the total deaths. The country recorded 25 road traffic deaths per 100 000 people in 2014, which is far above OECD countries such as Australia (5) and Spain (4).



Figure 3. Income per capita gap between top and bottom income region for OECD and selected non-OECD countries, 2014
TL2 level regions



Note: Data for India refers to 2013. The gap for India, Brazil and China is calculated based on GDP per capita.
Source: OECD (2016), *OECD Regions at a Glance 2016*, OECD Publishing, Paris. http://dx.doi.org/10.1787/reg_glance-2016-en. Data for Viet Nam provided by Urban Development Agency (2015), based on 2015 survey on national cities.



Viet Nam's urban policy framework

The national-level urban policy framework lacks long-term vision for urbanisation and co-ordination

The foundational element of the Vietnamese spatial policy framework is the 2009 Adjustment of Orientation Master Plan to Develop Viet Nam's Urban System until 2025 with a Vision to 2050 (AOMP). A challenge is that the current policy model led by AOMP does not provide many tools and incentives to co-ordinate across other urban-related policies and their supporting programmes to ensure coherence. While the social and economic prerogatives of the Socio-Economic Development Strategy (SEDS) and the spatial focus

of the AOMP should work in tandem, in reality, spatial master plans frequently lack considerations for social and economic questions. This lack of co-ordination between sectoral policies manifests itself even simply in the duration of the respective plans. For example, some sectoral master plans and transport plans have a longer duration than the SEDS, and therefore frequently are not reflecting the up-to-date socio-economic policy objectives of the country.



Stronger legislative frameworks can enhance policy alignment with clear definition of roles and responsibilities

The current urban legislative framework, despite its considerable scope, is not performing as effectively as it should, due to a lack of clear hierarchical alignment among the networks of laws, government decrees and other policy documents. A key opportunity for Viet Nam is to strengthen the framework by specifying government's policy position to guide the future

growth and management of urban areas, in addition to serving as a guide on process and procedures. The expected new legislative framework on urban development management, which is currently under discussion led by the Ministry of Construction, will be a good window of opportunity for the whole government to address this challenge together.

The development of a more explicit urban policy will provide more concrete policy direction

A well-designed National Urban Policy can promote linkages between sectorial policies, provide a basis for co-ordination within and amongst ministries responsible, and thus address urban challenges in a more comprehensive way. A more clearly formulated National Urban Policy would help provide the Vietnamese legislative framework with a stronger hierarchical delineation and policy direction. It could also be a key tool to

support the implementation of global frameworks in Viet Nam, such as the New Urban Agenda and urban-oriented SDGs. It is timely to develop a clear and explicit urban policy direction, which could in turn be reflected in the new Urban Development Management Law, to ensure that the Law becomes an implementation mechanism for the National Urban Policy.



City classification: ensuring coherence with the AOMP and other urban strategies

Vietnamese cities are classified hierarchically into six classes – Special and Class One (I) to Five (V) – based on a threshold of infrastructure development, population size and socio-economic characteristics. In 2016, Viet Nam had 799 cities, with two cities with Special Class (Ha Noi and Ho Chi Minh City) and 17 cities with Class I. This classification system has profound implications for administrative functions, tax collection and funding decisions. The greater autonomy and increased financial flexibility that comes with the higher classifications creates an incentive for attaining upward mobility within the scale. This may be seen as a positive factor, in encouraging urban administrators to be ambitious on behalf of their cities and the provinces they serve, but it also

carries certain disadvantages. For example, as the scoring system emphasises infrastructure development and population growth, local infrastructure development is prioritised above adherence to other urban strategies which place stronger focus on sustainability. Monitoring and evaluation, along with the incentive mechanism coherent with the AOMP and other urban strategies, holds the key to ensuring that the classification system can emerge as a flexible and dynamic tool for urban management. Another possible improvement to the city classification system is that it could also value interconnections between cities within a metropolitan area, fostering a stronger metropolitan approach to development.

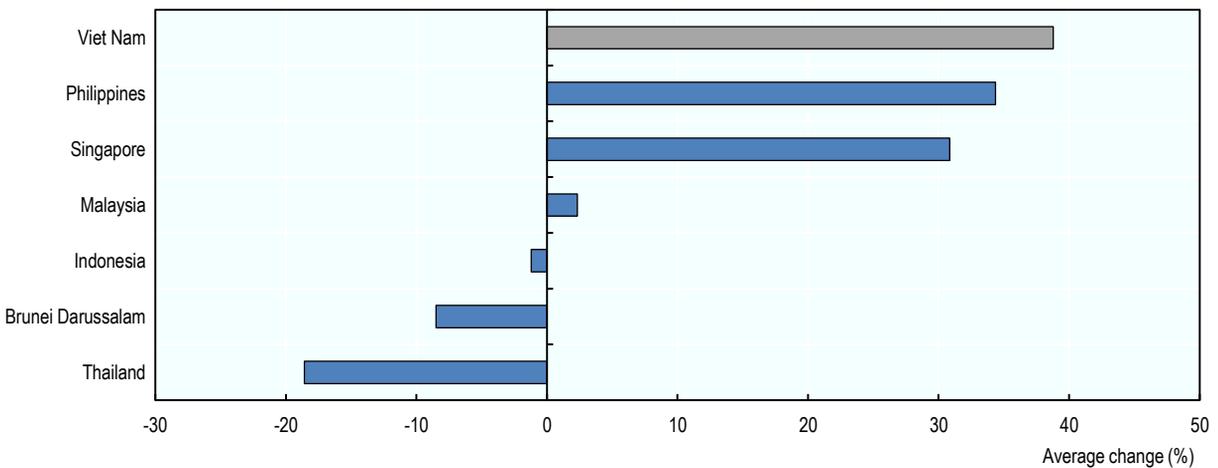


Urban transport policies: Tackling the shift from motorbikes to cars and ensuring a smooth transition to public transport

Viet Nam registers the fastest growth in car sales in Southeast Asia, with an average annual growth of 39% since 2012, demonstrating a clear shift from motorcycles. Consequently, the most urgent policy agenda for Viet Nam's urban transport is to tackle the rapid shift from motorbikes to cars and ensure a smooth transition to public transport. The current national policy framework for urban transport, the *2013 Adjusted Strategy for Development of Vietnam's Transport through 2020, with a vision toward 2030*, follows this direction, as it gives priority to the development of mass transit systems in Ha Noi and Ho Chi Minh City. Immediate action is needed to make Vietnamese roads safer

through better regulated motorcycle traffic, address noise and air pollution through promoting the use of e-bikes and e-scooters, and allocate a greater proportion of the real cost of car usage to the owners of the vehicles themselves, particularly through fiscal measures such as congestion and parking charges. Longer-term transport investments should explore such financing means as public-private partnerships and value capture mechanisms. Bus Rapid Transit (BRT) initiatives in Ha Noi and elsewhere require specific efforts to harmonise with the principles of Transit-Oriented Development (TOD) and intermodal connectivity to ensure ridership and maximise the investment benefit.

Figure 4. Non-commercial car sales in Southeast Asia.
Average growth between 2012-2015



Source: ASEAN Automotive Federation Statistics (2016), www.asean-autofed.com/statistics.html.

Housing policy: Addressing the growing informal housing market

Under the unprecedented urbanisation process, access to affordable and high-quality housing is one of the foremost challenges for Viet Nam's urban areas. Formal housing in Viet Nam today is out of reach for large segments of the population, while the informal housing market is expanding rapidly. Catering to the urban poor and unregistered rural migrants, the informal sector embodies an estimated 75% of housing production. It is urgent to consider policy options for increasing supply of affordable housing for middle- and low-income households in the formal housing market.

The current national strategy for housing, the *National Housing Development Strategy to 2020, with a vision to 2030* (NHDS), and the *Housing Law* may need to face this problem and provide an explicit strategy for the informal housing sector. Options to be considered include strengthening inspection and guidance to improve the housing quality and developing financing mechanisms such as micro-credit for low-income home owners to fix their housing problems.

Land policies: Streamlined regulations for efficient urban development

The complexity of laws, regulations, plans and institutions on land in Viet Nam reveals and inherent need for co-ordination or consistency across relevant actors. It also means likely delays in developments, including of urban infrastructure. Importantly, given the pressing needs for development under urbanisation, the complexity and opaqueness of the system also opens the door to corruption.

The role of the state is crucial for ensuring efficient operation of the land system and addressing the increasing development needs in cities. An immediate policy action should be to review existing legislation and regulations in order to streamline the regulatory framework and reduce the administrative burden. In the longer term, the land use planning system under the *Land Law* could explore a more dynamic and flexible approach, rather than one that is definitive and prescriptive.



Ensuring a quality urban environment: Key to a city's prosperity

The rapidity of Vietnamese urbanisation has posed challenges for government in terms of its ability to ensure a quality environment for urban residents. For example, there remains a struggle for the provision of open space in the dense inner-city centres. In Ha Noi, between 2000 and 2010, the area devoted to parks and public gardens per capita went from 2.17m² to 1.58m². In Hoan Kiem district, Ha Noi's old quarter, the area was only 0.14m² per person in comparison to the national

average (1.7m²) and the target set in the *2008 Viet Nam Building Code* (7m²). National level urban policy frameworks should actively safeguard the quality of the urban environment, and each city needs to plan and invest in its urban environment based on the city's long-term vision. A successful practice, such as a weekend pedestrian zone within Hoan Kiem district, can be replicated in many other cities and districts.

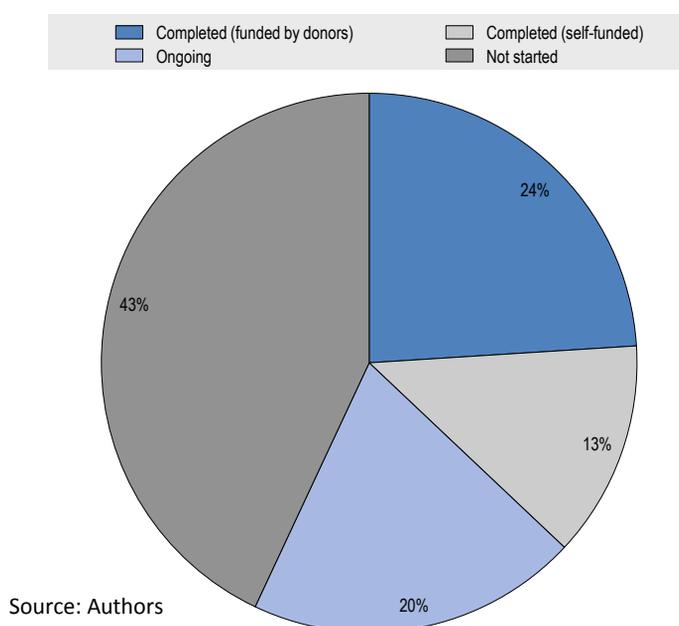
Making Vietnamese cities sustainable and productive through green growth policies

Green growth is yet to be incorporated into key urban development policy frameworks

Viet Nam has put green economic development at the core of its socio-economic agenda, and laid a solid foundation for the implementation of urban green growth. The *National Green Growth Strategy (VGGS)* in 2012 and the *National Green Growth Action Plan (VGGAP)* in 2014 are two milestones for the national level strategies. However, these strategic orientations toward urban green growth are yet to be incorporated into key urban development policy frameworks. The first step would be to include green growth as one of the objectives in the *Law on Urban Planning*, as the current law does not refer to green growth. The city classification system could also incentivise smart, resilient and compact cities. Such actions would give strong incentives to city leaders who currently tend to consider green growth as just another sectoral policy.

While the VGGS and VGGAP frameworks count on subnational actions, most subnational governments face capacity challenges. While the VGGAP requires all the provinces to develop a Provincial Green Growth Action Plan (PGGAP), only 23 provinces out of 63 have completed their PGGAPs. Significant variations are observed among the completed PGGAPs in scope and levels of analysis. The Ministry of Planning and Investment (MPI) and other relevant ministries could expand their support towards provinces, for example by making their guideline document more articulated, establishing a knowledge sharing platform, providing technical assistance and trainings, and finally by providing financial support for provinces with limited resources.

Figure 5. Current status of Provincial Green Growth Actions Plans in Viet Nam



Cities present opportunities for renewable energy and energy efficiency

Urban areas present a strong opportunity for renewable energy (RE) investment in Viet Nam, especially for solar energy. An important policy action is to develop a local strategy for RE, which can help mobilise private investment. OECD cities' successful practices, such as solar thermal ordinances in Spanish cities, can inspire Vietnamese cities. Ho Chi Minh City's pilot programme promoting the grid-connected Photovoltaic system could be supported and

replicated countrywide. Energy efficiency (EE) is another opportunity area to drive urban green growth with strong potential of subnational action. Potential policy options include: developing a local strategy for EE; allowing subnational governments' discretion to set more stringent EE standards; setting up an EE central fund to leverage public and private investment in EE; and establishing a platform for multi-level, multi-stakeholder knowledge sharing.

Accelerating wastewater treatment and solid waste management

The current wastewater management system has caused serious health problems for Vietnamese urban residents. The costs of pollution from untreated wastewater were estimated as equivalent to 5% of Viet Nam's GDP. It is critical for Viet Nam to allocate more resources for safeguarding the country's urban eco-systems and people's health. Illegal wastewater discharge in residential or industrial zones must be more strictly controlled. Wastewater tariffs should also be revised so as to reflect the operation and management cost. Proper data collection is key for such policies.

Solid waste management is another untapped green growth opportunity for Viet Nam, as green growth policies and effective governance of the circular economy in cities can shift the paradigm to regard solid waste as a source of revenue rather than as a source of problems. Viet Nam could consider retrofitting the existing landfills to minimise the environmental impacts and generate energy. Another key is effective waste pricing.

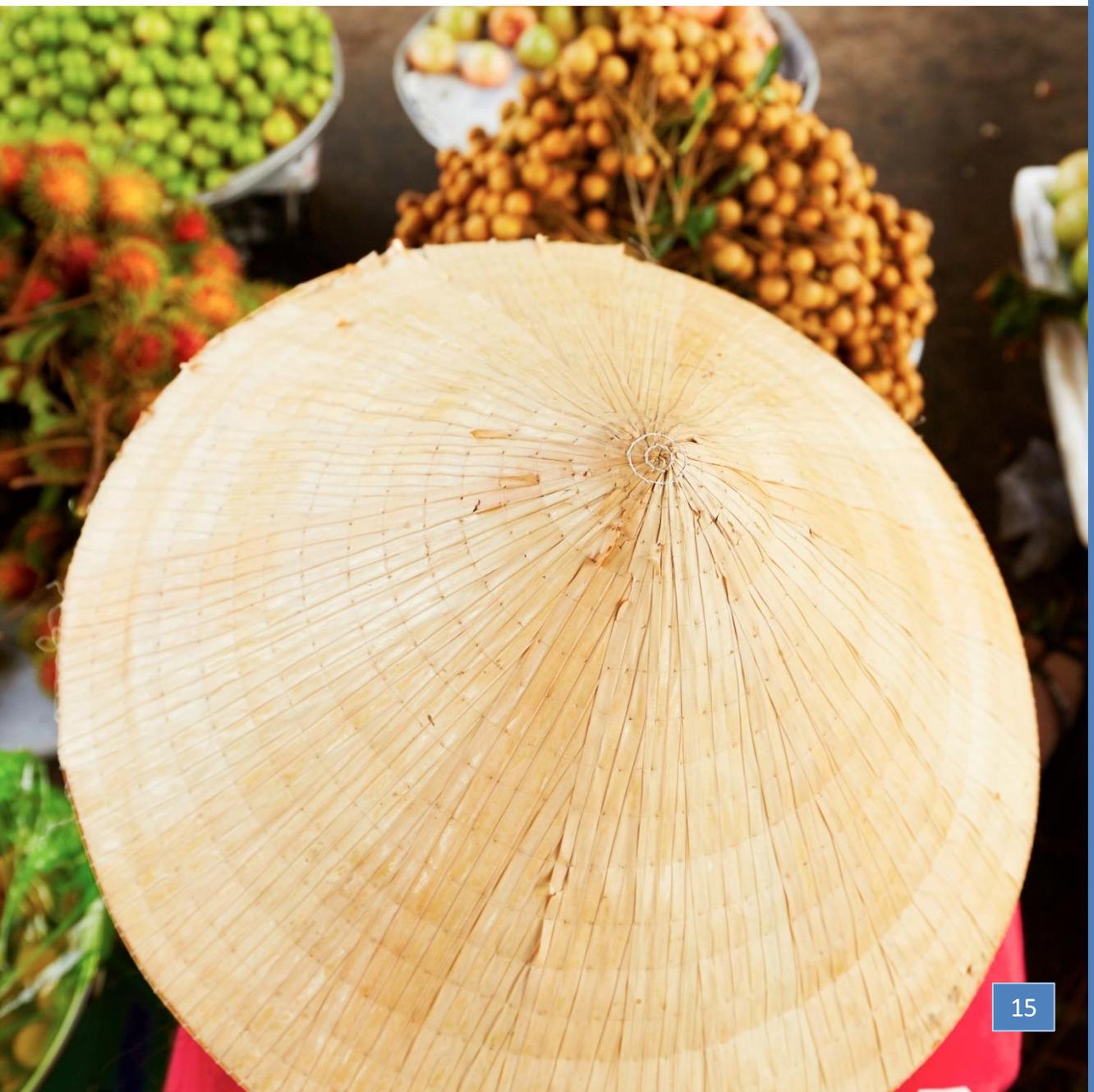


More effective horizontal co-ordination, legal frameworks and reporting mechanisms can help deliver urban green growth

Improving the governance structure may drastically improve the performance of green growth policies in urban areas in Viet Nam. The unclear allocation of responsibility in urban green growth has resulted in co-ordination challenges at the national and local levels. For example, air pollution monitoring in urban areas has created some confusion, because it is not clear who should monitor air pollution from transport in cities. The proposed Inter-ministerial Coordination Board (ICB) for green growth could help address these problems, by placing stronger focus on policy co-ordination in urban areas. At the subnational level, a similar coordination structure could be developed.

Providing clearer legal mandates and incentives for subnational governments to support green growth will actively steer subnational governments towards allocating their manpower and budget on green growth actions.

Improving data and reporting mechanisms for green growth at the city level is another key strategy Viet Nam could consider. The Ministry of Construction's current effort to make guidelines on this issue will be an important step to engage cities. It is also an urgent task to improve the reporting system to monitor the progress of the National Green Growth Strategy.



Governing urbanisation in Viet Nam

Fostering collaboration mechanisms and ‘metropolitan thinking’ for local governments

Viet Nam’s local government system does not appear to have effective co-ordination mechanisms that facilitate and encourage a more integrated approach among subnational governments at district and communal levels. Importantly, this reflects the absence of metropolitan thinking; district level governments plan without reference to the functional urban area, and no master plan per region or metropolitan area have been developed. OECD studies have shown that metropolitan areas with fragmented governance tend to have lower levels of productivity. Viet Nam could benefit from the effectiveness and efficiency of pooling resources, and make better use of the available structure and capacity within provinces. For instance, this could imply allowing municipalities to conduct

investment jointly, rather than relying on upper levels of government, when they are better placed to do so to improve capacity and spur public sector innovation in lower levels of government. Upper level governments could, in turn, focus on facilitating this collaboration and act merely as arbiters in cases of disagreements or conflict. Contractual arrangements or financial transfers such as a ‘metropolitan fund’ may be key tools for co-operation and co-ordination. The city reclassification system could also be used to facilitate such multi-level collaboration. The Viet Nam Cities Association (VCA) can be used as a platform for the exchange of information and best practices on urban development.



Urban development management requires pragmatism and coordination to overcome silo approaches

Multi-sectoral co-operation and coordination at central and lower levels of government is posing particular difficulties to Viet Nam. Collaboration and co-ordination among central ministries and agencies could be strengthened through the systematic sharing of data, joint analysis and collaborative use of a variety of levers to enable government-wide implementation of urban policy. Encouraging working level contacts among ministries in urban-related issues would be a pragmatic way to unleash collaboration.

Streamlining bureaucratic formalities for exchanging information should be part of these efforts. Viet Nam should also consider strengthening existing inter-ministerial

committees to supervise co-ordination of urban policy more comprehensively. The Urban Development Agency could be given the responsibility of co-ordinating urban development across ministries and levels of government, drawing inspiration from the experience of Sweden, for example. In addition, such committees could be complemented by inter-ministerial conferences as in Belgium where national and subnational level authorities discuss and agree on national urban priorities and strategies and, more importantly, assess the results of policy implementation. The central government could also take advantage of the Viet Nam Urban Forum (VUF) to enhance collaboration across governments.

Fiscal decentralisation and a clearer distribution of responsibilities will increase effectiveness of subnational investment

The expenditure structure in Viet Nam is highly decentralised. In 2013, around 54% of public spending was done at the subnational level. Vietnamese authorities could consider promoting further fiscal decentralisation for a more dynamic urban management and for sharpening the distinction between central and subnational governments' responsibilities. Viet Nam could also consider increasing the capacity for subnational governments to adjust revenue or spending (i.e. increase taxing autonomy, reduce mandatory spending).

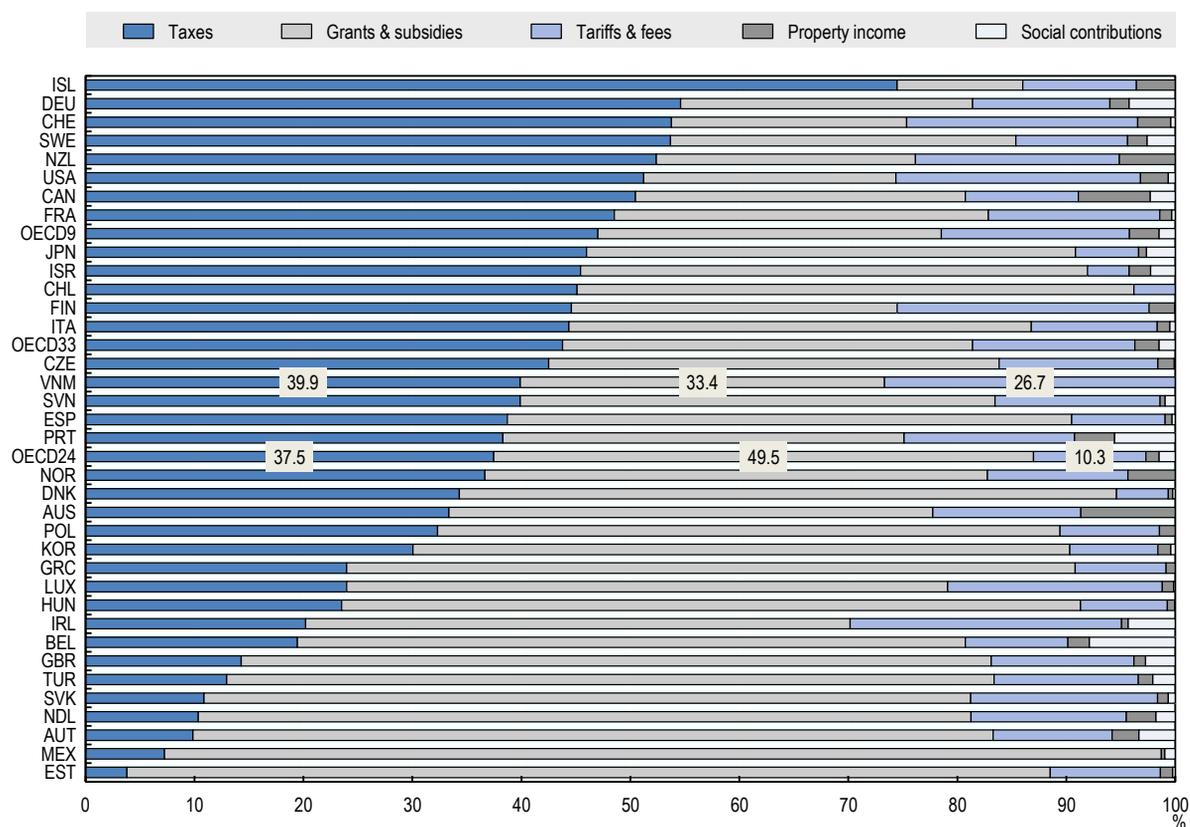
An asymmetric decentralisation of responsibilities can be an interesting way forward in devolving expenditure responsibilities to subnational governments, as is the case in Colombia. Following *the OECD Principles for Effective Public Investment across Levels of Government*, Viet Nam may wish to employ a fiscal framework adapted to the different investment policy objectives pursued.



A more transparent and predictable transfer system can improve incentives for local government

The main sources of income for Vietnamese subnational governments are taxes, followed by grants and subsidies. Allowing local governments to set tax fees and user charge rates so that the costs of local services are better covered is an efficient strategy that increases local resources available for investment. In the current system, poorer provinces keep 100% of the shared taxes collected, while richer provinces keep a lower portion (between 15% and 60%). A problem is that the actual “sharing rates” are often reached by negotiation as there is no specific objective formula for determining them. To improve this, Vietnamese authorities may consider establishing a more transparent mechanism to determine tax sharing ratios. The central government also could consider a more strategic use of earmarked transfers, for example to foster metropolitan co-ordination for certain projects.

Figure 6. Structure of subnational government revenue, 2014 (%)



Note: OECD averages do not include Chile.

Source: OECD (2016), OECD Regions at a Glance 2016, OECD Publishing, Paris

Unleashing subnational governments' potential by making better use of borrowing

Local governments are legally allowed to mobilise capital from issuing local government bonds and from other legal borrowing, but in practice this is very limited. Viet Nam may consider easing the limits for issuing bonds and borrowing from capital markets for those subnational governments that have a strong base of own-source financing, under continuous

monitoring of central government. Providing loans to local governments for the renewal of urban infrastructure through central government programmes is a viable way to overcome the lack of funding. As the experiences of Mexico and Turkey suggest, it may require a specific institution providing technical and financial support to subnational governments.



Improving the efficiency of Official Development Assistance

Viet Nam is the biggest receptor of Official Development Assistance (ODA) in South East Asia, receiving more than half of the total ODA for infrastructure in the region (almost 2% of Viet Nam's GDP). As the country is reaching middle income levels, Viet Nam will need to develop ODA projects in policy areas that are more strategically urgent, such as in urban rail transport and flood protection. The Vietnamese government may also wish to work together with subnational governments to channel ODA to small and medium sized cities that are rapidly growing and struggling to finance their public service infrastructure.

Improving capacity of the public sector

The Vietnamese public service faces a fundamental challenge: how to attract, retain and motivate high performing people into the civil service. Public sector salaries, in general, need to be more competitive to attract and retain highly trained staff. Allowing higher salaries for competitive or highly specialised staff, and making salaries commensurate with risks and with market alternatives, can mitigate one factor that contributes to corruption. Making salary increases selective, and matching them to improved qualifications, skills or responsibilities rather than length of service, could also have a positive effect on motivation and recognition.

Strategic workforce planning is an essential tool. The Vietnamese public service could invest to anticipate possible future developments and to maintain a well-structured workforce of an appropriate size. Training courses for civil servants on issues such as municipal governance could help bridge the gap between existing skills and the competencies needed to implement urban policies. Ensuring sustained political commitment to ethical behaviour, establishing workable codes of conduct, setting an ethics co-ordinating body, and introducing accountability mechanisms should be considered to enhance trust in the Vietnamese public service.



Conclusions

As Viet Nam's urbanisation continues, the role of cities in overall national economic and social performance is growing more rapidly than ever. Therefore, making well-functioning urban areas is crucial for the country's sustainable future development. This report points to a number of policy areas which Viet Nam can tap into, in order to fully capitalise on the unique opportunities that its urbanisation process may bring about.

An immediate opportunity lies in the formulation of explicit urban policy that can demonstrate a clear vision for Viet Nam's sustainable urbanisation. Legal frameworks can play a key role in defining clear mandates and responsibilities of all urban actors to achieve such a vision. Policy experience and lessons from urbanised OECD countries and cities, as illustrated in this report, are instrumental for Vietnamese policy makers to develop their own tailored approach. Redefining Viet Nam's urban areas with more reliable data can help Viet Nam advancing evidence-based policy making. Finally, institutional and financial capacities both at the national and subnational governments remain as key challenges and areas for immediate action.





This document summarises the key findings of
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The full publication is available at: <http://dx.doi.org/10.1787/9789264286191-en>.