

Urban Transport Institutions and Governance and Integrated Land Use and Transport, Hanoi, Viet Nam

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Introduction

Case studies of what is considered to be ‘good practice’ often draw on examples from the developed world, but this case study takes a city that is *striving* to achieve good practice, and which exhibits many of the characteristics of large numbers of cities in developing countries. Hanoi is the capital of Viet Nam – a low income country that is experiencing rapid economic growth, and development of a market economy. Following the extension of the boundary of Hanoi in August 2008, it is now a large urban agglomeration with a population of 6.47 million in 2009 (of which 2.64 million were considered as urban residents).¹ It is not the only city of its size in Viet Nam (the other being Ho Chi Minh City), and is home to only 7.4 per cent of the national population of 86 million (Government of Vietnam, 2009).

Like the rest of Viet Nam, Hanoi is experiencing rapid growth in population, economic activity and travel demand, with associated pressures on urban development and transport systems. Public transport supply is not meeting demand while motor cycle ownership and congestion have been growing rapidly. Existing institutions are finding it hard to cope. To address these pressures, Hanoi has taken and continues to take steps to better integrate its urban land use and transport planning and to improve urban transport governance and related institutions. For these reasons, this case study may offer more relevant lessons for politicians and professionals in other developing country cities than case studies drawn from developed developing countries.

Current arrangements for public transport governance within Hanoi split responsibilities between central and local government level institutions, and various Hanoi city agencies. Hanoi has recognized the problems this creates, and has recently started a reform process to create a Public Transport Authority (PTA) to have overall responsibility for the planning, design, and implementation of public transport infrastructure and services. A study of the possible institutional and governance arrangements for the PTA will commence in 2011. In parallel, Hanoi is considering the most appropriate arrangements for the operation of the proposed new metro system which is in the early stages of design. Other developing country cities could benefit by learning from Hanoi’s experience.

For a number of years, Hanoi has been tackling these challenges with support from various multi-lateral international financial institutions and bi lateral development agencies. In this regard, Hanoi could also be considered to be representative of many other major cities in low income countries receiving international support.

This case study starts with an overview of Hanoi, including the current governance arrangements, population and economic growth, and recent spatial development and transport plans.

The key issues identified in the case study are then presented, starting with the current urban transport challenges and the current urban transport governance arrangements. The changes in organizational arrangements are then discussed, including the steps being taken to transfer responsibilities for land use and transport policy and planning from central government to

1. Compared to a 2010 ‘urban agglomeration population’ of 2.814 million in the latest United Nations Urbanization Prospects (2009 Revision).

Hanoi, and the potential roles and responsibilities for the proposed Public Transport Authority. This is followed by a discussion of changes and changes in business processes (for formulation of transport policy, strategic planning, tactical planning, and public transport infrastructure and services). This section concludes with comments on capacity building and training of staff, the policy responses to these institutional and governance challenges. The conclusion describes the strengths and weaknesses of the Hanoi approach, the next steps and lessons for cities facing similar challenges.

Background

Hanoi governance structure

The administrative boundary of Hanoi city was extended in August 2008 to create an area referred to in this case study as ‘Greater Hanoi’. The extension took place after a long period of discussion as (i) past developments were going well beyond the boundary of Hanoi City and (ii) it was increasingly difficult to co-ordinate urban development and transport infrastructure planning and implementation across the different local government boundaries, including in this case the Hoa Tay Province, the Me Linh District of Vinh Phuc Province, and four communes of Hoa Binh Province.

Although Hanoi is the capital of Vietnam, its governance structure is similar to other urban areas in the country. The city is governed by the Hanoi People’s Committee (HPC), consisting of a Chairman, and a number of Vice Chairmen with specific responsibilities for infrastructure and service delivery in separate sectors/departments of the city government. The city also has a number of State Owned Enterprises which report directly to the People’s Committee, including for supply of bus services and development of the urban rail system.

The extension of the city’s boundary means the Hanoi People’s Committee now has jurisdiction over the geographical area proposed for urban expansion up to 2050. This reform greatly facilitates the integration of spatial and transport policy, planning, development and investment. However, as Hanoi is the capital city of Vietnam, under national legislation, responsibility for long term strategic urban planning and transport plans (Master Plans) was until recently vested in the National Government, while detailed tactical and operational plans for land use and transport were the responsibility of the city and district governments.

Responsibility for strategic planning (and for the preparation of the more detailed land use and transport plans which support this strategic plan) is being transferred to the city government. This reform will bring about changes to the organizational responsibilities in relation to the integration of urban development and transport, and strategic and tactical planning. A clearly defined matrix of assigned responsibilities for preparing and reviewing these plans and more detailed city and district level implementation plans is being established. In particular, city level Land Use Plans and Transport Master Plans will still have to be approved by the Prime Minister before they can be implemented.

Population and employment growth

The population of Greater Hanoi has doubled since 1995. The growth rate of old Hanoi City was higher than the national growth rate and was mainly a result of rural – urban migration. Hanoi contributes 12.1 per cent of national gross domestic product – per capita it is 28.1 million VND² (about US\$1400), compared to 17.1 million VND (about US\$850) for Vietnam

2. Vietnamese Dong.

(Government of Vietnam, 2008; and Hanoi People’s Committee, 2008). The population density in the urban area of Hanoi is 3740 persons per square kilometre, rising to 11,950 persons per square kilometre in the four districts of the urban core (Hanoi People’s Committee, 2008).

In the Construction Master Plan up to 2030 the population of Greater Hanoi is forecast to grow to 7.44 million by 2020, and to around 9.5 million by 2030 with the forecast vision for 2050 of 12.27 million. Employment is forecast to rise to 5.4 million by 2030, with a vision for about 7 million by 2050. Agricultural employment in the area is expected to decline from 31 to 13 percent, and manufacturing to increase from 20 per cent to 35 per cent, with services increasing from 48 per cent to 52 per cent (Government of Vietnam, 2010).

Spatial/Master plans and transport plans

The previous Master Plan for Hanoi City to the year 2020 was approved by the Prime Minister in 1998. This included an overall general transport plan. The Ministry of Transport (MoT) initiated the preparation of a more detailed transport plan based on this Master Plan in 2002. An extensive study known as ‘The Comprehensive Urban Development Programme in Hanoi Capital City of the Socialist Republic of Viet Nam’ (HAIDEP) (Japan International Cooperation Agency and Hanoi People’s Committee, 2007) carried out by Japanese consultants under JICA funding produced recommendations in May 2007. These main recommendations were adopted by the MoT and included in the Transport Master Plan to 2020 submitted to the Prime Minister for approval in July 2008. Proposals in this plan were made for strengthening the road networks and for implementation of a five line urban mass rail transit (UMRT)³ network. Planning and design studies for three of these rail lines are currently underway.

The Master Plan to 2030 for the expanded area was completed in 2010 by the National Government and is awaiting approval. This plan reviewed, updated and incorporated proposals put forward in the previous Master Plan and makes recommendations for the development of Hanoi to meet its role as the national capital. The plan has been reviewed by the Hanoi People’s Committee and the key technical ministries, and was approved by the Prime Minister in July 2011. The key transport intentions of this Master Plan are shown in Box 1. Now that the Master Plan to 2030 is approved, the previous 2008 Transport Master Plan will be reviewed, adjusted and updated. This work is scheduled to be completed by end 2011.

Box 1. Key transport intentions of the Construction Master Plan to 2030

1. Development of a modern and integrated transport infrastructure to meet the rapidly increasing transport demand and structure of Greater Hanoi and Region.
2. Develop public transportation-oriented urban areas; preparing the solutions and measures to gradually reduce traffic congestion and environmental pollution and to ensure the sustainable development of urban transport.
3. Development of mass rapid transit (MRT) transport network to support urban development.
4. Transport strategy: Development of all public transport modes, gradually reducing individual/private motorized transport use; promoting the use of clean energy transport.
5. Development of integrated transport system to meet increasing cargo and passenger transport demand.

3. HAIDEP uses this term and the acronym UMRT which has been followed in this case study.

Key Issues

This section discusses the institutional and governance challenges facing Hanoi, and how Hanoi is responding. As background, it starts with a description of the current critical transport challenges, *as set out in background documents to the Master Plan* – many of which are common to other developing cities. The organizational arrangements and proposed changes are then discussed, including the steps being taken to transfer responsibilities for land use and transport policy and planning from central government to Hanoi, and the potential roles and responsibilities for the proposed Public Transport Authority. This is followed by a discussion of changes in business processes (for the formulation of transport policy, strategic planning, tactical planning, and public transport infrastructure and services). The section concludes with comments on capacity building and training of staff, and the policy responses of the central government and Hanoi to these institutional and governance challenges.

Current generic urban transport challenges

Vehicle ownership: One of the most striking aspects of traffic in Hanoi is the large percentage of motorcycles. The growth rate of motorcycles has been 15 per cent per annum in recent years, to the point where there is already an average of more than one motorcycle per household.

Travel demand: The most recent data available is from 2006, when motorcycle use accounted for 62.3 per cent of all vehicular trips, and cycling for 25.3 per cent. In contrast, car use was 3.6 per cent and public transport use (almost all by bus) accounted for only 6.7 per cent of demand, (JICA and Hanoi People's Committee, 2007).

Road network: The road network in the urban area of Hanoi City is inadequate in terms of its density, connectivity and standards, especially in the urban core. It occupies about 7 per cent of land area (Government of Vietnam, 2010), which is low by international comparisons. Bottlenecks and 'missing links' prevent effective distribution of traffic, so congestion is increasing in frequency and number of locations. The road hierarchy is not clearly defined, and the design standards of major roads vary by section. Proposals have been made in recent studies (including HAIDEP) for strengthening the road network, but progress has been delayed due to difficulties and costs of land acquisition and resettlement. This applies particularly in the urban core and fringe areas.

Public transport: As noted above, public transport meets only a small percentage of travel demand in Hanoi, despite the modest income levels of the residents. This mode share has increased from 2 per cent of all trips in the late 1990s (World Bank, 2007, p17) to 6.7 per cent in 2006 only by concerted efforts to improve the coverage and quality of bus services. The only existing railway in Hanoi is the Viet Nam Railways inter-city line which runs roughly north – south through the city but does not provide any urban rail services. Hanoi targets an ambitious public transport mode share of 35-45 percent by 2020. To achieve this, the authorities are speeding up of the building of the Urban Mass Rail Transit (UMRT) lines recommended in the HAIDEP Study and included in the Transport Master Plan. As part of this plan, it is proposed to upgrade the current rail line onto a twin track viaduct, and to operate urban rail services as UMRT Line 1. Reviewing the bus route plan to make it more effective and the operation of its services more efficient is another priority.

Road safety: There are high levels of motorcycle related accidents, although their impact has been reduced in recent years by the success of campaigns to encourage wearing of helmets. It is now rare in Hanoi to see drivers and passengers who are not wearing helmets.

Air quality: Hanoi has significant air quality problems. A Study in 2006 (NTF-PSI 2006) estimated that vehicular emissions accounted for up to 40 per cent of particulate matter and oxides of nitrogen. However, due to fragmented management of monitoring stations, there is no city-wide monitoring network or recent emission inventory to provide reliable data, especially for decision making. Activities are in progress to address these issues.

Finance: The financial resources for the improvement of Hanoi's transport system that are made available from the Government of Viet Nam and Hanoi People's Committee are limited. Subsequently, the implementation of key transport infrastructure projects, (as well as institutional strengthening), is heavily dependent on foreign financial resources, especially from donors. It has been conservatively estimated that planned transport projects will require an annual capital investment of US\$100-150 over at least the next five years. Based on the Metro Line 3 Project, donors could be asked to contribute up to 85 percent. This compares with a total capital expenditure by Hanoi of US\$ 880 million in 2010 (World Bank, 2007, p92) Public transport fares cover about 60 percent of operating costs and require a subsidy in the order of US\$15 million/year (World Bank, 2007, p93).

Organizational challenges

This section considers the organizational challenges facing Hanoi in urban transport institutions and governance. A key to understanding these challenges is the current institutional arrangements, and the roles played by various national government and HPC agencies, which are also described below.

National government

Ministry of Transport: The Ministry of Transport (MoT) fulfils a number of the potential roles discussed for national government in relation to urban transport (Dotson, 2011). It provides the legal framework and technical design standards for, as well as the professional/technical direction and supervision of, Hanoi's Department of Transport (DoT).

The MoT also formulates overall national policy, through the preparation of the National Transport Development Strategy. A Strategy to 2020 was approved in 2004. This strategy was revised and expanded with a vision for 2030 in March 2009. The strategy covers all modes including urban transport and topics including development policy and infrastructure. The strategy provides guidance on urban transport policies, as well as specific policies for Hanoi, which form part of the policy framework within which the Transport Master Plan for Hanoi is prepared. (Details of the policies are discussed later in this case study). This is a useful approach, but not a common practice for MoT in many countries (Dotson, 2011). MoT is also a member of the appraisal committee which reviews the Hanoi Construction Master Plan and the Hanoi Transport Master plan before they are submitted to the Prime Minister for approval.

In addition, agencies within the MoT still have responsibilities for certain projects within the urban area of Greater Hanoi, for example:

- Road Transport Administration – is responsible for all road projects outside Ring Road No.3;
- Viet Nam Railway Transport Administration (VNRA) – is responsible for the implementation of UMRT Line 2A; and
- Viet Nam Railway Corporation (VRC) – is responsible for UMRT 1, which operates on VRC tracks and uses some other VRC facilities.

It is not an unusual situation for national agencies (even in developed countries) to retain responsibility for national roads and railways in urban areas. However, under the provisions of the Viet Nam Railway Law, railways in urban areas are the responsibility of the local government. It is therefore expected that on completion of the UMRT Line 2A, it will be handed over to Hanoi for management, and that the operation of Line 1 will be subject to some form of oversight by Hanoi. But transforming this theory into practice is another challenge for Hanoi.

Other National Government Ministries: The Ministry of Natural Resources and Environment, the Ministry of Planning and Investment, and the Ministry of Finance are also involved in the planning and policy formulation within the urban transport sector. The Ministry of Construction (MoC) is responsible for technical standards of construction, but is more involved in the urban sector than the transport sector. MoC is also a member of the Appraisal Committee of the Hanoi Master Plan and Transport Master Plan before it is submitted to the Prime Minister for approval.

Hanoi People's Committee (HPC)

The key departments involved in urban transport within Hanoi mirror the ministries involved at a national government level, as shown in Table 1. The Department of Transport is the key agency. Up to September 2008, Hanoi City had what was called the 'Transport and Urban Public Works Services Department.' Following the expansion of the urban area of Hanoi, this was combined with the Department of Transport of the former Ha Tay Province and renamed the Department of Transport (DoT). This was not simply a change in name, but a reflection of a change in emphasis of the role of the Department away from implementation of public works to the overall management of the urban transport sector in Hanoi. DoT has overall responsibility for urban transport within the administrative and technical framework provided by MoT.

Table 1. Role and responsibilities in urban transport

Department	Main Function
Ministry of Transport (MoT)	<ul style="list-style-type: none"> • Prepare regional/national transport strategy/policy including urban transport. • Provide DoT with technical guidelines and direction. • Implementation of various projects outside of Ring road No.3. • Involve by Urban Transport plan reviewing and appraisal.
Ministry of Construction (MoC)	<ul style="list-style-type: none"> • Participate in the review of the urban transport strategy/policy before approval. • Review of construction standards of the urban technical infrastructure including transport infrastructure.
Ministry of Planning and Investment (MPI)	<ul style="list-style-type: none"> • Prepare national socio-economic long term plan. • Participate in the review of urban transport strategy/policy before approval.
Ministry of Natural Resources and Environment (MoNRE)	<ul style="list-style-type: none"> • Participate in the review of the urban transport strategy/policy before approval.
Department of Construction (DoC)	<ul style="list-style-type: none"> • Assess and approve the technical design of construction works. • Issue construction permit. • Compile information on construction prices. • Regulate consultancy practices and building contractors.

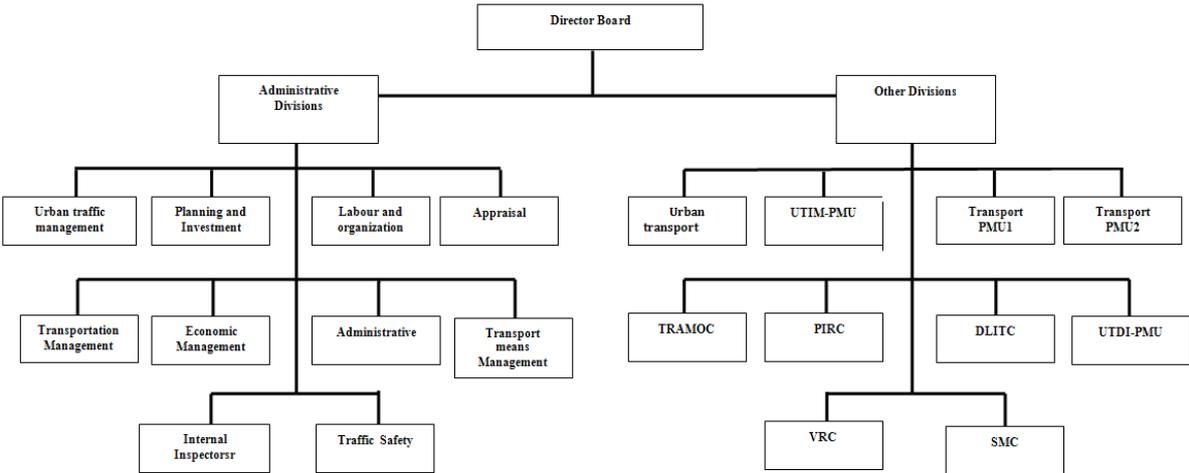
Department	Main Function
Department of Transport (DoT)	<ul style="list-style-type: none"> • Prepare and submit to HPC long-term, 5-year and annual program of important projects in the transport sector for approval. • Implement the above approved program/projects. • Run transport management boards, maintenance organization/ units and business enterprises including bus transport management and operation centre (TRAMOC) and other centres. • Manage the construction of transport facilities.
TRAMOC (under DoT)	<ul style="list-style-type: none"> • Manage the bus network (routes, bus stops and terminal). • Set up the development plan of a public transport network. • Formulating development strategy for public transport, appropriate for each stage of urban development in order to meet travel demand of people and the urban environment. • Managing infrastructure relating to public transport. • Signing and managing contracts with the private sector for supply of public transport services. • Coordinate government subsidy for Hanoi.
Hanoi Railway Management Board (HRB)	<ul style="list-style-type: none"> • To advise on overall rail network development in the long and short term. • To propose measures for mobilizing and management of resource for Hanoi railway development investment. • To coordinate with other city departments/ units by preparing and implementing the Hanoi railway development plan.

However other departments have key roles in urban transport including:

- **Hanoi Authority for Planning and Investment (HAPI):** responsible for the allocation of funding to major transport programs and projects
- **Department of Natural Resources, Environment and Land (DONRE):** responsible for the preparation of Land Use plans (within the framework provided by the approved Master Plan
- **Hanoi Authority for Urban Planning and Architecture (HAUPA):** responsible for verifying that transport infrastructure designs are in accord with the Master Plan and Land Use Plans
- **Department of Construction (DoC):** responsible for the transport infrastructure construction standards
- **Traffic Police of the Hanoi Police Authority:** responsible for the enforcement of moving traffic, road safety, and on street parking regulations

Within the DoT, the organizational units are grouped in two divisions (see Figure 1): the Administrative Divisions responsible for on-going government functions and the other Divisions responsible for business enterprises and units responsible for management of projects – most of which are donor funded. This organizational arrangement goes some way to separating the on-going policy making, planning and administrative or ‘government’ functions of DoT from the ‘enterprise’ functions (that could be treated as self contained business enterprises, and eventually contracted out or securitised), and ‘project’ functions that could also be contracted out. It also facilitates the change in the role of the department from implementation of public works to management of the transport system.

Figure 1. Role and responsibilities in urban transport



Notes: UTIM-PMU: Urban Transport Infrastructure – Project Management Unit
 PIRC: Planning and Investment Research Center
 DLITC: Driver Licence Issuing Testing Center
 UTDI-PMU: Urban Transport Development and Investment Project Management Unit
 VRC: Vehicle Registration Center
 SMC: Station Management Center

The potential local government level roles and responsibilities for urban transport (Dotson, 2011) are shown in Box 2. It is useful to compare the current arrangements in Hanoi with this model. This helps to understand the current changes that Hanoi is striving to implement and the shortfalls that Hanoi is striving to overcome.

Box 2. Potential local, municipal and city level government roles and responsibilities for urban transport

1. **Organizational structure:** Establish the organizational structures for policy, planning, administration, regulation, financing, design and implementation of urban transport within the overall local government structure.
2. **Policy:** Formulate local policies, for urban transport infrastructure investment and services that support economic development and are integrated with land use, emissions, road safety and finance.
3. **Guidelines:** Formulate local technical guidelines/standards, and procedures for plans and programs.
4. **Strategic planning:** Develops spatial/network plans to upgrade/expand infrastructure in response to current problems and medium to long term urban development plans.
5. **Tactical planning:** Develop time based infrastructure investment plans, programs and budgets, packaged for periods of 3–5 years.
6. **Projects:** Plan, design and implement projects to improve or expand infrastructure, either directly or by contracting.
7. **Maintenance:** Ensure that the infrastructure is adequately and routinely maintained, and that periodic maintenance or regular replacement of life expired equipment takes place.
8. **Funding:** Ensure that the funding required to develop and maintain infrastructure is available, either from its own resources, national government allocations, or the private sector.

9. **Service requirements:** Develop the requirements for provisions of services (in terms of quantity and quality) by the public or private sectors and the service standards to be provided to users of the infrastructure.
10. **Regulation:** Establish the economic regulations for the provision of services.
11. **Service provision:** Ensure adequate provision of safe and affordable services in response to the requirements, either by providing them directly or by contracting.

Establishing an organizational structure for urban transport is the first step. Hanoi has a reasonable structure, but faces challenges in two key areas. The first is the lack of a unit for policy formulation, strategic transport planning the production of Transport Master Plans. This is due in large part to these activities being until recently largely undertaken by central government as part of the process for producing Master Plans. The second is a confused structure for the planning and supply of public transport services, involving these agencies known locally in Hanoi by their acronyms – TRAMOC, HRB and TRANSERCO – which is discussed in more detail below.

Hanoi Transport Management and Operation Centre (TRAMOC). TRAMOC's main role is to establish the service requirements and economic regulations for public transport services, and then to plan, procure and manage the provision of services. It is one of the key business centres in the DoT structure, and has been in existence since September 1998. While it has a separate legal status and can report directly to the HPC, on a day to day basis it reports to DoT.

Hanoi Railways Board (HRB): This was created in 2006 with a focus on urban railway development projects. The HRB is currently focusing on the design and implementation of two of the five UMRT lines indentified in the HAIDEP Study (lines 2 and 3). It is also considering the possible arrangements for the entity to manage and operate these lines. However, unlike TRAMOC, it reports directly to HPC.

The Transport and Services Corporation (TRANSERCO): This is a state owned enterprise which was initially formed in 2001 by a merger of four bus companies. It then became the only urban bus provider in Hanoi. In August 2004, TRANSERCO was restructured to become the parent of a conglomerate comprising ten member companies (of which only three are bus companies), nine subsidiaries and four joint ventures. TRANSERCO reports directly to the HPC. However, it is not the only bus company in Hanoi, and now has to enter into competitive bidding for supply of services. TRANSERCO now operates forty eight of the sixty bus routes in Hanoi.

Changes in business processes for fulfilling roles and responsibilities

The previous section described the current organizational structures and responsibilities for Hanoi's urban transport sector by administrative unit, and the challenges posed by these arrangements. This section considers the ability of Hanoi to fulfil the potential roles and responsibilities for urban transport listed in Box 2, the challenges being faced, and the steps being taken to address the challenges. It cites examples of what has happened and provides some analysis of the underlying reasons. The focus is on those roles which are in a process of change due (i) to the central government decision to divest responsibility for the Master Plan to Hanoi – namely urban transport policy and strategic planning, and (ii) due to Hanoi's decision to establish a Public Transport Authority – namely the planning, regulation, and provision of services by all public transport modes.

Formulation of urban transport policy

The MoT has provided advice to the DoT in the form of statements in the National Transport Development Strategy (NTDS). The other source of urban transport policy advice has been in the form of the recommendations contained in the HAIDEP Study which was the basis for much of the policy-making for the 2008 Transport Master Plan. To date, DoT appears to have had the resources to provide only limited inputs to the formulation of policy.

The NTDS provides this general policy advice on urban transport and advocates the following:

- Urban transport development should be directed to public transport, traffic safety and environmental protection. In big cities such as Hanoi, there is an urgent need for the development of public transport, especially urban mass rapid transit to address the congestion problem and ensure traffic safety.
- Controls should be maintained on the growth of individual transport modes such as motorcycles, and cars.
- Urban rail projects should be introduced where they are both viable and affordable.
- Traffic management measures using modern technologies and devices (including Area Traffic Control and Intelligent Transportation Systems) should be employed where possible, to ensure smooth and safe traffic flow and environmental protection. In addition the traffic control centre in Hanoi should be upgraded.

The policies specific to Hanoi are the following:

- Infrastructure investments should be introduced to diversify the use of transport modes, to meet the increasing travel demand, reduce traffic congestion and increase environmental protection; with a priority focus on urban mass rapid transit and parking; and
- Measures should be introduced to safeguard land areas for the development of transport infrastructure, so as to permit a rationale mix of at-grade, elevated and underground systems and a reasonable and effective use of land.

Hanoi is fortunate that national government provides some clear advice on the policy directions it should follow. Over the same period, this has not been the case in some other countries in the region – China and Indonesia being prime examples. There are many urban transport policy and investment options open to city governments. Technical staff may not have the professional experience to advise on an appropriate mix of investments or the ability to discuss options with decision makers. Decision makers can focus on one mode (particularly road construction) without consideration of the travel demands of people, or the affordability and sustainability of the investments. Clear advice from central government provides a policy framework that helps to focus actions on the most pressing urban transport problems in a country as well as in a particular city.

The challenge for Hanoi is thus in developing the more detailed policies and the mechanisms for implementing these policy directions. This is a challenge that the DoT as an institution is just starting to address. The current Transport Master Plan (dating from 2008) discussed below includes these MoT policies, but with little elaboration.

Strategic Transport Planning

The responsibility for transport planning and transportation facilities operation lies with MoT and DoT. Until May 2010 MoT was the lead agency, but with the decision to pass responsibility for preparation of the Transport Master Plan to DoT, from June 2010 DoT should take the lead.

The **Transport Master Plan (2008)** is based on the Hanoi Master Plan approved in 1998, and the main recommendations of the HAIDEP Study. As well as being consistent with the National Transport Development Strategy for 2020 it is coordinated with the national and regional transport master plans prepared and implemented by MoT. The plan shows the transport infrastructure to be developed up to 2020, with an indication of the priority projects (intended for completion by 2010). It also indicates the financial requirements for implementation, policies (with a policy implementation plan), and responsibilities for implementation. The plan is notable in avoiding the shortfall of many plans by discussing finance, staging and implementation responsibilities.

The key policies proposed in this plan are:

- Increasing development of public transport by speeding up the implementation of the U MRT network, so that public transport will be able to meet 35–45 per cent of travel demand.
- Integrating urban development with transport infrastructure development and public transport to ensure the sustainable urban development.
- Step by step reduction of the number of motorcycles operating on the road.
- Promoting all sectors by investing for transport infrastructure construction.
- Strengthening the capacity and responsibility of city authorities at all levels as well as related agencies.
- Mobilizing all kinds of investment for transport construction and development. Priority in the use of donor or domestic financial resources will be given to building essential key transport projects.

Public Transport Tactical Planning, Service Requirements, and Regulation

These responsibilities for tactical planning of transport infrastructure and the planning, regulation and management of transport services within Hanoi should be solely the responsibility of HPC, and in particular DoT. However, in practice, the responsibilities are less well defined as (i) central government agencies still retain responsibility for certain infrastructure within Hanoi, and (ii) bus and rail based public transport is managed by separate HPC agencies. This lack of clarity (which HPC is striving to address by the creation of a Public Transport Authority) is most acute in the case of the urban rail network.

As an example to illustrate the first point, five urban rail lines are approved in the Hanoi transport master plan (August 2008), two of them are managed by HRB, one by a MoT agency (VNRA) and the fourth by the central government Viet Nam Railways Corporation (VRC). DoT has no jurisdiction over the activities of the VRC in Hanoi. However, under national regulations, HPC is responsible for urban railways, so HPC through DoT (or HRB) should in theory have some oversight of the service standards of any suburban rail service that VRC may wish to operate in Greater Hanoi.

In relation to the second point, TRAMOC within DoT is currently responsible for all aspects of planning routes and services, regulation and management of bus services. It also prepares plans for the development of bus infrastructure, and is then responsible for managing this

infrastructure. It also procures the provision of bus services through a process of competitive bidding. HRB considers that it has a similar role for urban rail infrastructure and services, but does consider itself part of DoT or as needing to develop these jointly with TRAMOC. This highlights the urgent need to set up a Public Transport Authority to plan, manage and develop public transport in the city, and the value of the decision of HPC to do this.

Capacity building

The governance of the urban sector in Hanoi as the capital city is very complex, and the capacity of decision makers, officials and staff of all related agencies and organization is not meeting the increasing demands for preparation, review and implementation of plans. The number of staff involved in urban transport matters is limited, resulting in delays in business processes. While staff have tertiary education up to PhD level, and may have been trained in Australia, Canada, Europe, or the US, they lack practical experience of dealing with the complex problems they are facing. This is particularly true for infrastructure that is new to Viet Nam such as metros or bus rapid transit (BRT), but applies also to bus service design and traffic management. This situation is not unique to Hanoi, but is found in many developing cities.

Therefore in recent years, the central government and HPC have paid much attention and directed much effort to strengthening the capacity of their cadres/staff through job training in project/technical assistance implementation, study tours, and training abroad. International organizations including the World Bank, Asian Development Bank, European Investment Bank, GIZ,⁴ Japan International Cooperation Agency, Agence Française de Développement, and the Swedish International Development Agency provided a large number of training courses on urban transport sector management and governance.

Trainees are decision makers, planners, and professional/technical staff. This helps HPC and related agencies to fulfil their responsibility and functions in urban sector and transport governance. But to follow the policy for more decentralization of the urban transport sector governance, the capacity and institutional arrangements of HPC should be further strengthened as a matter of urgency. Here the challenge is to introduce/achieve integrated Capacity Building Programs across the different donors.

Policy responses to current challenges

Updating of the Transport Master Plan: The 2008 plan needs to be reviewed and updated based on the new Master Plan for Greater Hanoi approved by the Prime Minister in July 2011. In contrast to previous arrangements, the responsibility for this updating has been assigned to the DoT of HPC. They have commissioned a leading local consultant to undertake the work. This signifies a major shift of institutional responsibility from central to city government. But it also presents a challenge to DoT in managing the updating process, a major task that it has not had to undertake previously. HPC will need to establish specialised professional/technical units for this activity.

Public transport service planning and delivery: Integrated planning and service delivery across bus and rail is acknowledged to be necessary by HPC. Two separate activities initiated by HPC are underway to address the most critical issues in this area. The first will lead to the establishment of the PTA. (The procurement of the Technical Assistance for establishment of Hanoi PTA was underway in early 2011). The second is the definition of the entity that

4. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

should operate the various UMRT lines once they are implemented, and the overall UMRT network.

Integration of urban development and mass transit: Experience from cities around the world is that integration of transport facilities with land use is critical in when developing metro and urban rail projects. Recognizing this, a feasibility study on integrated development of two urban railway projects in Hanoi) was commissioned on this topic (Japan International Cooperation Agency and Hanoi People’s Committee 2011).. Although this study considered only two lines, the results will assist HRB by setting out how to integrate urban rail with urban development. This is a new approach for HRB.

Conclusions

Hanoi was chosen as a case study on urban transport institutions and governance because it is a city that exhibits many of the characteristics of large numbers of cities in developing countries. It is striving to achieve good practice, in three key areas: (i) urban transport policy, (ii) strategic planning and (iii) public transport planning and management. The general conclusion is that Hanoi is making progress towards good practice, albeit slowly. There are a number of positive aspects of what Hanoi is doing that can and should be adopted by other cities. Yet some aspects are still ‘work in progress’ towards good practice while there remain negative aspects that are still to be addressed.

The positive aspects are:

- **Creation of a single local government area** by extension of the administrative boundary of the city to create a ‘Greater Hanoi’ which includes all areas likely to undergo urbanization up to 2050. This is a very practical decision which should be considered by any city facing similar challenges.
- **Creation of a Department of Transport** bringing together most functions of urban transport within Greater Hanoi into a single agency –and naming this agency the Department of Transport. This was not simply a change in name, but a reflection of a change in emphasis of the role of the Department away from implementation of public works to the overall management of the urban transport sector in Hanoi. As in many places, some functions related to national level infrastructure are still retained by central government agencies.
- **Strategic planning governance and institutions.** The decision of the central government to decentralise responsibility for preparation of Construction Master Plans to Hanoi places the governance of spatial planning and transport with local government which means that Hanoi Peoples Committee is now largely responsible for decisions affecting development and transport in their city. There is a clear process for the preparation and updating in sequence of these Master Plans, then more detailed Land Use and Transport Plans in conformity with the Master Plans. This is coupled with clear institutional responsibilities for the preparation and implementation of each of these plans, even though the urban development, land use and transport agencies producing the plans are not integrated.
- **The intention to establish a public transport authority** to be responsible for all aspects of public transport in Hanoi, and to undertake studies to detail the roles and responsibilities of the Authority. This is facilitated by the decisions taken previously to place urban railways under the control of local governments, not central

government ministries or agencies – even though in practical terms, certain aspects of implementing this decision still have to be worked through.

The aspects that are still being worked on are:

- **Enabling legislation for decentralization:** The law which puts in practice the policy of government of Viet Nam to decentralise responsibilities to local government has been drafted discussed and submitted to the national assembly congress in 2011 for approval. However, this action on its own is *not* sufficient – more needs to be done at a city level to improve the legal framework, policy and plan formulation processes as well as the monitoring/management of the implementation.
- **Institutional development of DoT:** What the arrangements should be within the DoT for discharging the newly acquired responsibilities for urban transport policy and strategic planning.
- **Establishing the Public Transport Authority:** The actual structure, size, role and responsibilities of the PTA, in particular in relation to urban mass transit system and the relationship between the PTA and HRB.

The aspects that are not yet being well addressed are:

- **Resources needed for training and capacity building,** which should be provided to decision/policy makers as well as technician/professional staff. Current capacity building is largely resourced by donors on a project basis. A more integrated sector wide approach is required to meet the challenges facing each institution.

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