Integrated Watershed Management Planning in the Lower Mekong Basin

A Comparative Analysis of National and Local Planning Systems in Cambodia, Lao PDR, Thailand and Viet Nam

Consultancy Report
prepared by

Dr Manfred Poppe

Phnom Penh, October 2004
(Edition: Iris Richter, November 2004)
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<td>CBNRM</td>
<td>Community Based Natural Resource Management</td>
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<td>CC</td>
<td>Commune Council (Cambodia)</td>
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<td>CDP</td>
<td>Commune Development Programme (Cambodia)</td>
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<td>CIP</td>
<td>Commune Investment Plan (Cambodia)</td>
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<td>DFT</td>
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<td>District Integration Workshop (Cambodia)</td>
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<td>EU</td>
<td>European Union</td>
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<td>Executive Committee (Cambodia)</td>
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<td>GTZ</td>
<td>German Development Cooperation</td>
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<td>ICEM</td>
<td>International Centre for Environmental Management</td>
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<td>IWM</td>
<td>Integrated Watershed Management</td>
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<td>LMB</td>
<td>Lower Mekong Basin</td>
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<td>LPRP</td>
<td>Lao People’s Revolutionary Party</td>
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<td>MAFF</td>
<td>Ministry of Agriculture, Forestry and Fishery (Cambodia)</td>
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<td>MRC</td>
<td>Mekong River Commission</td>
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<td>MLMUPC</td>
<td>Ministry of Land Management, Urban Planning and Construction (Cambodia)</td>
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<td>MOAC</td>
<td>Ministry of Agriculture and Cooperatives (Thailand)</td>
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<td>MONRE</td>
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<td>MWRM</td>
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<td>NCSC</td>
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<td>NEM</td>
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<td>TAO</td>
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<td>UNDP</td>
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Foreword

The assignment carried out from September 2nd to October 8th 2004 covered four countries of the Lower Mekong Basin that are members of the Mekong River Commission. The core task was to undertake a detailed analysis of the existing situation of planning in the four countries of the Lower Mekong Basin (Cambodia, Lao PDR, Thailand and Viet Nam) and to formulate recommendations regarding the contents and processes of a more integrated area planning approach that is capable to accommodate watershed management objectives.

Intensive dialogues with various stakeholders at national level were held in all countries to take hold of the substantive as well as institutional issues of existing planning processes and to identify possibilities for integration of watershed management objectives into the existing planning regulations and practises within and between given administrative borders.

The constraints and limitations for implementing this study mainly related to the complexity of the study object and its rather fluid environment. Planning is work in progress as are the systems that undertake it, mainly due to ongoing decentralization efforts and governance reforms. All countries are in the process of reviewing their planning systems and, logically it is quite difficult for an outsider to acquire a full understanding of each and every detail. Limitations of coverage and understanding are also due to the fact that in no country field work at the local government level could have been conducted that would have exposed current planning practice and its ‘real’ products in some detail.

Therefore, the study presented here is based on the author’s current knowledge which by no means is comprehensive. Some interpretations of legal regulations were done where necessary in order to grasp the particular meaning, hopefully without changing the substance of the issues.

Special thanks are due to MRC-GTZ's country coordinators; Dr. Vanchai Viranant (Bangkok), Mr. Min Bunnara (Phnom Penh), Ms. Pham Thi Thuy Co (Hanoi) and Mr. Sengkham Inthiravongsy (Vientiane) who have undertaken all efforts to identify relevant resource persons from the public sector agencies of the four countries and answered every request by the consultant for further contacts. While their support is fully appreciated all shortcomings are due to the author.

Dr. Manfred Poppe

(Consultant for MRC-GTZ)
Executive Summary

The incorporation of watershed management objectives into local and national development planning can be accomplished by means of integrated planning at all administrative levels and across political boundaries of the Lower Mekong Region. Countries often pursue their own national interests in exploiting natural resources, instead of equitably sharing the joint benefits that can accrue from integrated multi-country management. The limited focus of sectoral agencies results into overlapping sectoral development plans and often renders implementation ineffective. Also the interests of local governments in planning are not necessarily coinciding with planning objectives relating to the broader national interest. The reconciliation of competing interests requires more dialogue-based planning approaches that provide some room for negotiation.

An essential instrument to pilot innovative approaches to watershed management would be the preparation of integrated territorial development plans that could overcome disjointed decision-making leading to unwanted development outcomes across the region. Better regional planning is needed so that spatial functions that are important for watershed protection are retained as an essential part of the surrounding development landscape. The consecutive planning steps should be based on the national planning systems established at the different administrative levels and aim to firmly integrate development-cum-conservation goals into national and local development plans and programmes.

Current forms and standards of planning across the four riparian countries (Cambodia, Lao PDR, Thailand and Vietnam) differ significantly yet each of them provides some opportunities for strengthening more integrated planning at the various levels. The analysis and subsequent formulation of an integrated planning approach starts from the basic proposition that due to its natural resource-based character effective watershed management can only be accomplished if it is integrated into the wider planning systems of the riparian countries and into the resulting development frameworks.

Analysis of Planning Systems

All countries have more or less elaborated planning systems and methodical approaches. While the effectiveness of national macro-economic planning has been questionable and thus was reformed in Thailand, Lao PDR and, to a lesser extent in Vietnam in recent years, new emphasis has been placed on decentralized local development planning (Cambodia, Thailand) and/or on a more refined deconcentrated version of strategic provincial or district planning (Thailand, Laos). In Vietnam planning still is more public sector-driven and concerned with the achievement of defined investment targets while in Thailand a participatory and market-based approach also involves civil society and the private sector. Watershed management, however, nowhere is fully integrated. Thailand and Vietnam experiment with some form of river basin management, and Laos has developed an approach to integrated watershed management for rural development. Essentially all planning systems are work in progress both structurally and capacity wise and continuous adjustments to lessons learned are deemed necessary.

In Cambodia, a larger experiment in political and fiscal decentralization has taken place, bolstered by massive aid inflows for national reconstruction. A pilot scheme for decentralized development planning at communal level was undertaken in most provinces and is now planned for overall replication. The Communes are entrusted to establish commune development plans and related investment programs which, however are not yet fully supported by financial mechanisms. Also new forms of bottom up planning that aim at integration of lower level plans at the district level are being tried.

In Lao PDR, the government has developed a planning framework that will assign more clearly defined and specialized roles and responsibilities to different levels of the administration, with an emphasis on provincial levels which is appropriate given the overall low human resources capacity and scarce revenue at the sub-national level. According to
this framework, villages will make on-the-ground decisions about project implementation and localized planning issues. Districts will oversee project planning and budgeting, provide technical support to villages, and direct relevant information to the province. Provinces will be responsible for overall strategic planning and guidance. They are expected to formulate their own 5-year strategic plans and corresponding budgets, consistent with the national 5-year socio-economic development plan. The envisaged process is essentially a bottom-up driven planning approach that adopts strategic planning instruments as its main technique. The most recent National Growth and Poverty Eradication Strategy (2004) reiterates the area-focused rural development approach that aims to address development in clusters or zones in an integrated manner. A comprehensive poverty-focused planning shall be adopted at the district level.

In **Thailand** Five-Year National Economic and Social Development Plans (NESDPs) guide the national development planning process. The National Economic and Social Development Board formulates these plans in collaboration with relevant government agencies and with opportunities for input by civil society and the private sector. Local government authorities at province and sub-district level are mandated to undertake local infrastructure and development planning as well as local environmental planning and management. The Tambon Administrative Act of 1994 set up Tambon Administrative Organizations (TAOs) at the sub-district level. This Act confers upon TAOs local development planning and implementation responsibilities covering a wide range of local infrastructure, education, health, welfare, and natural resources management issues. In Thailand budget management has been a key field of reform. The Decentralisation Act and the National Government Reform Act have devolved significant authority for budget planning and development to the tambons or sub-districts. Up to thirty-five per cent of the national income through taxation will be allocated to the newly constituted TAOs in the coming years. The new budget system is based on performance and focuses on substantive outputs and outcomes. Budget allocations will be in the form of block grants to the Departments rather than according to planned activities.

In **Viet Nam** the main planning instruments comprise socio-economic planning, sectoral planning and physical planning (giving spatial orientation to the investment decisions). These three planning fields are equally applicable at the national, provincial, and district levels. Socio-economic, sector and physical planning tasks are also conducted for economic regions but lack an administrative framework for plan implementation. Reforms from a command-based planning approach that was based on centralized allocation of state and collective resources to the new system that sets directives for the resource allocation in a multi-sector economy are underway. Yet planning responsibilities are still fragmented between the different ministries (sector plans), and coordination by the Ministry of Planning and Investment is difficult as the sectors are competing against each other for financial resources. Socio-economic planning under the responsibility of the Planning Department and its subordinated agencies at province and district level represents an internal platform (among state agencies and authorities) for vision building and coordination of Government actions at the national, provincial or district level. Often the plan contents relates mainly to predetermined targets rather than analysing issues and problems. The process is lacking a strategic focus and rational priority setting. In addition, the integration of sector plans into the development plans is carried out superficially through consultation between ministries/line agencies at the various levels, without the involvement of non-governmental stakeholders. Vietnam’s ‘Grassroots Democracy Decree’ (1998) calls for greater transparency and public participation, and Vietnam has allocated some powers for local development planning to communes (below the district) in the rural areas.

Overall, it is found that planning systems in the four countries do not suffer from a lack of regulations but from a lack of consistent application - which is encouraging as it provides some room to improve upon weakly established planning practices which are flexible to address conservation and development issues in a more integrated manner.
A more detailed assessment of planning systems looks at four broad issues, i.e. the policy, structure, resources and support for integrated planning. These issues are relevant to assess existing planning systems and their performance in meeting the objectives of integrated planning.

- **Planning structure**: Multi-level systems of planning are not well defined at present. Structural inter-linkages between more comprehensive strategic planning and sectoral planning and between different planning levels remain superficial. Fragmented sector approaches do not support area focused planning. This leads to conflicting and ineffective development strategies because substantive coordination among the socio-economic plans, sectoral plans and physical/land use plans is not taking place.

- **Planning policy**: Overlapping legal regulations, policies and guidelines at central and local level prohibit inter-sectoral coordination needs. As an integrated spatial planning policy at national and regional/local level is not emphasized, substantive interfaces between levels and sectors are missing.

- **Planning resources**: Centralized control over financial resources reinforces the dominance of central policies and programs over local level approaches which may be more sensitive to the development needs of particular areas. Low standards of professional planning competence at national and local levels require capacity building.

- **Planning support**: No institutions with the mandate and capacity to enforce planning and development control are established. There is widespread ad-hoc decision making on development without reference to consolidated spatial development frameworks that would guide development strategies and programmes at local levels.

**Conceptual Approach to Integrated Spatial Planning**

In view of the weaknesses of the existing planning practice and the requirements for managing multi-stakeholder and multi-level planning, a planning strategy that facilitates dialogue and negotiation of interests is needed. Spatial planning as the most extensive approach - which obviously is largely absent in the four countries - would embrace other forms such as land use planning and physical planning, and is capable to prepare the way for socio-economic development planning, sectoral planning and annual budgeting/investment planning. The term “integrated planning” refers to a holistically conceived planning approach based on a commonly accepted inter-sectoral set of development objectives which are transferred into well coordinated arrangements for implementing development activities at the various levels of planning. Although implicitly contained in many policy statements of the riparian countries, the “integration” of the various planning streams and their vertical and horizontal coordination has not been effective yet, being hampered by centralism and sectoralism.

The recommended area-based or territorial planning approach is a multi-dimensional and inter-sectoral task that takes into account natural, physical, social and economic aspects to be integrated into one joint planning format to accomplish the development objectives of a given territory for which planning is carried out. It should be based on the participation of all stakeholders or interest groups within the territory and follow a coordinated and transparent planning methodology and decision-making process at and between the various levels of planning.

As the management of watersheds is directly and indirectly influenced by many different activities a coherent spatial planning framework is needed that is more integrative and places water resources within the fabric of a larger environmental system. For effective water resource management, it is essential for activities that impact on the water environment, but that fall within the competence of other sectors, to be co-ordinated with the objectives of watershed management. This could be achieved through the improved coordination of
spatial planning with the planning processes of relevant sectors in order to ensure that the water related objectives are being met. The planning and implementation arrangements will have to strive that the agencies responsible for sector and land use planning take into account the objectives created by spatial-functional planning and water resource planning. While the policy objectives of other sectors shall not be inhibited by those of water management, economic and social goals must be achieved in ways that safeguard and enhance the status of the water environment. The integration of the water resource management objectives in the hierarchy of objectives of all relevant sector policies and regulations therefore is crucial.

A planning strategy is suggested that combines development and conservation goals on an area-based approach. It consists of several components that constitute a package of institutional, conceptual, methodical and financial arrangements to address planning and implementation related issues of watershed management from a spatially integrated perspective. Integration is the key concept underlying an area-based approach to watershed management. The proposed approach recognises the need for territorial co-ordination across sectors and defines a methodology of area planning and management to integrate spatial functions into consolidated territorial development frameworks. All water resources and water uses and functions shall be coordinated into a common area-based policy framework. Relevant stakeholders participate in decentralized decision making, by promoting transparency and offering opportunities for involvement in the development and implementation of territorial plans. Different decision-making levels that influence area development, be they local, regional, national or international, will interact for an effective management of watersheds.

Conclusions

The spatial planning approach provides comprehensive development frameworks while respecting the distinctive characteristics and competencies of regions and local areas. Spatial planning solutions are integrated with solutions in other larger or smaller territories. Vertically integrated frameworks will generate the enabling conditions through proper policy formulation, setting of incentives, facilitation, monitoring and capacity building.

Spatial planning can promote watershed management objectives through the strengthening of concrete watershed functions in spatial development strategies. It supports the assimilation of watershed management in the hierarchy of objectives of all sector plans. Institutional constraints could be reduced through mutual coordination under a policy- and area-based fiscal management framework.

Innovative spatial planning methods should include institutional analysis and decentralized governance issues and apply more transparent methods for participation and for delegating authority and responsibility. All four countries have formulated some important policies for promoting integrated planning and watershed management in the Mekong River Basin. The challenge is to operationalize them in an integrated approach that makes use of the existing development opportunities while safeguarding environmental resources towards a sustainable development path. This requires tremendous efforts for systemic capacity building (i.e. institutional, organizational, individual capacities) at all levels of planning before the suggested integration can be accomplished.

Suggested Work Process

The suggested work process consists of four phases (i.e. preparation, planning, evaluation, revision) which allow for the establishment, execution and evaluation of a comprehensive policy analysis and planning process that eventually feeds back into policy making at national levels. The process also provides important learning for MRC and its Basin Development Planning Programme on how to affect change in development planning in the four countries and how to enhance its own outreach to the established planning systems. This will enlarge
MRC’s coverage of institutional planning levels to promote watershed management principles into development planning at the various levels. Hence, the overall objective is to generate policy relevant lessons on the linkages between watershed management, area-based planning, decentralization/deconcentration, and local development.

- The **preparatory phase** must review existing planning approaches for suitable techniques and instruments on area based planning; define supplementary tools on spatial analysis and planning, and devise the area planning process (procedure and methodology) for each country including participation strategies and instruments for planning coordination.

- The **planning phase** aims to devise and apply a consistent and methodical planning process at the local level that is area focused and integrative. The starting point is a spatial analysis framework which supports the integration of watershed management issues into the analysis of territorial functions, available potentials and related problems.

- The **evaluation phase** within this work process analyses the effectiveness of designed planning approaches, methods and tools to accomplish the objective of integrating watershed management principles into area-based planning.

- The **revision phase** eventually aims to feed back the lessons learned during the application of the area development planning process into the policy making processes in the four countries in order to inform on-going and future policy making on both watershed management and integrated planning.
1. Introduction

1.1 Background and Objectives

The incorporation of watershed management objectives into local and national development planning can be accomplished by means of integrated planning at all administrative levels and across political boundaries of the Lower Mekong Region. Countries often pursue their own national interests in exploiting natural resources, instead of equitably sharing the joint benefits that can accrue from integrated multi-country management. The limited focus of sectoral agencies results into overlapping sectoral development plans and often renders implementation ineffective. Also the interests of local governments in planning are not necessarily coinciding with planning objectives relating to the broader national interest. The reconciliation of competing interests requires more dialogue-based planning approaches that provide some room for negotiation.

An essential instrument would be the preparation of integrated territorial plans that would overcome disjointed decision-making leading to unwanted development outcomes across the region. Better regional planning is needed so that natural resources that are important for watershed protection are retained as an essential part of the surrounding development landscape. A principle of “one plan for one area” is needed which lays down a framework of development and conservation standards and requirements which all sectors embrace.

The consecutive planning steps should be based on the established or emerging national planning systems at the different administrative levels and aim to firmly integrate development-cum-conservation goals into national and local development plans and programmes. Current forms and standards of planning across the four riparian countries (Cambodia, Lao PDR, Thailand and Vietnam) differ significantly. Each of them provides specific opportunities for strengthening forms and instruments of integrated planning at the various levels.

The analysis of planning systems looks at four broad issues, i.e. the policy, structure, resources and support for integrated planning. These issues are relevant to assess existing planning systems and their performance in meeting the objectives of integrated planning, and to identify their flexibility for an adjustment of planning procedures to accommodate holistic development concepts.

A detailed analysis of the existing situation of planning in the four countries of the Lower Mekong Basin as well as the formulation of recommendations regarding the contents and processes of next steps were the core tasks of this assignment.

The analysis consists of six detailed tasks:

1. Analysis of existing levels for spatial planning
2. Analysis of existing spatial planning processes with special consideration of cross-sectoral (economic) development planning
3. Analysis of linkages between the planning processes at the various levels as well as the integration of these processes
4. Analysis of enabling framework like policies, laws, guidelines and institutions for these planning processes
5. Analysis of “top down” regulations, guidelines, and plans; their closeness to reality, binding, and implementation; and their integration with “bottom up” land use planning procedures and experiences
6. Identification of possibilities for integration of watershed management objectives into the existing planning regulations and practises within given administrative borders

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1 see Appendix 1 (ToR)
1.2 Methodology and Work Process

The analysis of national planning systems and the subsequent formulation of an integrated planning approach start from the basic proposition that due to its natural resource-based character watershed management can only be accomplished if it is integrated into the wider planning systems and resulting development frameworks.²

Some of the basic questions to address in the scope of integrated planning for watershed management comprise:

- At what level(s) should integrated planning take place?
- What is the role of governance and decentralization in view of actors, powers, and accountability relations?
- What are the vertical and horizontal inter-linkages required?
- What are suitable methods and instruments to achieve integrated planning?
- How can the required capacity to conduct integrated planning be developed?

The findings are based on field work in the four countries. Interviews of government officials on national level generated the bulk of information that was supplemented by secondary analysis of policy documents and project reports. No field work could be undertaken on the local level to supplement national viewpoints.

The report will outline the issue of integrated planning, assess current approaches and standards of planning in the riparian countries, analyse existing gaps and challenges opening up including the capacity building requirements before elaborating on the conceptual approach and suggesting a range of entry points, consecutive working arrangements and activities to enhance the integration of planning by means of an area-based approach.

The next chapter (2) provides some kind of a normative framework and outlines basic aspects of development planning and watershed management in order to set the stage for the upcoming analysis. The importance of frame conditions such as decentralization and governance is briefly illustrated. The rationale of area-based (spatial) planning is highlighted before the requirements for integration of water resources/watershed management into area-based planning will be identified.

Chapter 3 elaborates on the analysis of existing national – local planning frameworks in the four countries. It contains the country overviews consisting of three broad aspects; (a.) the System of Governance; (b.) the Planning Frameworks; and (C.) Opportunities for Integrated Planning. Each country is presented in some detail although different standards of information do not allow for equitable coverage. A comparative analysis of findings and some overall conclusions represent the key outputs of this analysis.

Chapter 4 elaborates a concept for area-based planning that integrates the normative framework presented in chapter 2 and the analytical findings from chapter 3. It is based on good practice applied elsewhere and aims to establish a ‘middle ground’ of applicable principles for area-based planning.

The next chapter (5) suggests an operational strategy for integrated planning that takes into account the required institutional arrangements, conceptual and planning approaches, capacity development needs, financial mechanisms and implementation arrangements.

Chapter 6 outlines a work process to operationalize the proposed planning approach in the four countries, following a four-step methodology to (i.) prepare the institutional setting, (ii.)

²The ‘Dublin Principles’ emerging from the International Conference on Water and the Environment, 1992, call for water to be managed with a “holistic approach, linking social and economic development to environmental and land use concerns, including inter-watershed issues.” The Dublin Principles also call for recognition of water as an economic good, for all stakeholders to be involved in water management at all levels, and for recognition of women’s integral roles as water resource managers.
conduct the planning process, (iii.) evaluate its application in regard to planning results and capacity building outcomes, and (iv.) disseminate the lessons learned in order to influence policy making in the four countries of the Lower Mekong Basin. Chapter 7 eventually provides some final recommendations related to operational issues.
2. Spatial Development Planning and Watershed Management

2.1 Decentralization and Governance – Frame Conditions and Basic Issues

Good governance has been endorsed in the policies of the riparian countries as an essential condition to meet national objectives for economic and social development, as well as for greater regional and international integration of LMB countries. Reforms targeting governance issues are strategic priorities of the riparian countries. Several broad themes can be recognized:

- greater decentralization of decision-making;
- increased participation at all levels in aspects of planning and implementation of development; and,
- more efficient government.

The specific strategies, however, vary among the riparian countries. In Cambodia, a larger experiment in political and fiscal decentralization has taken place, bolstered by massive aid inflows for national reconstruction. In Lao PDR, most decentralization has occurred within specific sectors - water, forestry, and agriculture – and has taken the form of deconcentration. In this respect, reforms described loosely as decentralization have been more centralizing than decentralizing. Reforms represent an effort to consolidate state control and state-defined development gains in these sectors as well as to increase state control over remote areas. Thailand has embarked upon the most ambitious decentralization reform in the region - a full-scale political decentralization to the sub-district level. A more evolutionary form of decentralization has emerged at the sub-national level in Vietnam with strong central planning of its economy, yet the country is allocating some powers for local development planning to communes in the rural areas.

All countries have made significant progress toward strengthening the essential aspects of watershed management albeit from a too narrowly conceived sectoral perspective. But most find that there are still important gaps to be filled before integrated watershed management based on people’s participation could move from the realm of sectoral approaches to the reality of area-based planning. The challenge therefore is to analyse the gaps and identify ways in which the incomplete yet valuable experiences of individual countries may be combined in the search for comprehensive solutions to be applied subsequently according to the particular situation in each country.

The effective involvement of local people in the planning and implementation of watershed management implies that the traditional top-down systems must be changed to one with increased decentralization. This does not mean, however, that national-level organization of watershed management should be disbanded. On the contrary, a convincing argument can be made for the further strengthening and coordination of national agencies and mechanisms. Improved centralized policy making is needed for enabling the protection of watersheds. Decisions to protect areas upstream of major hydroelectric dams, city water intakes, major irrigation schemes and flood-prone development areas will have to be made at upper level. There is a need for a network (or hierarchy) of specific structures that provide a vehicle for systematic consultation between a multiplicity of local development actors and for community participation in identification, selection and implementation of development projects. The creation of platforms for dialogue between (a) the local government authorities, (b) the local state administration, (c) existing civil society organizations (associations of farmers, traders, fishermen, etc., religious organizations and affiliated groups, locally active national and international NGO’s, etc.) and (d) traditional authorities and other community structures emerging in the process of local participatory planning exercises is an effective means towards negotiated dialogue-based planning processes.

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3 Among other documents see the most recent national development strategies and plans of the riparian countries
4 Dupar, Mairi and Nathan Badenoch (2002:10)
5 Michaelsen, T.: Participatory approaches in watershed management planning, in: Unasylva No. 164
2.2 The Rationale of Spatial Planning

The following chapter briefly explains the functions of spatial planning and provides a few examples on applications. This is meant to facilitate the initial understanding and exploration of opportunities for conducting a spatial planning approach.

Spatial planning is used to create solutions that are bound to specific geographical territories while the solutions are integrated with solutions in other larger or smaller territories. The distinctive characteristics and competencies of sub-areas are being respected. It is broader than traditional town and country planning focusing solely on the physical form and design of specific development projects. Spatial planning enables various territorial dimensions to be considered: local, regional, inter-regional, national, and international.

The area-based approach to planning provides a comprehensive development perspective. Spatial planning can coordinate various aspects of socio-economic development across the sectors of society: urban development, development in rural districts, rural-urban relationships, the development of infrastructure, environmentally sound use of land and the protection of natural resources. The challenge for spatial planning is to ensure the efficient use of limited resources and to contribute to balanced local/regional development.

Spatial planning contributes to developing the local economy through establishment of a regional settlement system that is well equipped with infrastructure needed by entrepreneurs to develop their products and services and create local employment.

A spatial planning strategy will be prepared as an integral aspect of the region’s strategy for economic development. The planning strategy is prepared such that the spatial design of the regional settlement system creates new spatial frameworks and promotes the potential for development in the region. Spatial planning will be used to determine how economic potentials relate to infrastructure requirements such as transportation, energy, communication and social services and where business development activities will be located.

Spatial planning has the potential to integrate the interdependent dimensions of sustainable development (economic, social and environmental) considerations into sectoral policies and across sectoral boundaries. It can be used as an instrument to ensure a comprehensive approach to the planning of numerous initiatives in a given area.

Other interests associated with land use that influence biological diversity are related to such areas as valuable agricultural and forestry areas, coastal areas, wetlands or reforestation areas. Planning can establish a geographical overview of the areas with which the various interests in land use are associated. The planning process can weigh the numerous and varying interests in land use, such as urban growth, transport infrastructure, energy production, intensive agriculture and livestock farming and interests in recreation or protection, and this can create a balance between use and protection.
Spatial planning can manage appropriate land use to ensure that nature is protected and biological diversity promoted and can contribute to integrating nature protection into the planning of agriculture, forestry, fisheries and technical utilities.

Spatial planning designates the location of valuable natural systems and its buffer zones from which land use activities can influence vulnerable natural areas and wildlife preservation. Thus, spatial planning can comprise the basis for formulating differentiated demands and conditions applying to stakeholders in connection with extracting raw materials, utilizing water resources and developing land use activities. Priority areas can be designated for special initiatives in nature protection and rehabilitation of ecosystems.

New integrated spatial planning methods that include institutional analysis and design, more transparent methods for participation and delegating authority and responsibility, form part of the planning instruments for promoting integrated spatial planning and sustainable development. Planning procedures and instruments should be developed that view spatial processes and institutional reforms in an integrated manner to ensure the involvement of the public in a democratic decision-making process so that various societal interests can be weighed and balanced in decisions on development. The process of preparing and adopting plans encourages public participation by including the publication of plan proposals, the opportunity to make objections in public meetings and an appeals process. The process ensures that various interests in land use or in a specific type of development can be considered and balanced.

Spatial planning should receive special attention in border regions where goods, services, labour, knowledge and culture are exchanged across national borders. Yet, borders often severely inhibit this process. Various types of country-specific regulation and practice, such as different rules governing markets or utilization of natural resources, collide and pose problems for appropriate development in the region. Cross-border cooperation in spatial planning is especially important to ensure that the differences in regulation and practice do not result in inappropriate spatial development in these regions.

Promoting cooperation between various levels of authority (state, regions and municipalities) within the country and with neighbouring countries is of particular importance when spatial plans are being prepared that have cross-border effects in such areas as regional economic development, transport, and the environment. A policy document on the trends in planning and regional policy could be promoted in border regions and in bilateral or multi-lateral agreements concerning specific border regions. Areas for collaboration should include, i.a.

- initiating investigations to assess the existing plans and policies in border regions that have cross-border effects and to assess the geography of border regions;
- designating relevant border regions based on certain planning criteria, such as economic development perspectives and labour markets, cooperation on tourism, and cross-border interests in utilizing natural resources and protecting natural heritage;
- identifying the regional pattern of development and the development opportunities in border regions;
- preparing mutual consultation mechanisms in connection with strategic decisions (plans and programmes) with cross-border effects, such as investments altering land uses.

The “enabling environment” or “policy environment” such as the policies, laws and regulations that affect spatial planning and development are of particular importance. This includes overall economic and social policies as well as policies on natural resources such as land, water, forests and minerals. National guidelines for spatial development should be established, e.g. the organization of land use in a manner that it creates the basis for a
favourable living environment and to promote development that is ecologically, economically, socially and culturally sustainable. The guidelines should also promote the implementation of international conventions and agreements on the protection of the cultural environment, biological diversity, climate change and regional development in a basin-wide perspective.

Guidelines should be formulated for the following categories of spatial development:

- a well-functioning territorial structure of locations and networks;
- a more coherent structure of land use;
- a well coordinated approach to utilize and protect natural resources.

Planning by regional and local governments converts those guidelines into specific activities by considering the distinctive characteristics of each individual territory and ensuring that they are coordinated with the regional and local objectives.

The need for integrative planning practice and methods for integrating various fields of knowledge is generally the key to spatial planning intended to promote sustainable territorial development. The previous sections have described fields and examples of development in which spatial planning can consider the interests of several sectors of society and in which planning can coordinate these interests to promote sustainable development across the individual sectors. Spatial planning instruments can support this sectoral integration.

2.3 Water Resources Management and Integrated Spatial Planning

Water resource planning has some characteristics that cause significant differences from other planning fields (as for example spatial or economic planning). It aims to guarantee the preconditions for functions related to the use of water resources. Hence emphasis is on the functioning of water systems, and only in a derived manner on the interests associated. There are two types of functions existing at the same time: first the territorial functions; water being the basis for other activities that depend on the water system, and second the utility functions; water being materially used in processes (e.g. drinking water, industrial water). These characteristics make water resource planning pre-conditional for other types of planning. However, the natural dynamics of water systems bring permanent uncertainty.

Sustainable management of water resources requires systemic, integrated decision-making that recognises the interdependence in three areas. First, decisions on land use affect water, and decisions on water also affect the environment and land use. Second, decisions on societies’ economic and social future currently organised by socio-economic sectors in a fragmented manner, affect the hydrology and ecosystems in which humans live. Third, decisions at the international, national, and local levels are interrelated.

It should have become evident that water resources must be planned and managed in an integrated and holistic way. This could be achieved through the improved coordination of spatial planning with the planning processes of relevant sectors in order to ensure that the water related objectives are met. The planning and implementation arrangements will have to strive that the agencies responsible for sector and land use planning take account of the objectives created by water resource planning and spatial-functional planning.

Water resource planning, watershed management and river basin planning/management are terms that relate to the particular natural resource of water following different concepts and approaches.
Text Box 1: Integrated Water Resources Management

The more recent concept of Integrated Water Resources Management - in contrast to "traditional", fragmented water resources management - at its most fundamental level is as concerned with the management of water demand as with its supply. Thus, integration can be considered in regard to two basic categories:

- The natural system, with its critical importance for resource availability and quality, and the wide range of environmental services that it provides.
- The human system, which fundamentally determines the resource use, waste production and pollution of the resource, and which also sets the development priorities.

Integration has to occur both within and between these categories, taking into account variability in time and space. At the operational level the challenge is to translate this principle into concrete action. The response to this is often referred to as Integrated Water Resources Management. Both spatial development and water resources management thus are holistic approaches that aim to integrate the diversity and complexity of competing interests into one joint framework for decision-making.

2.4 Requirements for Integration

To accommodate water resource management objectives into area-based planning a broader environmental approach is needed. Watershed management principles will have to be integrated into local and national development planning processes by means of a coherent spatial planning framework.

As the management of the water environment is directly and indirectly influenced by many different activities, a coherent spatial planning framework is needed that is more integrative and places water within the fabric of a larger environmental system. Watersheds are one concrete physical-territorial expression of the interlinkages between natural resource systems and socio-economic activities in a given area.

For effective water resource management, it is essential for activities that impact on the water environment, but that fall within the competence of other sectors, to be co-ordinated with the objectives of water management. While the policy objectives of other sectors shall not be inhibited by those of water management, economic and social goals must be achieved in ways that safeguard and enhance the status of the water environment. Therefore the integration of water resource management objectives in the hierarchy of objectives of all relevant sector policies and regulations is crucial.

Integration is a key concept underlying an area-based approach to watershed management. The planning approach will have to recognise the need for co-ordination across space and sectors and define a system of area planning and management to accommodate:

- the integration of spatial functions (natural, social, economic) into consolidated territorial development frameworks;
- the integration of all water uses and functions into a common policy framework,
- the integration of economic measures, including pricing and economic and financial instruments, into a common management approach;
- the integration of stakeholders and the civil society in decision making, by promoting transparency and by offering opportunities for involving stakeholders in the development and implementation of territorial plans;
- the integration of different decision-making levels that influence water resources and water status, be they local, regional, national or international, for an effective management of all waters.
2.5 A Way Forward

Spatial or territorial (area-based) planning constitutes a new way to plan for integrated development. It aims to assess development potentials and problems from a spatial-functional perspective, thereby integrating different demands and competing interests into a decision-making process on development options and resulting programmes.

While it is understood that effective watershed management should cover all relevant sectors and thus has to be implemented in an interdisciplinary way, coordinating options for management of natural resources with other options for development in a given watershed area, it resembles a spatial approach, however without inhabiting the required administrative authority to conduct an area-based planning process on its own.

The fact that watershed management interventions take into account the interests and aspirations of different stakeholders - upstream and downstream - and provide mechanisms of negotiating and achieving consensus between the stakeholders regarding decisions on suitable management options, makes it necessary to apply a planning strategy that is firmly grounded in the existing institutional settings and planning frameworks in order to become successful. A strengthening of area-based planning following established processes of decentralization and governance is the starting point for promoting watershed management objectives.

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6 see MRC-GTZ, Agriculture, Irrigation and Forestry Programme (2004); Watershed Management Component, Programme Flyer
3. Analysis of National – Local Planning Frameworks (Country Overviews)

(A. System of Governance; B. Planning Frameworks; C. Opportunities for Integrated Planning)

This chapter provides an overview of the application of planning in the riparian countries. It describes the system of governance underlying planning and briefly explains the ongoing decentralization processes. The existing and/or emerging planning frameworks are analysed in detail, and opportunities for achieving a more integrated system of planning are identified.

All countries have more or less elaborated planning systems and methodical approaches. Decentralisation of planning is an important trend throughout the region that has led to a revitalisation of local government and new opportunities for partnerships with communities, the private sector and NGOs who are able to mobilize additional resources and capacity. At the same time decentralisation has been a problem due to lack of capacities at local level.

While the effectiveness of national macro-economic planning has been questionable and thus was reformed in Thailand, Lao PDR and, to a lesser extent in Vietnam in recent years, new emphasis has been placed on decentralized local development planning in Cambodia and Thailand. In Lao PDR, Thailand and Vietnam more refined deconcentrated versions of strategic provincial and/or district planning are being applied. In Vietnam planning still is more state-driven and concerns itself with the achievement of defined investment targets while in Thailand a participatory and market-based approach also involves civil society and the private sector. Essentially all planning systems are work in progress both structurally and capacity wise and continuous adjustments to lessons learned are most likely. As such the analysis rather represents a snapshot than a comprehensive picture.

3.1 National and Local Development Planning in Cambodia

An overriding force in the current political landscape in Cambodia is a commitment to “decentralisation and deconcentration”.

A. The System of Governance

Institutional Setting

The Cambodian government is divided into three branches, Legislature, Executive, and Judiciary. At the national level the National Assembly (NA) makes and amends laws, and sets taxes and budgets. The Senate reviews and comments on the decisions of the NA, and can require the NA to reconsider its decisions. It thereby acts as a check on the activities of the NA, but the NA has the ultimate authority to pass laws. A Constitutional Council under the Judiciary monitors the legislation enacted by the NA.

The Council of Ministers (COM) is the focal point for the implementation of national polices and programmes, and is accountable to the National Assembly. All draft legislation and other major proposals and plans prepared by ministries are submitted to the COM for approval. A number of technical committees deal with cross-sector issues and report at the COM. These include the Council for Administrative Reform (CAR), the National Council for Support to Communes (NCSC) and the Council of Land Policy (CLP).

7 Tumanut, Michael (2002)
Under the donor-supported SEILA Programme Provincial and Municipal Rural Development Committees (PRDCs) have been established under the chairmanship of the Provincial Governors. The PRDCs have a coordinating role in planning activities, but their status is uncertain as they are fundamentally ‘project-created’ entities.

There is uncertainty over the working relationships between provincial governors and the provincial departments of line ministries. Most decisions are made at the centre with provincial line ministries simply following their respective ministries’ instructions.

As part of the RGC’s programme of Decentralisation and Deconcentration (D&D), the Law on the Administration and Management of Commune/Sangkat was enacted in 2001, officially setting the decentralization process in motion. This sets out the functions and responsibilities of commune and sangkat councils. The democratization process toward development was further enhanced with the conduct of the commune elections in February 2002.

The Commune Councils represent the only administration below national level that is elected by the people. State-appointed commune chiefs have been replaced by popularly elected commune councils, which have five to 11 members. The primary focus of the councils is on the economic development of the communes, aside from playing the role of agents of the national government.

Table 1: Government Structure of Cambodia

<table>
<thead>
<tr>
<th>Legislature</th>
<th>Executive</th>
<th>Judiciary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nation</td>
<td>National Assembly</td>
<td>Council of Ministers</td>
</tr>
<tr>
<td></td>
<td>Senate</td>
<td>Prime Minister</td>
</tr>
<tr>
<td></td>
<td>Commissions</td>
<td>Ministries</td>
</tr>
<tr>
<td>Region</td>
<td>No regional authorities</td>
<td></td>
</tr>
<tr>
<td>Province/Municipality</td>
<td>Provincial/Municipal Governors</td>
<td>Departments of Line Ministries</td>
</tr>
<tr>
<td></td>
<td>Provincial Administration</td>
<td>Provincial/Municipal Rural Development Committees</td>
</tr>
<tr>
<td>District</td>
<td>District Chiefs</td>
<td>Offices of Line Ministries</td>
</tr>
<tr>
<td>Commune/Sangkat</td>
<td>Commune/Sangkat Councils</td>
<td></td>
</tr>
</tbody>
</table>

8 Sangkat means the communal level in urban areas (municipalities)
Each council must hold public meetings at least once every month with most decisions made through a majority vote of the councillors. The commune councils’ duties include providing public services, promoting economic and social development and upgrading citizens’ living standards; and protecting and conserving cultural property, the environment and natural resources. Within one year of being elected, the councils must create a development plan that includes the councils’ view of the current condition of their commune, what needs improvement and how this will be achieved.

The councils are responsible for approving the commune budget and setting the rates of local taxes and other service charges, including land, real estate and rental tax. Local budgets need to be based on a process of local development planning which identifies problems and sets priorities for action in an open and consultative manner. They must create a system for management, monitoring and control of their finances.

The decentralisation shift is gradual with central government maintaining its authority in major decisions, at least in the medium term. Although the emergence of commune councils will decentralise official decision-making, the Ministry of Interior and the Ministry of Economy and Finance retain significant authority to affect the commune councils’ activities. For example, the Ministry of Interior appoints a commune clerk who will be intimately involved in the day-to-day operations of the councils. The ministry will also monitor, control and assist the commune, and can investigate and evaluate a commune’s activities. Each commune’s financial system and asset management will be subject to the control of the Ministry of Economy and Finance.

Governance and Decentralization Reforms

In Cambodia “decentralisation” is the transfer of political, fiscal and administrative powers to local authorities at commune level. It aims to increase the responsiveness of government to the development needs of local communities.

Under Article 27 of the Constitution the sub-national levels of administration are supposed to be governed by organic law. To date only two components of organic law have been passed. In 2001 legislation was passed on the administration of communes and sangkats, and in 2003 on the roles and responsibilities of two districts.

Although the objectives of decentralization are not set out in law, the following three objectives are widely accepted: to strengthen pluralist local democracy, to promote social and economic development, and poverty reduction.

Decentralization policy in Cambodia has the following main features:10

- Commune Councils are autonomous local governance bodies and legal entities responsible to citizens for local development and service delivery.
- Commune Councils have a popular mandate through elections held every five years.
- They have defined roles and functions along with a resource base of own-source revenue and government grant assistance.
- Approval of major decisions is done by all councillors.
- The government provides a support system for Commune Councils’ capacity development.
- Regular monitoring and supervision of Commune Councils is carried out by higher authorities.
- Participatory bottom-up planning is conducted at the commune level.

10 NCSC/DOLA/UNDP/GTZ (2004:2); Decentralization Review, Internal Draft, June 2004
Citizens have the right to attend meetings and access Commune Councils’ documents.

A shared commitment to decentralization is visible at central level. A National Committee to Support the Commune (NCSC) was established temporarily to implement the Law on Commune Administration and to formulate and implement decentralisation policies. NCSC is chaired by the Minister of Interior, assisted by the Minister of Economy and Finance and the Minister for the Council of Ministers as Deputy Chair, with the Minister of Rural Development, the Minister of Land Management, Urbanisation and Construction, the Ministry of Women’s Affairs and Veterans as members.

NCSC is providing a forum for policy discussion and conflict resolution among RGC institutions and ministries. The NCSC has issued supportive legal instruments as needed and has made timely and effective interventions for CC capacity development through mobilization of government agencies, donors and NGO partners. It is taking up related policy reforms, such as new systems of provincial, municipal and district governance.

An ultimate challenge to local governance reforms will be building the capacity of over 1,600 newly elected commune councils. Providing the resources and the training to ensure that commune councils can perform their duties efficiently and effectively will require significant and continuous support from the international donor community.

The provinces have been assigned a strategic role in decentralization reform that continues to grow. Currently, governors are performing a number of key roles within the NCSC/MOI framework as well as key roles within the SEILA structure – both of which require mutual adjustment and improved coordination in order to prevent overlaps in functions.

The regulatory framework is still incomplete and requires harmonization. There is no legal framework on district administration, and consequently there is no horizontal coordination between districts and district level line agencies.

There is lack of clarity in the roles and functions of inter-ministerial committees, ministries and their line agencies in relation to Commune Councils. The relationship between governors and provincial departments is also unclear. It is recommended that a comprehensive and unified regulatory framework (a local government code) is developed on the basis of a detailed analysis, harmonization and revitalization of the existing regulatory framework.  

Financing & Budgeting Process

The annual budgeting process proceeds according to the following steps:

1. June of preceding year– The Ministry of Economy and Finance (MEF) establishes a macro-economic framework of the budget through a review of the macro-economic limitations on the budget and forecasts of GDP growth and tax and other revenues based upon the previous budget year.

2. MEF undertakes a policy-making process involving a review of the available funds against broad spending objectives. The final outcome of this stage is MEF’s determination of the availability of resources for domestically funded spending.

3. MEF prioritises the funds between the key sectors and prepares a first draft of a budget by broad strategic sectors, and sets ceilings for expenditure for each ministry and the major expenditure chapters of the budget. These indicative shares are based upon the priority themes established by the RGC. The proposed broad sector shares are then submitted to and approved by the Council of Ministers.

11 ibid.
4. July until early August – The sector shares set by MEF and the Council of Ministers are then translated into detailed spending programs for each line ministry. MEF issues a technical budget circular to each line ministry that requests each ministry to present detailed bids for funding both the central administration and provincial departments of the ministry. Detailed estimates of budget receipts are also prepared at this time. Line ministry funding bids are prepared for submission to the MEF by August 15. Bids are heavily influenced by historical budgeting outlays for each particular ministry.

5. Late August – MEF performs a technical analysis of the line ministry budget proposals. This includes checking compliance with the medium term plan, accuracy of costings and consistency with initial ministry ceilings.

6. September – Conflicts between the initial MEF budget proposal and the line ministries’ bids are resolved through meetings between the MEF and line ministry officials.

7. October – The Prime Minister resolves any final budgeting disputes. A draft budget is then submitted to the Council of Ministers for approval.

8. The Council of Ministers prepares a budget bill that is presented to the National Assembly. The budget law is signed by the President of the National Assembly and promulgated by the King.

9. The MEF issues a proclamation (prakas) to line ministries that outlines the funds budgeted for them. Line ministries are then tasked with internally distributing the funds.

During the transition, while local capacities are being built to manage new systems of administration, innovative financing mechanisms are needed to link area development with local communities. Already, the government has set up a Commune Fund, consisting of block grants from the government, tax and non-tax revenues to be assigned to the communes by the Parliament and international assistance.

The Commune Fund will be used to finance:

- general administration of communal affairs;
- general development of the communal social and economic infrastructure; and
- the delivery of local public services.

A Commune Fund Board was established involving representatives of the Ministry of Economy and Finance, the Ministry of Interior, the Ministry of Rural Development, the Ministry of Planning, the SEILA Secretariat and local communities. The establishment and the early stage of operation of the Commune Fund should offer an opportunity to create incentives for the newly established commune councils and administrations to increase their capacity and adopt accountable, transparent, and effective local governance practices. This will require the provincial governments to strengthen their own capacity to support and oversee the communes.

The RGC has allocated 2% of national revenue to the Commune Fund (CF) for grant assistance to Commune Councils and has mobilized external contributions. Commune Councils have all prepared a budget and have accessed administrative and development grant assistance through accounts held at the Provincial Treasuries (PTs). PTs provide staff to act as CC accountants and for support services. CCs complain that PTs request service fees for support assistance and fund release. A law on Commune Councils’ own-source revenue has not yet been drafted.

Revenue shortfall has interfered with timely releases of funds to communes causing constraints at the commune level and lost opportunities at the national level to access donor

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12 Personal communication with Mr. Leng Vy, Director of Department of Local Administration, Ministry of Interior
13 NCSC/DOLA/UNDP/GTZ (2004:4); Decentralization Review, Internal Draft, June 2004
funds. The Commune Fund remains a centralised authority, even though operating to promote local institutions.

**B. The Planning Frameworks**

Planning in Cambodia is not yet fully developed. There exist several parallel and not well coordinated planning streams within sectoral frameworks which tend to overlap with each other. Most efforts to establish a planning system focus on the communal level and on the district level.

*Existing levels and instruments for planning*

Cambodia follows annual, three-yearly and five-yearly cycles in its socio-economic planning. Each sector and province must prepare annual plans and budgets based on their three- and five-year plans. In practice, annual plans change little over the five-year planning period and tend to be wish lists with unreal budgetary expectations. Only a few provinces have the capacity to prepare development plans. Progress in decentralisation has placed greater emphasis on communal, district and provincial plans as the frameworks for setting priorities and for budget allocation at those levels. This should provide better opportunities for a more direct relationship between local development conditions and socio-economic planning on an area basis.

All socio-economic plans seek to implement the national plan prepared every five years. Subsequent to the formation of a coalition government in 1993, Cambodia sought to move from its former centrally planned economy to a democratic, market-oriented economy. Cambodia’s initial needs were to establish financial stability, promote investment for rehabilitation and reconstruction and reform the central institutions of macro-economic management. Accordingly, in 1994 Cambodia launched a medium-term adjustment and reform program that sought to restore macro-economic stability and to strengthen institutional structure with the aid of the international community.

In 1996, Cambodia instituted its first Socio-Economic Development Plan (SEDP I), which set forth a framework for industrial policy-making from 1996 to 2000. SEDP I identified nine central areas for development:

1. Promotion of export-oriented policies;
2. Promotion of labour intensive industries;
3. Promotion of natural resource-based industries (specifically including forestry, fisheries, agriculture, mineral deposits, non-metallic minerals, and oil and gas);
4. Encouragement of selective import substitution industries;
5. Promotion of micro and small scale industries;
6. Promotion of rural industry;
7. Promotion of informal sector employment in urban areas;
8. Promotion of tourism related industries; and
9. Promotion of downstream industries based on petroleum (offshore-based).

SEDP II (2001-2005) has as its primary focus poverty reduction through:

- The promotion of broad-based economic growth at a rate of 6 to 7 percent with equitable income distribution;
- Facilitation of social and cultural development; and
Ensuring the sustainable management and use of natural resources and the environment.

SEDP II sets forth the development objectives and strategies for the medium term and establishes allocation themes for the Cambodian economy. An inter-ministerial steering committee composed of high ranking officials from the Ministries of Economy and Finance, Planning, the Council for the Development of Cambodia and the National Bank of Cambodia, is responsible for setting the overall investment ceiling and sectoral allocation priorities in line with the SEDP II.

Provincial level planning aims at the preparation of Provincial Development Investment Programmes (PDIPs). Similar to the SDEPs at national level they provide a list of intended projects from a sector perspective. Occasionally investment programmes are supplemented by a Provincial Development Plan (e.g. in Siem Reap). Yet, there is no indication of strategic or spatial planning being adopted.14

The local development planning approach

Decentralization reform in Cambodia has focused heavily on commune level planning. A mandatory responsibility of Commune Councils during their first year in office was to prepare and adopt a long-term strategic development plan.15 The communal planning process begins with updating and verification of data in social and economic areas. It proceeds to identification of village needs, prioritization of those needs, integration of village needs and priorities in a Commune Development Plan, and coordination of proposed activities with line departments and NGOs through a district integration workshop (DIW). Commune Development Plans focus on five thematic areas: economic and social affairs, administration and security, environment, physical infrastructure, and gender. All proposed activities are categorized within one of the thematic areas for better coordination, support and implementation. The process culminates with the seeking of comments from the provincial governor and government departments and then final approval of the plan by the Commune Councils. During the planning process, Commune Councils are required also to produce a three-year rolling investment plan that is meant to balance proposed activities with available resources.

The communes conduct their development planning following the Inter-Ministerial Prakas on Commune Development Planning (February 2002), and the Ministry of Planning Guideline Number 150 (17 July 2003) on the commune 3-year rolling investment program.

The commune planning process is based on a comprehensive procedure to elaborate five-year development plans. Each commune/Sangkat council shall undertake a process of preparation and approval of the commune/Sangkat development plan and investment program according to the following 5 phases consisting of 11 steps:16

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15 Prakas 098/2002 jointly decreed by MOI-MOP
16 RCG; Min. of Interior and Min. of Planning (2002)
Phase I: Analysis

**Step 1:** assess the current level of development and access to basic services, identify key issues for economic, social, institutional and environmental development in the entire commune/Sangkat;

**Step 2:** verify and complete the above assessment, by reviewing each village of the commune/ Sangkat. List priorities of each village and identify how the village and civil society organizations use or may use their resources to address these needs;

**Step 3:** select the priorities at the commune/Sangkat and village levels on which to focus the council’s attention and efforts.

In the implementation of steps 1 and 3, a workshop shall be organized at commune/Sangkat to consult the contents of the plan. For step 2, the workshop shall be organized at village level.

Phase II: Strategy identification

**Step 4:** Formulate a long-term development vision for the commune/Sangkat, define immediate objectives to be reached within its five-year mandate as a basis for identification of priority strategies and projects to achieve those objectives.

In step 4, a consultative workshop shall be organized at commune/Sangkat level.

Phase III: Project design

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17 Romeo, L. (1999:35)
Step 5: Study information, profile and feasibility of the project. The commune/Sangkat planning and budgeting committee shall seek prior assistance from technical officials of the provincial/municipal sectoral departments selected and appointed by the provincial/ municipal governor to study information, profile and feasibility of the project.

Step 6: Estimate the availability of resources from the commune own source of revenue, budget provided by the government and contracts made with national institutions or provincial/municipal agencies for the three-year project.

Step 7: Make a preliminary allocation of available resources to priority projects and finalize this allocation after negotiations with the provincial/municipal administration and other agencies in the planning integration workshop at the district/Khan level.

In this phase, a consultative workshop shall be organized at commune/Sangkat level.

Step 8: Participate in an annual District Integration Workshop, and enter into provisional agreements with provincial/municipal sectoral departments, non governmental organization, national institutions and international agencies on the financial and technical support from the above agencies to the formulation and implementation of the commune/Sangkat development plan and investment program.

Phase IV: Program design

Step 9: Consolidate the selected projects and other routine management and administrative activities into sectoral and multi-sectoral programs of the commune/Sangkat council.

Step 10: Prepare a draft commune/Sangkat development plan and investment program to be submitted to the council/Sangkat council for approval.

Phase V: Plan approval

Step 11: Request comments from the provincial/municipal sectoral departments and from the public on the draft commune/Sangkat development plan and investment program and based on those comments, discuss, amend and approve the commune/Sangkat development plan and investment program.

To improve the quality of approval of plan and investment program, public hearings shall be organized at commune/Sangkat level.

At present the process suffers from some weaknesses:

- The communal planning process is too complex and very time consuming.
- Communal plans tend to be wish-lists rather than strategic long-term plans.
- There are no opportunities for Commune Councils to identify and discuss issues of inter-commune concern.
- Information about local needs and priorities to district, provincial and national levels does not inform government planning at higher levels.
- There are no mechanisms to communicate local needs and priorities, as expressed in the commune planning process, to higher levels of government for incorporation into ministry and department activities and resource allocation.

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18 NCSC/DOLA/UNDP/GTZ; Decentralization Review, Internal Draft, June 2004
- Commune Councils are not informed about ministry programs and resources prior to district integration workshops.
- There is uncertainty as to whether comments of governors and departments on communal development plans are advisory or binding on Commune Councils.
- There are concerns about the willingness and capacity of departments to deliver in accordance with temporary agreements signed.
- Absence of any mechanism for post-District Integration Workshop (DIW) follow-up with the departments regarding project implementation.
- There is no clear overall framework on coordination between sectors and Commune Councils.
- There is no mechanism for direct negotiation between Commune Councils and departments regarding program content and resource allocation.
- There is no link between ministry/department planning and Commune development planning.
- Local needs and priorities articulated during the Commune development planning process are not fed upward in order to inform ministry and department planning and resource allocation.
- Needs and priorities identified by Commune Councils are not incorporated into sectoral plans and resource allocation at the provincial level, hence the DIWs have only top-down impact.

For communal development planning to become more effective, Commune Councils should be informed about ministry programs and resources prior to district integration workshops. Concrete mechanisms to promote and facilitate inter-Commune Councils cooperation in regard to development and governance matters are required. Capacity building interventions should include skills building to enable councillors and planning and budgeting committees to design strategic development plans.

Most important, mechanisms should be put in place to feed information about local needs and priorities to district, provincial and national levels in order to inform government planning at higher levels.

**District Integration of Commune Development Plans**

The communal planning process is followed by a so-called “District Integration Workshop”. The District Integration Workshop is the key event of the District Integration Process, implemented in preferably one, but if necessary two days. While it is a planning event, it does not yet make up for a full-fledged planning process. It is the major and most likely only occasion for dialogue and interaction between the communes, the line departments and the NGOs/IOs, to determine what activities will be supported in the coming year. It is therefore important that the format of the DIW maximizes the possibilities for dialogue and interaction.

District integration is a process to align the development activities proposed by the communes, with the policies, strategies and activities of the provincial line departments and non-governmental organisations or international organisations (NGOs/IOs). Through dialogue and negotiation, the communes, the line departments and the NGOs/IOs seek alliances with each other to obtain more resources for local development, or to increase the potential impact of the resources which each of them allocates to various development activities.
The District Integration Process involves 11 Tasks to be scheduled between April and December of the year preceding project implementation.

**Task 1** Identification of commune development priorities, and preparation for the District Integration Workshop

The District Integration Process involves the commune level, the district authorities, the provincial level, and representatives from non-government organizations (NGOs)/International Organizations (IOs). After the annual review of the existing Commune Development Programs (CDP) / Commune Investment Plans (CIP) and the assessment of the current development needs, each commune will have a list of priority projects and activities to be discussed at the District Integration Workshop.

**Task 2** Identification of cross-commune, district and provincial development priorities, in preparation for the District Integration Workshop

The provincial authorities, the district authorities and the NGOs/IOs active in the province should conduct a reflection and review of cross-commune, district and provincial development priorities. Such reflection and review can be conducted for all sectors, or for one or more key sectors with the objectives to:

- help build a common understanding through dialogue between the provincial authorities, the district authorities and the NGOs/IOs in which sectors and in which locations (districts and communes) the development needs and development opportunities are the greatest;
- share knowledge between provincial authorities, district authorities and NGOs/IOs on national sector priorities and NGO/IO development priorities for the next year.

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19 Ministry of Planning (2004:1); Guideline for the District Integration Workshop (Unofficial translation, September 2004)
discuss how best to target the available investment resources strategically to support poverty alleviation, in line with the stated commune priorities, provincial priorities and the National Poverty Reduction Strategy, thereby contributing towards the achievement of Cambodia's Millenium Development Goals;

provide the provincial authorities and the NGOs/IOs with a framework against which to assess the commune development priorities.

**Task 3** District Priority Activities Matrix (DPAM) Preparation

After receiving the priority activity forms from the communes, the Provincial Department of Planning (PDOP) compiles, for each district in the province, a District Priority Activities Matrix (DPAM). The matrix shows which communes in each district have submitted requests and for what activities. Copies of the DPAMs will be given to the line departments and the NGOs/IOs, as well as to each commune before the DIW. The communes will then be able to check in advance whether all proposals have been entered in the DPAM, and whether the information for these proposals is correct.

**Task 4** District Integration Process Information Meeting

The Provincial Rural Development Committee (PRDC) organizes a District Integration Process information meeting for the provincial line departments, the districts, and the NGOs/IOs which are active in the province. The purpose of the meeting is:

- to inform on the different tasks of the District Integration Process.
- to review briefly the DPAMs, to assess how they relate to cross-commune, district and provincial development priorities and their potential contribution to local poverty alleviation in line with the priority actions derived from the National Poverty Reduction Strategy (NPRS).
- to discuss the criteria for allocation of the available resources in the province to support poverty alleviation.

**Task 5** DPAM Analysis and Sector Priority Activities List Preparation

With the information obtained at the District Integration Process information meeting, each line department which is eligible to submit a request for resource allocation prepares a Priority Activities List.

The line departments and the NGOs/IOs analyse the DPAMs to determine to what extent they can respond to the requests from the communes, and where to implement other support activities. In doing this analysis and preliminary resource allocation, the line departments use the DPAMs, on which they mark the communes in which they plan to implement activities, using either their line department budget or other available resources. The Sector Priority Activities Lists are submitted to the Executive Committee (ExCom). In presenting its request for funding to the ExCom, the line department should be able to provide valid reasons to support its choice of activities, the scope it suggests, and for the possible location.

**Task 6** Provincial Investment Resource Allocation

The ExCom organizes a PRDC meeting to review and reach consensus on the allocation of the available resources.

As a consequence of such resource allocation to the line departments, the provincial administration expects that line departments will participate in the DIWs, and support the commune priorities.
The meeting, which is held with all line departments together (and preferably in the presence of district representatives), is to give an opportunity to the line departments to present their Sector Priorities Activities Lists to the ExCom (to explain how they meet the criteria specified for the resource allocation). After the line departments have presented their requests for resource allocations, with arguments to explain how they will contribute to poverty alleviation, the ExCom - on its own, or together with representatives from the line departments and the districts - decides how to allocate the available resources (as a budget envelope for the line department, without specifying specific amounts for specific activities). This is done through a discussion as follows.

**Task 7** District Integration Workshop (DIW) Scheduling Meeting

The PRDC organizes a meeting for the line departments, the districts and the NGOs/IOs:

- to announce the allocation of the available resources to the various departments.
- to discuss and agree on the implementation schedule of the DIWs in the province.
- to remind the participants in the DIWs what preparation is required from each of them, and how the DIWs will proceed.

**Task 8** District Integration Workshop

The District Integration Workshop is the key event of the district integration process, implemented in preferably one, but if necessary two days to maximize the possibilities for dialogue and interaction. It is the major occasion for dialogue and interaction between the communes, the line departments and the NGOs/IOs, to determine what activities will be supported in the coming year. It gives an opportunity to the communes, the line departments and the NGOs/IOs to freely interact and discuss the proposals on offer, in a “market-like” atmosphere.

Substance-wise the DIW concentrates on the discussion on the achievements of the last year, on the specific proposals from the communes and the support from the line departments and NGOs/IOs. The line departments or NGOs/IOs should give additional information to explain the choice of communes. If a commune considers that it equally qualifies to receive support for an activity in the DPAM, but has not been selected, it can question the decision of the line department or NGO/IO, and provide arguments to support its request to be included as well.

The commune chiefs, and the representatives of the line departments or NGOs/IOs sign the TAs, and the Director of PDoP and the district chief sign as witnesses.

**Task 9** Documentation of the DIWs

After the DIWs have been conducted, PDOP documents the outcome of the discussions at the DIWs. This documentation covers two aspects:

- the number of commune proposals that were discussed at the DIWs, how many TAs have been signed, and to what extent these TAs are related to the commune proposals.
- an inventory of the TAs that have been signed.

**Task 10** Contract Preparation

After the DIWs, each line department starts to prepare its contract for the next year. The draft contracts are submitted to the ExCom for appraisal. Part of this appraisal is checking that the activities that have been included in the contract are those that were approved by the ExCom.
and the PRDC as worthwhile poverty reduction activities. The ExCom in turn prepares its Annual Workplan and Budget, which is forwarded to the PRDC for approval, and submitted to the national level. After approval of the Annual Workplan and Budget by the national level, the ExCom signs the Implementing Agency contracts with the concerned line departments.

Line departments should continue to dialogue with the Commune Councils and keep them fully informed – or even better involved – in the preparation for project implementation (such as inviting them to attend bidding meetings as observers), and during the actual implementation.

**Task 11 Follow-up of Temporary Agreements**

After the District Integration Workshops, DFTs and PFTs shall assist the commune councils to communicate and negotiate with project supporters, to turn the TAs into actual implementation agreements between the commune councils and these supporters.

Every quarter, the information on progress of TA implementation shall be assessed by the commune councils, and provided to the Local Administration Unit and PDoP at provincial level, where the data will be entered into the CDPD program. The PDoP shall provide quarterly reports respectively to the ExCom, the line departments and NGOs/IOs on the progress of TA implementation.

Summarizing, the District Integration Workshops have the potential to become a forum for coordination of programs and activities between departments and Commune Councils. The process, however still suffers from some inconsistencies such as the Ministries’ practices of initiating programs which disregard the province and its coordination role. Departments do not inform CCs about their programs and budgets in advance of DIWs, and there is no mechanism to feed upward needs and priorities articulated by communes in order to inform planning and resource allocation at higher levels. There is no mechanism to follow up department temporary agreements signed at DIWs. CCs are left to wonder about unfulfilled commitments and to answer to their citizens about the committed activities not undertaken.

**Existing spatial planning processes with special consideration of cross-sectoral (economic) development planning**

There is no clear spatial planning framework in Cambodia and the absence of any relevant legislation concerning planning responsibilities.20 Spatial planning has been undertaken in an ad-hoc manner following requests from national departments or international organizations, mostly carried out by the Ministry of Land Management, Urban Planning and Construction (MLMUPC).

There is no standard definition of regions in Cambodia. Different agencies are using different criteria. In the medium term, a system of regional planning is required which covers entire regions. Regional planning of areas would better integrate them within overall socio-economic development planning at central and local levels. Also, it would enable a range of development options to be explored so that optimal strategies for resource use and conservation are defined on a regional scale.

The definition and development of a National Spatial Planning & Development Framework will be commenced under a cooperation between the RCG and EU. The envisaged planning process shall be integrative of sector strategies and the various administrative levels.

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Linkages between the planning processes at the various levels as well as the integration of these processes

At present commune development planning is the only form of planning that is fairly well established and applied almost throughout the country. Although it suffers from weaknesses in regard to coverage of substantive issues the foundations have been laid for more integrated planning at the local level.

Problems occur at the intermediate levels of district and province where no framework for integration of communal plans is available yet. The District Integration Workshops, however point into the direction of improved coordination. Its effectiveness will depend on the quality of upper levels’ plans to provide an area-based framework for territorial strategies to be formulated which would guide communes in their planning efforts.

The following table provides the planning instruments currently available in Cambodia.

Table 2: Planning Instruments and related Activities

<table>
<thead>
<tr>
<th>Planning Instruments</th>
<th>Planning Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-economic Development Plan</td>
<td>Determination of national development goals</td>
</tr>
<tr>
<td>National Poverty Reduction Strategy</td>
<td>Agreement on Millenium Development Goals</td>
</tr>
<tr>
<td>Sector Investment Plans based on national policy and requests form provinces</td>
<td></td>
</tr>
<tr>
<td>Interim Land Policy Framework</td>
<td></td>
</tr>
<tr>
<td>Multi-province programming (e.g. coastal zone management or road classification system)</td>
<td>No formalized regional planning</td>
</tr>
<tr>
<td>Provincial Development Investment Programmes</td>
<td>Provincial development coordination under the SEILA programme</td>
</tr>
<tr>
<td></td>
<td>District investment requests</td>
</tr>
<tr>
<td></td>
<td>Channelling of local needs to national departments</td>
</tr>
<tr>
<td></td>
<td>Ad-hoc spatial planning</td>
</tr>
<tr>
<td>District Integration Workshops</td>
<td>Bottom up coordination of communal planning</td>
</tr>
<tr>
<td>District development plans in two districts (Seam Reap and Battambang) (under a special decree)</td>
<td></td>
</tr>
<tr>
<td>Commune Development Plans</td>
<td>Local development planning</td>
</tr>
<tr>
<td>Commune Investment Programmes</td>
<td>Medium-term rolling investment planning</td>
</tr>
<tr>
<td>Village Land Use Plans</td>
<td>Participatory land use planning</td>
</tr>
</tbody>
</table>

Enabling framework (policies, laws, guidelines and institutions) for planning processes

There is no consistent framework of planning policies, laws or guidelines. Instead, planning is regulated by sector policies and by decentralization-related guidelines. A new set of laws such as the Land Law, Forestry Law, Water Law, Fisheries Law, Wildlife Law and Law on Mineral Exploitation are to be implemented. Taken together, these laws will create a stronger legal basis for the sound management of land and natural resources. Yet, they must be accompanied by operational mechanisms for coordination such as integrated planning which aims to create land use plans for specific areas that provide guidelines for distinct areas and designate other areas for specific future uses, such as new roads or settlements.

The Strategy of Land Policy Framework calls for the coordination of land use planning with socio-economic development plans. Also the establishment of national land use guidelines is envisaged and the clarification of local authorities’ responsibilities for preparation of development plans, land use plans and zoning regulations. „It is envisioned that Cambodia will eventually have an interlocking set of land use plans including general national and provincial plans, and more detailed plans which will guide land and resource use at the commune level.” However, responsibilities of local bodies such as Commune Councils and Village Development Committees in land use planning must be specified.

At present commune development planning is the most elaborated and presumably widespread planning instrument. Also participatory land use planning is well advanced in methodical terms although its application is confined to partial land areas within a community (e.g. a community forest area) or focused on specific resource management issue and/or land tenure aspect. Guidelines for participatory land use planning (PLUP) have been elaborated and published (with assistance from GTZ), training of trainers carried out and a number of training exercises in local communities completed. A number of pilot projects in land use planning featuring decentralized, participatory methods, are currently underway. Application of the PLUP methodology has begun in three projects with GTZ assistance and in ten other project areas with the assistance of agencies such as SEILA Task Force.

C. Opportunities for Integrated Planning

Identification of possibilities for integration of watershed management objectives into the existing planning regulations and practises

The inconsistent legal framework, leading to overlapping roles and unclear responsibilities between national departments will not be overcome in the short term. Yet practical planning approaches should be worked out from the bottom. First of all, communes and districts must be facilitated to adopt more integrated development planning approaches that eventually lead to improved negotiations between lower levels and line agencies. This will highlight contradictions and resulting needs for clarification of planning mandates and implementation arrangements.

The policy framework provides for the Commune Councils’ autonomy in local development priority setting and decision making, although the exercise of communal legislative and executive powers must be compatible with national legal instruments, and local development plans must be compatible with national socio-economic policies. This provides for vertical integration of policy objectives into local development frameworks.

23 Ministry of Land Management, Urban Planning and Construction
25 among others see Rock, F. (Ed.) (2001)
26 Department of Forestry and Wildlife (1999); Participatory Land Use Planning in Cambodia,
The Seila-specific “Local Planning Process” has been transformed into the support of the statutory Commune Development Planning process, products and institutions. Also the Seila-specific provincial system for extension of technical and facilitation services to the Communes has been integrated within the emerging institutional set up for provincial support and supervision of the new local authorities. Both provide opportunities to emphasize integrated planning by means of capacity development interventions.

The definition and development of a National Spatial Planning & Development Framework which will be commenced under the cooperation between the RCG and EU envisages that the planning process shall be integrative of sector strategies and the various administrative levels. This will provide for some hierarchical relationships between spatial development plans to take account of local level conditions within broader area-based development strategies and plans.

The Strategy of Land Policy Framework calls for the coordination of land use planning with socio-economic development plans. As the establishment of national land use guidelines is envisaged, the clarification of local authorities' responsibilities for preparation of development plans, land use plans and zoning regulations will further clarify the local level’s role in integrated planning.

Also the participatory land use planning process (PLUP) and communal development planning provide important entry points as does the DIW procedure. Land use planning and natural resource management, however are not yet integrated.

Overall, the awareness of commune councils on holistic planning that incorporates economic, social and environmental objectives will have to be strengthened.27 Decentralization efforts of the RGC related to natural resource management are supported by the Seila Program to integrate and mainstream Natural Resource and Environmental Management into the general decentralized planning framework. Emphasis is given to the strengthening of local structures and planning capacities (commune level) through inter-sectoral facilitation teams to integrate and address natural resource and environmental issues into the general planning process, based on experiences from Community Based Natural Resource Management initiatives. Selected commune councils shall be enabled to integrate sustainable NREM into their development plans and commune fund investments. The commune councils' NREM agenda shall be articulated at the watershed level and contribute to the main regional economic development initiatives.28

3.2 National and Local Development Planning in Lao PDR

Laos' Party Congress instituted the chintanakan mai, or New Economic Mechanism (NEM), in 1986. These reforms intended to accomplish many of the same goals for opening the Lao economy as did Vietnam’s doi moi reforms. The NEM was the first step in a cautious process, which eventually led to some deconcentration of authority from the centre to the provinces.

A. The System of Governance

Institutional Setting

Lao PDR is a unitary state. On December 2, 1975, Laos was transformed from a kingdom into a republic. There are four levels of state administration: central, provincial, district and village. Currently there are 16 provinces (and two equivalent administrative units - Vientiane Prefecture and Saysomboun Special Zone), 141 districts and 11,229 villages.

27 Personal communication with Mr. Ignas Dümmer; SEILA Task Force (DANIDA)
28 Royal Government of Cambodia (2001)
The second Supreme People’s Assembly promulgated the New Constitution on August 15, 1991. With its promulgation, the local People’s Assemblies have been eliminated.\textsuperscript{29}

The executive powers of the state rest on the central government, which is headed by the prime minister. His duties include the guidance and supervision of the work of the 13 government ministries and three ministry-level committees, as well as of the governors of provinces and mayors of municipalities. The prime minister appoints all the deputies at these levels of government, as well as the local district chiefs.

The members of the ruling party, the Lao People’s Revolutionary Party (LPRP), exercise the real power in Lao PDR. It is the only legal political party in the country and holds 98 of the 99 seats in the national assembly. In the parliamentary elections in February 2002, all but one of the 166 candidates were from the governing party. Even though the party’s role and powers are scarcely mentioned in the Constitution, the LPRP determines national policies through its nine-member politburo and 52-member central committee. The executive branch retains the authority to issue binding decrees, but the party retains the power to make critical decisions.

The current system of government is organised on a centralised pattern with a strongly deconcentrated administration at the provincial level and to a lesser degree at the district level. The main feature of the Lao system is the balance between the vertical line – the central ministries and their field offices at the provincial and district level – and the horizontal line – offices, committees and mass organisations directly under the governor and the district chief. Thus any field office responds to the vertical line (central ministry) and a horizontal line (provincial governor and district chief).

The village is considered an administration of the people and is headed by an elected village chief. The villagers are electing the chief from candidates approved by the district within a ‘guided process’ every two years. The village, through its chief is part of the civil administration.

In mid-1999, the Government of Laos undertook a wide-ranging reorganisation to decrease the central bureaucracy, improve efficiency and move staff from Vientiane to assist provinces and districts in the field. Long-standing policy to delegate management authority for most national development to the local level was reiterated in Prime Minister’s Advisory Note 01/2000 regarding the Province to become the strategic unit, the District as budget-planning unit, and the Village as the implementation unit.

**Governance and Decentralization Reforms**

With the introduction of the New Economic Mechanism in 1986, the government aimed to transform the country from a centrally planned economy to a market-oriented economy. With the exception of certain sectors of national interest, provincial governments became responsible for planning and managing local resources and key social services were financed from the local budget.

By mid 1989, the central government had lost operational links with local administrations and delivery of services deteriorated greatly. In 1991 government vigorously moved to regain control by reinstalling a centrally controlled administration. In March 2000, after nearly a decade of centralisation policies combined with learning experience in bottom-up planning, rural development and improved delivery of services to the local level, the government again moved to decentralise development planning and budgeting functions. The government’s intention is to increase the involvement of local communities in the formulation of development plans and in the collection of revenue to improve their socio-economic situation.\textsuperscript{30}

Decentralization is one of the eight national priority development programs in Lao PDR. The Government has prepared a five-year national socio-economic plan for 2001–2005, focusing

\textsuperscript{29} Francisco, (2002)
\textsuperscript{30} UNDP (2002)
clearly on poverty alleviation through eight priorities: food production, commodity production, stabilisation of shifting cultivation, rural development, infrastructure development, expansion of external economic relations, human resource development and decentralized services development.

Decentralized rural development policies have long been recognized as a key for alleviating poverty and improving the socio-economic well being of rural people. Since the early 1990’s, the Lao government implements a focal site approach to rural development. This approach strongly advocates people participation in natural resources management and protection, and socio-economic development to go hand in hand with sustainable use of resources.

The focal site approach is an area-based livelihood systems approach to decentralized rural development in which interventions are tailored to the area’s specific needs. Development is being concentrated in focal sites at the district level within each province, so that limited human and financial resources are not spread too thinly. Likewise, this helps foster cooperation among ministries and harmonize allocation of resources.

The present decentralized rural development policy of the government is aimed at attaining sustained growth with equity for all citizens and emphasizes the dual objectives of conservation of resources and achievement of improved livelihood systems. In 1994, the government adopted a resolution, which highlighted the importance of decentralized rural development, and national and provincial rural development committees were established. To ensure that the rural poor benefit and greater efficiency in planning and implementing upland development programs is achieved, the government established a National Leading Committee for Decentralized Rural Development in 1994, which was subsequently reorganized in 1996 and 1998. The main role of this Committee is to ensure concerted interventions to designated sites called “focal areas or focal sites”.

Decentralization was apparent in that subordinate authorities, such as the Land Office, were allotted clear tasks and responsibilities through the reorganization of their ministerial superiors. At least formally, they have more freedom in deciding and acting in the implementation of laws locally, and resolving conflicts.

Provincial authorities are now responsible for transmitting central government policy measures to district levels. The district level administration is more directly involved with the implementation of the new legislation and plays the key role in local resource management and decision making, i.e. in the allocation of land for various purposes at the village level, such as Forest Management Planning Areas, the Forestry Management Plans or to adjudicate in disputes between communities over land.

The resource legislation passed in 1989, in particular Decrees 169 and 186, emphasize decentralized decision structures and the systematic involvement of stakeholders, for example for village land use planning and conflict arbitration. A legal framework oriented towards participation presents considerably greater demands on bureaucracies and additionally overloads the capacity for implementation of the established administration.

The main legal framework for decentralized forest management is found in the Land and Forest Laws and corresponding Decrees 40 and 131 (1994 and 1996, respectively). These support the devolution of the responsibility for planning and implementation of rural development and management of agricultural and forestland to provincial and district authorities with required advisory and technical assistance to be provided by the concerned central agencies. In addition, Decree 102 of 1993 identifies the “Organization and Management of the Villages,” a formal document underpinning the rights, duties, and responsibilities of village communities in the use and management of natural resources within their domain.

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31 Francisco (2002)
32 Kirk (1996)
33 ibid.
34 Pravongviengkham (2000)
In line with its reforms to empower the people, the Lao PDR has held municipal elections in 2002 for the first time in the country’s 26-year communist history. This will allow more participation in local government.

Due to the poor monitoring infrastructure of the government and the strong autonomy given to the provinces during the 1980’s, national decrees could be ignored and illegal practices like corruption may continue at the local level. This is the reason the government backtracked on giving local governments fiscal autonomy. A law passed in 2000 required provincial administrations to give a bigger portion of their income (57% from the previous 43%) to the central government in Vientiane. The previous fiscal independence of provinces had led to their being virtually independent of line ministries.35

At present, decentralization policies of the government are still being implemented based on the transfer of function but not the transfer of power. Provinces have never had full independence in decision-making and operation. Likewise, village offices have been given an insignificant role in decision-making and in the priority to obtain financial and technical support from the government.

** Financing & Budgeting Process **

MF Advice No. 475 of March 200236 establishes the revenue sources, expenditures and budget responsibilities that are assigned to the different levels of government, in line with PM Instruction No. 01/2000.

The central government allocates revenue and expenditure for the budget of the central government and of provinces and districts based on the estimate of economic conditions and the value of annual plans. Budget frames are given from central level to the province. Prioritizations are made both on central and province levels.37 The provinces determine their own rate of revenues and expenditure in the light of actual economic growth. These become a reference for the districts in their budget planning. Villages will receive between 4 and 15 percent of total revenue collected in its area.

The system for budgeting is built on a dialogue with the districts, where the provincial technical staff collects data from the districts and the districts send in requests to the province. Information and technical data is collected from villages by the districts with the support of technical staff at the province according to formats designed by the province. The province compiles the requests from the districts, checks on prioritisations and divides the available budget between the districts.

Provinces are also responsible for developing a long and medium term budget planning to support districts whose budget is in deficit to become self-sufficient districts. Districts with balanced budgets can become budgeting units on their own. Provinces that have earned more revenue than the expenditure requirements will support the government budget. Districts with excessive revenue over expenditure will support the budget of their provinces.

36 Ministry of Finance (2002); Instruction No. 475/MF
37 LAO Swedish Forestry Programme (2001)
B. The Planning Frameworks

In Laos, the Government is developing a planning framework that will assign more clearly defined and specialized roles and responsibilities to different levels of the administration, with an emphasis on provincial levels. The government argues that it is appropriate to concentrate resources at the provincial level, given the overall low human resources capacity and scarce revenue at the sub-national level.

PM Instruction 01/2000 defines the functions and responsibilities of the provincial, district and village government units in development planning, budgeting and implementation. It provides a policy framework for greater decentralization and participation in the development process through the strengthening of local capacities, the introduction of bottom-up planning approaches and the promotion of sustainable socio-economic growth.\(^{38}\)

According to this framework, villages will make on-the-ground decisions about policy implementation and localized planning issues. Districts will oversee budgets, provide technical support to villages, and direct relevant information to the province. Provinces will be responsible for overall strategic planning and guidance.\(^{39}\)

**Existing levels and instruments for planning**

A complete planning framework for objectively analysing and integrating the diverse needs and trade-offs among the various sectors and stakeholders does not yet exist. Efforts are being made to devise a more integrated bottom up approach in which “the macro management remains at the central level, while micro management is transferred to the local level by making provinces into strategic units, districts into planning and budgeting units and villages into implementation units.”\(^{40}\)

The Prime Minister’s Decree 135/PM 2002 on “Formulation and Management of the Socio-economic Development Plan”\(^{41}\) establishes the principles and methodologies for the formulation, management, and evaluation of development plans throughout the government system. (Decree Art. 1)

According to the decree development plans which are being produced by sectoral departments and localities must reflect the strategic guidelines and objectives of the Party and ensure balanced consideration of economic growth, social development and environmental protection as well as national defence and security. (Decree Art. 3.2)

Formulation of plans shall be done through coordination and cooperation of all stakeholders and involvement of the population.

Long-term, medium-term and annual plans shall be elaborated for each sector and level down to the village level. (Decree Art. 4.2)

The process evolves in the following way: The National level communicates the policy objectives (targets) and methods to each agency and level responsible for plan formulation. (Decree Art 6.1) Sectors and localities produce their own development plans using participatory approaches which are then consolidated in meetings to be held at each level (Decree Art 6.2) before those drafts are to be proposed to the Committee for Planning and Cooperation which in turn prepares the National Development Plan. (Decree Art 6.3)

The plan is consecutively forwarded to the government, party central committee and the National Assembly for final approval.

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\(^{38}\) Committee for Planning and Cooperation, Department of General Planning (2002:6)  
\(^{39}\) Government of Lao PDR, Prime Minister’s Instruction, PM 001/2000  
\(^{40}\) Lao PDR (2004); National Growth and Poverty Reduction Strategy  
\(^{41}\) Government of Lao PDR, Prime Minister’s Decree, PM 135/2002
The proposed techniques for plan formulation (Decree Art. 7) comprise a step wise methodology that includes strategic analyses, identification of objectives, policy formulation, programming, monitoring and evaluation.

**The local development planning approach**

Following the Prime Minister’s Decree 135/PM 2002, local development planning is undertaken at provincial, district and village cluster (*kum ban*) levels. Development plans for provinces, districts and *kum bans* (groups of villages) shall be elaborated on a medium- and short term basis.

The following diagram shows the suggested bottom up planning process as envisaged by the Committee for Planning and Cooperation to simplify, harmonize and integrate the numerous methods which have been designed for provincial, district and village-level planning by donor-supported projects during the past years.  

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42 Personal communication with Mr. Thanousay Banxalith, Chief of Macro Economic Analysis Division, Committee for Planning and Investment, Department of General Planning
The Five-Year Provincial and District Socio-Economic Development Plans are strategic documents which list medium-term social and economic targets and goals for the provinces and districts. They outline sector strategies for achieving those targets. Plans integrate national development and sector policies with the needs and priorities of the province and the districts. Provincial plans take into consideration the five-year development plans for districts within the province. The Provincial Planning Department is responsible for the production of this plan in coordination with provincial sector departments and mass organization representatives. The plan is approved by the Provincial Governor.

43 according to Committee for Planning and Cooperation, Department of General Planning (2002)
Five-Year District Development Plans take into consideration the Five-Year Kum Ban Plans for the district. They provide a foundation for the preparation of Five-Year Provincial and District Development Plans. The District Planning and Statistics Office is responsible for its formulation, in coordination with district sector officials and mass organization representatives. The Five-Year Plan is composed of the following sections: (i) Implementation work done in the past five years; (ii) guidelines, duties and targets for the next five years; (iii) measures for implementation and (iv) attached tables showing socio-economic data and PIP projects.

The Annual Provincial and District Socio-Economic Development Plans are produced every year to plan and monitor the implementation of the Provincial and District Five-Year Plan. They include detailed information on the status of projects and other development activities and aim to integrate national policies with local needs and priorities. The Annual Development Plans consist of the following sections: (i) Review of implementation activities during the past year, (ii) development plan for the current year; and (iii) attached tables showing socio-economic information and Provincial Investment Programme (PIP) projects in the areas.

The Five-Year Kum Ban Development Plans identify the development needs and priorities for clusters of villages within a district and outline strategies for meeting these needs and priorities. Five-Year Kum Ban Development Plans are based on the results of village-level consultations that are held every five years and provide the foundation for preparing the Five-Year District Development Plans. The District Planning and Statistics Office is responsible for its formulation and coordination with village councils and village heads.

Annual Kum Ban Development Plans are produced every year to plan and monitor the implementation of the Five-Year Kum Ban Development Plan.

The planning procedure as laid down in technical guidelines are not yet fully applied due to severe capacity constraints at lower levels yet they provide a blueprint for an emerging planning system. Five provinces are said to be applying the approach at the moment.  

Existing spatial planning processes with special consideration of cross-sectoral (economic) development planning

The Lao PDRs all-embracing development goal or vision that inspires and guides all its development efforts is to graduate from the group of Least Developed Countries by 2020. This goal is to be reached by reducing poverty nationwide through sustainable resource management and equitable distribution of the benefits of economic growth, while safeguarding the social, cultural and political identity of the country. Four sectors underpin the poverty alleviation policies:

- agriculture/forestry and livestock;
- education;
- health; and,
- road infrastructure.

The regional approach to development is incorporated in the Five-Year Socioeconomic Plan. Four regions have been delineated to better target the Plan: the Northern Region, the Central Region, the Southern Region and Border Areas. There are no particular administrative structures for these regions yet they are considered as appropriate planning and investment coordination units. A Northern Region Development Strategy has been formulated and a “Growth Triangle” between the Lao PDR, Vietnam and Cambodia been established.  

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44 Personal communication with Mr. Thanousay Banxalith, Chief of Macro Economic Analysis Division, Committee for Planning and Investment, Department of General Planning
45 Lao PDR (2004:51); National Growth and Poverty Reduction Strategy
Comprehensive multi-sectoral and area-based spatial planning which would be a requirement for achieving the related regional development objectives, however does not exist in Laos at present. A national land use planning system is in the process of establishment which is supported by SIDA. No province does have an overall land use plan at present but systematic land use planning is being introduced in the agriculture and forestry sectors. Provincial agricultural land use plans have been prepared for seven provinces. However the integration of other sectors’ interests is limited. The need for a multiple sector land use planning, side by side with sector planning, however is appreciated by the Government.

Village land use planning is more widespread in the country. It is supported by several cooperation projects (i.e. ADB, EU and GTZ) which apply a participatory methodology. Where it is carried out by governmental organizations, the purpose is to enforce policies and regulations at the village level, in particular the eradication of slash and burn agriculture.

Relating to watershed management, the Ministry of Agriculture and Forestry (MAF) in Lao PDR is currently promoting the development of Integrated Watershed Management Plans throughout the country as an approach to address poverty alleviation and sustainable development, in particular in the uplands. Regarding integrated management of watersheds the provincial level will be responsible for the ranking of watersheds, definition of strategic development options and determination of priorities for sub-watersheds. The district level will undertake watershed zoning, specify development interventions and identify buffer zones and conservation areas.

The Nam Neun Integrated Watershed Management Project (NIWMAP) in Xieng Khouang and Huaphan Provinces was implemented from 2000 to 2003 as a component under the DANIDA-Lao Natural Resources and Environment Programme. NIWMAP developed and tested different methodologies to integrated rural development from a watershed perspective. Field activities in eight villages were used not only for village development, but also to build capacity of staff at district and provincial levels to support sustainable development. Another part of NIWMAP’s mandate was to assist in developing a preliminary plan for the entire Nam Neun Watershed.

The Nam Neun Integrated Watershed Management (IWM) Plan should

- be the overall management framework for the further development of operational plans at sub-watershed and village levels;
- provide an overview of the biophysical and socio-economic situation of the area for sustainable management and development in the future;
- provide a prioritised list of the sub-watersheds and strategic options for the future development and management of the Nam Neun Watershed; and
- apply a long-term planning horizon and estimate necessary preliminary budget for the first five-year period.

Based on the recommendations in the Nam Neun IWM plan, a series of district level plans should be made for the sub-watersheds following the priority lists.

The process to develop the Nam Neun IWM Plan has been long and participatory, altogether involving more than 200 persons representing the central level, and the provinces, districts and villages in the entire watershed. Its approach resembles an area-based planning approach taking the watershed as its point of departure; however its institutionalization is likely to be weak as it does not relate to local administrative and planning responsibilities as outlined in the relevant decrees on development planning (see above).

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46 SIDA 2001
47 Rock, F. (2004:18)
48 Lao PDR (2004:60); National Growth and Poverty Reduction Strategy
49 Ministry of Agriculture and Forestry/DANIDA (2003)
**Linkages between the planning processes at the various levels as well as the integration of these processes**

Currently no integration of the different planning processes takes place. The existing approaches are segmented and driven by sector interests. Local development planning has only recently been elaborated in the regulatory framework and is still emerging as a practical planning process.

Vertical integration is supposed to become a key feature of the planning approach. (see figure 3) As a procedural framework it seems suitable to guide a more integrated vertical planning process, yet there is no evidence of correlation to land use planning which would enable to achieve greater horizontal coordination among different sectors and land use requirements.

**Enabling framework (policies, laws, guidelines and institutions) for planning processes**

There are numerous policies and regulations which in total should provide an enabling framework for pursuing an area-based planning approach in Laos. However, as most regulations are sectoral in nature, there is a need for more effective application of legal instruments that enable a comprehensive planning process and involve the participation from different sectors and stakeholders from society.

The provinces and districts are enabled by recent instructions on planning and management to conduct local development planning processes. (see above) A key weakness seems to be horizontal coordination as no procedural and methodical framework is provided yet for integrated area-based planning.

The responsibilities and rights of villages in regards to land use and natural resource management are evolving through the development of a Land Law, with its integral process of land allocation, and the development of participatory management as guided by the Forestry Law.

In regard to area development, the Focal Site Strategy introduced in 1998 as the principal element of the government’s rural development program is reiterated in the most recent National Growth and Poverty Eradication Strategy. An area-focused development approach shall place emphasis on more sustainable land use and the designation of agro-ecological classifications as well as the integrated management of river basins and watersheds.

Its objectives are to:

- alleviate poverty among rural populations in remote areas;
- provide food security;
- promote commercialisation of agriculture production;
- eliminate shifting cultivation; and,
- improve access to development sites.

While it is a general rural development program, the government in the past has focused increasingly on upland development. The main thrust of the program is on stabilising shifting cultivation in the upland areas.

The focal sites are envisaged to have a dual function. They will constitute growth poles for economic development and they will be test and demonstration sites for best practices in rural development.

Initially the Focal Site Strategy was used to legitimise the Government’s longstanding practice of relocating upland communities practicing shifting cultivation in the lowlands with the hope that they would successfully adopt lowland paddy cultivation. When the donor

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50 Lao PDR (2004:56)
community objected to the relocation of upland communities to the lowlands, the revised expression of the policy now includes “village consolidation”.

Summarizing, there is sufficient enabling policy and regulation which – if combined for application on an area-level - would support more integrated and spatially focused development planning practices.

C. Opportunities for Integrated Planning

Identification of possibilities for integration of watershed management objectives into the existing planning regulations and practices

In principle the established and/or envisaged planning processes provide sufficient opportunities for the integration of watershed management objectives. The methodologies are available and require mainstreaming. Clear mandates for planning allocated to the different administrative levels are a precondition for more effective planning that is based on decentralized authority. Rhetorically, these mandates are available, their execution suffering from capacity constraints and ongoing centralist allocation of resources along sectoral plans.

Institution-wise, Lao PDR’s main line ministries have been very hierarchical and narrowly focused on their goals and production targets. In these circumstances, cross-sectoral planning tends to be difficult to achieve, especially at the provincial level where some line ministries have a revenue generating mandate. However, most provinces have Provincial Rural Development Committees which have an increasingly important role in coordinating and implementing development, supported by provincial planning offices. These Committees could play a major role in facilitating integrated provincial and local development planning. Traditionally,

Substance-wise, the primary need is at the provincial level, in the form of inter-sectoral development planning which integrates conservation and development goals. The difficulty of establishing district and provincial level institutions which can foster direct linkage between conservation and development in Lao’s evolving administrative system has been omnipresent. There have been some successes in co-management, such as those in the Biodiversity Conservation Project in Dong Hua Sao and Phou Xian Thong, but the main innovations have not been sustained and have had no influence on the national system.51

Sectoral development plans may still overlap at many different levels of planning. Factors which need to be taken into account by inter-sectoral and area-based planning would include the location and scale of infrastructure developments (such as dams, roads, power transmission systems and pipelines), the determination of spatial constraints on permitted activities (e.g. land use zoning); and the establishment of restrictions on exploitative activities within watersheds and surrounding areas (e.g. logging operations, mining permits, river flow regulation and NTFP collection).

To integrate all these factors, appropriate planning mechanisms are required. Given the broad value of natural resources for Laos’ development and the importance of integrated spatial systems for national, regional and local development (including water, energy, genetic resources, NTFPs, timber and tourism), watershed management which is integrated into the spatial planning process could provide the impetus for initiating area wide planning processes with provincial government taking a leading role.

51 ICEM, 2003b:89
3.3 National and Local Development Planning in Thailand

Thailand has embarked upon the most ambitious decentralization reform in the region - a full-scale political decentralization to the sub-district level. The Royal Thai Government (RTG) has taken a series of policy actions on decentralization, against the background of continuous and increasing pressures from various civil society actors. Profound reform was made possible by the coincidental alignment of political parties’ and intellectuals’ interests. Political parties sought to strengthen their support base in the rural areas by increasing the voice of rural constituencies in development decision-making; intellectual elites with broader democratic aspirations were largely responsible for drafting the language about decentralization in the new Constitution of 1997.52

A. The System of Governance

Institutional Setting

The public administration of Thailand is divided into three branches: the legislative branch represented by the parliament with an elected house of representatives and an appointed senate; the executive branch represented by the council of ministers; and the judicial branch represented by the courts of justice. The executive branch is divided into three levels: central, provincial, and local administrations. There are two types of local government. One is the deconcentrated local government administration by the central government and the other is local self-government. The local government administration, which is divided into provinces (changwat) and subdivided into districts (amphoe) and, further, into sub-districts (tambon) and villages (muban), fits into the concept of "deconcentration". Thus, the provincial administration is a deconcentrated unit of the Ministry of Interior. Each of these deconcentrated units is headed by a professional civil servant appointed directly by the Ministry of Interior. In addition, there are a number of administrative offices of other central government ministries set up in provinces and districts to oversee and administer their programmes and projects following sector development plans.

Parallel to the local government administration is the local self-government, which is the decentralized form of government. Local government organizations comprise the Provincial Administration Organization (PAO), the Municipalities (tesaban), and the Tambon Administration Organization (TAO). They have specific functions to perform among them planning for local development. They are empowered with limited fiscal authority, which is to some extent outside the direct control of the central government.53 The following figure shows the national and local government system in Thailand.

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52 Dupar, Mairi and Nathan Badenoch (2002:11)
Governance and Decentralization Reforms

The objectives of reform were to make decision-making, planning and implementation mechanisms more accountable, transparent and participatory, and to resolve the exacerbating socio-economic inequality within the society. The “Decentralization Act” B.E. 2542 (1999) lays down the delineation of powers and duties in the management of public

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Sopchokchai, Orapin; Good Local Governance and Anti-corruption Through People’s Participation: The Case of Thailand, Project Management Office of Public Sector Reform Project, October 8, 2001

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services as well as the allocation of taxes and duties between the State and a local
government organization and among local government organizations themselves.

Based on the Decentralization Act in 1999, the RTG has established the National
Decentralization Policy Committee, chaired by the Prime Minister, which oversees the
decentralization process in view of institutional arrangements on local administration
personnel, financial management of local authorities and structural improvements amongst
local governance units.

In 1994, the Government announced the “Tambon Council and Tambon Administration
Organization Act”, which became effective on March 2, 1995. It aimed to decentralize
administrative power to local people and to revitalize people’s participation in community
development affairs, and to decentralize decision-making power to people at the Tambon
and village levels.

After the Tambon Act of 1994 two other important milestones were accomplished - the
development of the 8th National Economic and Social Development Plan (1997 - 2001) and
the promulgation of the new Constitution in 1997 - which was designed to promote and build
a more open and democratic society.

**Text Box 2: Thailand’s Constitutional Reform**

| The Constitution of the Kingdom of Thailand B.E. 2540 (1997) emphasizes the decentralization of power to the local governments as stipulated in Chapter V: Directive Principles of Fundamental State Policies, Section 78: “The State shall decentralize powers to localities for the purpose of independence and self-determination of local affairs, development of local economics, public utilities and facility systems and information infrastructure in the locality thoroughly and equally throughout the country as well as develop a province ready for such purpose, having regard to the will of the people in that province.”

| Besides, the provisions of Chapter IX: Local Government, Section 282 to 290 indicate that the State shall give autonomy to the locality in accordance with the principle of self-government according to the will of the people in the locality and that all local government organizations shall enjoy autonomy in laying down policies for their governance, administration, personnel administration, finance and shall have powers and duties particularly on their own part as the central government shall monitor the local government organizations in the framework provided by the law. |

Based on a nation-wide process of consultation that involved a series of participatory
meetings to gather inputs from all sectors of society, the 8th Plan finally defined development
as a “people-centred” process. This included a new development paradigm in Thai society to
replace the top-down approach that was widely practiced by public agencies. In particular,
the Plan emphasized to empower local people to develop their own communities through
decentralization of government functions and resources, enlarged public participation,
increased transparency and an improved system of governance.

The recent reforms in Thailand’s local governance structure, including the granting of natural
resource mandates to TAOs, sit somewhat uneasily with the traditional mandates and
outlook of such line agencies as the Royal Forest Department (RFD).
Text Box 3: Constitutional Amendments of 1997

The new Constitution promulgated on October 11, 1997 created a new framework for restructuring national and local governance and for the reform of electoral and political processes. It was the first Constitution to introduce radical reforms on matters concerning relations between the state and civil society. Of particular importance to local governance, the Constitution's articles support the Decentralization Act and the Tambon Council and Tambon Administrative Organization Act of 1994.

The Constitution creates a framework for decentralization and people's participation in three areas:

1. **Organization and Administration.** The local authorities have the freedom to manage development and provide public services according to the needs of their constituents in the local community. Local administration can formulate development plans, personnel policy, as well as budget and financial policy. In addition, the Constitution emphasizes that all local authorities must be elected and will be in office for four years.

2. **Duties and Responsibilities.** The local authorities are responsible for the overall development in their local community. The national government will transfer appropriate functions (including public service delivery) as well as budget subsidies to the local government. The local government can collect certain taxes that a tri-party committee agrees upon, and this agreement will be reviewed every five years.

3. **Public Participation.** The Constitution indicates that people in local communities can monitor, control and oversee the results and performance of the local administration. It is the government's duty to promote the people's participation. People can sue any public officials or organizations that fail to perform their authorized functions. A total of 75 percent of the people who voted can impeach any local officials and 50 percent of the registered voters can propose a new community regulation.

The key entity for decentralization is the **tambon** (sub-district). According to the **Tambon Council and Tambon Authority Organization Act (1995)** the structure of TAO governance is divided into two branches: the Tambon Council consists of two elected representatives from each village responsible for policy and development direction, and the Tambon Executive Committee, which consists of a chairperson and two TAO members selected by the TAO Council and appointed by the District Officer. The TAO Executive Committee is responsible for developing a tambon development plan and an annual budget, and to manage all tambon affairs such as maintenance and improvement of social services and infrastructures (e.g. medical/health care, education, water distribution, roads, public parks, garbage disposal and sewage etc.), management of natural disaster and epidemic, management of natural resources and environment. They also undertake delivery of social and agricultural services (e.g. irrigation system, water for household and agricultural use, etc.) to be provided and maintained within its jurisdiction. Both elected committees are in position for four years.

The status of TAO, composed of the TAO-CC and TAO-AC, has been granted to all tambon by the Year 2001, on the condition that each tambon is able to collect local tax of min. Baht 150,000 for three consecutive years. The TAO activities are monitored by Provincial Governors and District Chiefs who play an intermediary role between the RTG and TAO.

The local self-government by **Tambon Administration Organisations** (TAO) is seen as the cornerstone of the Royal Thai Government's decentralisation efforts. The TAOs are nationally divided into five classes as to their endowment, the class 5 being the poorer ones. Most TAOs in Thailand are found in this class. This means that the local resource mobilisation in terms of finances is small consisting of local taxes and fees such as land and housing tax, land development, signboard tax, slaughtering fees and local service fees and charges. Most budgets for class 5 TAO come from the central level. A factor of particular interest in the decentralisation effort is the intention that the government may allocate some of “national services” to local authorities in order to promote good governance, transparency, and efficiency.
The newly created local authorities, both the Provincial Administrative Organizations (PAOs) and Tambon Administrative Organizations (TAOs) still control very limited resources. As the PAOs have only recently been created and elected, there is widespread confusion about their scope and areas of responsibility, especially in regard to TAO as well as to the traditional structure of the central system.

The TAO staff members are classified as permanent local civil servants, and their salary is paid from the TAO's budget expenditures. A TAO permanent secretary is the secretary of the TAO Executive Committee. Until the Local Public Personnel Administration Act of 1999 is fully in effect, TAO staff is recruited and appointed by the Department of Local Administration of the Ministry of Interior. The central government exercises a great deal of control over all administrative forms of local self-governments. Apart from financial dependence on grants and subsidies, the local government bodies are also subject to the central appointment of government officials to supervise their operations and policies. For example, the governor is delegated with supervisory powers over municipalities and Changwat administrative organizations.

**Financing & Budgeting Process**

The Ministry of Finance is responsible for fiscal policy and plays a key role in raising revenues for national budgets. National budget allocations to support development and other program areas are determined by the Budget Bureau, in consultation with line agencies. Once finalised by the Parliament, budgets are allocated to various agencies, which use the funds to implement their plans and programs in conformance with the objectives and provisions of the National Economic and Social Development Plan.

The budget cycle usually involves two years advanced planning. Ministries submit a budget plan to the Cabinet through the Budget Bureau. With agreement from the Cabinet, the plan is submitted to the Parliament. Once passed, the Budget Bureau will inform all ministries of its allocation. The Ministries' Finance Divisions then transfer funds to its Regional Offices for implementation of specific projects.

Since October 2002, budget management has been a key field of reform. The former budgetary system focused on monitoring income and expenditure and related procedures. The new system is based on performance and focuses on substantive outputs and outcomes. Budget allocations will be in the form of block grants to the Department rather than according to activity. By the end of 2003 the changes had not been fully implemented at all levels. Once fully functioning, the departments under each Ministry will sign an MoU guaranteeing all outputs and outcomes that will be achieved against a set of indicators. Within the Department, each office will also sign an MoU guaranteeing the delivery of the outputs and outcomes for which they have responsibility. There will be linked evaluation and incentive mechanisms to promote good performance.

The Decentralisation Act and the National Government Reform Act have devolved significant authority for budget planning and development to the Tambons or sub-districts. Thirty-five per cent of the national income through taxation will be allocated to the newly constituted TAOs. TAOs obtain revenue from three sources:

- Taxes, fees, fines and benefits collected by TAO such as housing and land taxes, advertising board taxes, etc.
- Transferred taxes collected by other organizations such as value-added taxes collected by the Ministry of Finance, etc.
- Grants and subsidies allocated through the Ministry of Interior.

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55 Sopchokchai, Orapin; (2001:7)
56 Personal Communication with Mr. Phaiboon Phosuwan, Policy & Planning Analyst, Ministry of Interior
All TAOs have limited and unstable revenue due to the nature of taxes they collect. During the ‘bubble’ economy, land transfer taxes made several TAOs wealthy overnight, but this revenue was not stable. Many TAOs expanded offices, hired more staff, and started several big projects. After the crises, these TAOs' budgets were reduced by more than 50 percent. The remaining revenue is now used to finance high administrative costs, or to support the maintenance costs of existing infrastructure. Many TAOs are facing a financial crisis as demand for services and expenditures rise.\textsuperscript{57}

In summary, there still is a lack of enabling policies as well as clear regulations on responsibilities and coordination which pose significant constraints to the implementation of decentralization.


\textbf{Text Box 4: Enabling Policies and Constraints of the Decentralization Process} \textsuperscript{58}

The needs for policies that enable the process of decentralization such as access to information on the process, mechanism of monitoring and evaluation (M&E) are not fully addressed. Besides, there are numerous issues to be reviewed to further the decentralization process effectively.

They include, amongst others, the autonomy of TAO vis-à-vis local branches of the government authority (e.g. province, district, local agencies of line ministries) regarding decision-making, personnel and finance, the coordination between the restructuring process of ministries and that of local governance system for comprehensive and meaningful decentralization (i.e. from deconcentration to devolution), public awareness and knowledge on the decentralization process as well as the accompanying participation opportunities, rights and responsibilities.

Underlying constraints through these issues are the reluctance on the part of the ministries, particularly of Finance and Interior, to decentralize crucial financial and administrative responsibilities to local governance units that are limited in knowledge on regulations and legal affairs as well as capacity to mobilize physical and human resources at local level.

\textbf{B. The Planning Frameworks}

\textit{Existing levels and instruments for planning}

Development planning in Thailand consists of nation wide socio-economic development plans which are further elaborated into local provincial and sub-district (\textit{tambon}) development plans. The process is a combination of top-down and bottom up procedures that in recent years has become more participatory following the reforms in decentralization and public administration. The Local Government Authorities including the elected councils under the Tambon Administrative Organisations (TAO) are mandated to undertake local development planning and management, as well as developing local infrastructure and protecting the environment.

Five-Year National Economic and Social Development Plans (NESDPs) guide the national development planning process in Thailand. The National Economic and Social Development Board (NESDB) formulates these plans in collaboration with relevant government agencies and with opportunities for input by civil society and the private sector. The draft NESDP is then considered by Parliament. Once satisfactorily revised and approved, the final plan is passed to His Majesty the King of Thailand for signature. NESDPs are also the main vehicle for integrating policies and planning for natural resources and the environment at the national level.

\footnotesize{\textsuperscript{57} Sopchokchai, Orapin; (2001:9)}
\footnotesize{\textsuperscript{58} ibid.}
Text Box 5: Priority Policy issues in the 9th National Plan (2002-2006)  

<table>
<thead>
<tr>
<th>The 9th National Economic and Social Development plan articulates Thailand’s development priorities for 2002-2006. The plan encapsulates a people-centred vision of development for Thailand, which complements the measures introduced to strengthen the economic and social foundations for long-term sustainable growth.</th>
</tr>
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<tr>
<td>A central pillar of the plan is good governance and the formulation strategy of the plan also reflects the importance of good governance and political reform. Participatory planning approaches were widely applied during the formulation of the plan. Viewed crucially as an essential building block to sustainable development, the 9th plan emphasises the growing significance of the role of civil society in the decision making process.</td>
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<tr>
<td>The plan is explicit in the need for continued restructuring, particularly of the financial sector, and for improving the information technology knowledge base in Thailand to enable the country to assert its middle-income status. The main goals of the 9th Plan are poverty alleviation, economic recovery, good governance and strengthening development foundations.</td>
</tr>
</tbody>
</table>

The National departments are responsible for delivering sector policy recommendations to the National Economic and Social Development Board, which incorporates these recommendations into its Five-Year National Economic and Social Development Plans. Sectoral policies stipulated in the NESDPs are translated into action plans by the various ministries and their constituent departments.  

There is no direct link to spatial planning. Relevant forms of planning relate to macro-regional plans elaborated for “Economic Programme Regions” such as international growth triangles, for border towns and hinterlands and for economic development corridors such as the Eastern Seaboard.  

The following diagram illustrates the national and local planning system and its interlinkages.

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60 http://www.un.or.th/Thailand_Info/development/plan/plan.html  
61 Personal communication with Mr. Kriengsak Rabilwongse, Sr. Policy and Plan Analyst, NESDB, Office of the Prime Minister, Oct 8th 2004
Figure 5: System of National Development Plans/Policies and Local Development Plans in Thailand

State Policy provided in the Constitution

National Economic and Social Development Plan

National Sector Development Plans

4 Year Public Administration Plan

Development Strategy for Provincial Cluster

Provincial Sector Development Plans

Policy Framework and Development Approach of Local Authority (Local Level Plan Coordination Board)

Local Development Strategic Plan

Policy of Local Administrator

Village Community Plans

Civic Forum, Private Sector and other agencies

3 Year Development Plan

Projects of other agencies for the area

Annual Budget

Implementation Plan

62 Personal Communication with Mr. Dhana Yantrakovit, Local Development Planning Division, Dep. of Local Administration, MOI
The local development planning approach

Local development planning is regulated through the Ministry of Interior’s Decree (2003) regarding the integration of the development plans of local government organizations. Planning consists of three stages which form the local development and implementation plan.

The “Local Development Plan” includes the strategic development plan and the 3-year development plan.

The “Strategic Development Plan” develops the social and economic goals of local governmental organizations in which the strategy and guidelines of development of local organization is defined. These can contain the vision, mission and objective/goal for future development in line with the National economic and social development plan, provincial development plan and district development plan.

The “3-year-development plan” is based on the strategic development plan. It describes the details of planning and/or development projects for each fiscal budget year. This 3-year plan covers a 3-year rolling period and can be revised annually.

The “Operational plan” contains the details of plan implementation as it lists the development projects and the actual implementation of activities in the area of local governmental organizations in a fiscal budget year.

There are three committees to support the elaboration of local development plans.

The authority of the Local Development Committee is defined as follows:

- Defining the development guidelines in relation to the national economic and social development plans, the government policies, provincial development plans, district development plans, physical plans (town planning), and local problems and consulting on how to develop the local area with and for the local people.
- Drafting together the development plan, suggesting ways/means to develop and solve the problems on doing the draft development plan.
- Considering the drafted development plan and the drafted plan of operation.
- Considering for approval the draft criteria and details of work no. 29(2).
- Considering and giving opinions on monitoring and evaluation of development plans.
- Appointing the Sub-committee or other working groups to assist in work implementation as appropriate.

The Committee to Support the Local Development Plan is tasked to create a draft development plan in relation to the development guidelines as defined by the Local Development Committee.

Furthermore, in each province there is an Organisation to Integrate the Development Plan which comprises a Committee to Integrate Local Development Plans and Sub-committees to Integrate Development Plan at district level. These committees have the following tasks:

- Define the policy framework, direction and ways/means to develop the local government organizations in the province area.
- Integrate the strategic development plan and ways/means to develop the local governmental organizations in response to the strategy and guidelines of the province and district.

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63 Regulation of Ministry of Interior; Actioning the integration of the development plans of local government organizations. B.E. 2546 (JC 2003) (unofficial translation by GTZ-MRC Country Office Thailand)
Inspect, analyze and integrate the development plan of local government organization with the provincial development plan, district development plan; and integrate the development plans among local governmental organizations in the province.

Consider for approval the strategic development plans and the 3-year development plans of PAO, TAO and other local governmental organizations formulated by law.

Collect the data and information on local government organizations to be used in the integration of development plans in that provincial area.

Support the operation of Sub-committees to Integrate the Local Development Plan at District Level as well as appoint the other Sub-committees or working groups to assist in implementation as appropriate.

The elaboration of the strategic development plan should be based on the following steps:

1. The Local Development Committee organizes the meeting to get to know what problems have occurred, the needs and development issues and other issues in relation to the Local Civil Society, the government agencies and concerned state enterprises.

2. The Committee to Support the Local Development Plan collects the data and information gained for analysis and drafts the strategic development plan and proposes it to the Local Development Committee.

3. The Local Development Committee and representatives from local civil society take into consideration the draft strategic development plan and propose it to the local administrator for further submission to the Committee to Integrate the Local Development Plan or to Sub-committee to Integrate Local Development Plan at District Level (in case of whoever is “in charge of this matter”).

4. The Committee to Integrate the Local Development Plan or the Sub-committee to Integrate Local Development Plan at District Level must consider the approval of the draft strategic development plan within 30 days, starting from the day of receiving the draft from the local administrator.

The entire local planning system as laid down in the Ministry of Interior’s regulation sounds rather bureaucratic and TAO officials face capacity constraints in complying with their planning functions. While the Tambon Act and the MOI’s regulations state that people could observe TAO meetings and minutes must be announced, very few TAOs follow the guidelines and local residents are not aware that they have the right and opportunity to participate. Although these regulations aim to create transparency and encourage tambon residents to participate and monitor TAO decisions and performance, there still is a lack of people’s participation in planning and decision-making processes.64

Existing spatial planning processes with special consideration of cross-sectoral (economic) development planning

Spatial planning as a territorially integrated approach does not exist in Thailand at present. Yet there are various types of sectoral planning that adopt a spatial perspective such as land use planning, forestry, agriculture, irrigation and river basin development, however without being coordinated territorially.

An earlier version of regional and provincial land use planning has been discontinued in 1997 because the continuous changes in land use rendered them obsolete in a relative short time period, and due to lack of implementation of plans. Thus the current situation is characterized by a variety of sector and level plans which require reform in order to become planning instruments more capable to guide area development and to accommodate watershed

64 Personal communication with Mr. Dhana Yantrakovit, Local Development Planning Division, Dep. of Local Administration, MOI
management objectives in a way that some direction on principles could be provided to other sectors which have an interest in utilizing spatial or natural resources.

A Spatial Development Framework elaborated by NESDB in 1997 applied a pragmatic mix of administrative, economic and natural-area criteria for dividing the country into ten functional development zones. The basis for this framework is formed by comparative economic advantages, and protection of natural resources, leading to multiple changwat regions. A long-term perspective of 30 years was adopted to formulate macro-area development objectives, yet in practice the coordination of sector departments to support the strategy failed.65

The provincial level consisting of 75 provinces has ever been the focus of planning leading to a multitude of planning attempts. Since 1971 provincial five-year plans have been elaborated following the national socio-economic development plans. Since 1981 Provincial (Changwat) Structure Plans were established, followed by Natural Resources and Environmental Plans in 1986. Since 1991 efforts focused on longer-term Strategic Development Plans supplemented by Investment Plans since 1993. In essence there were too many plans in parallel which produced much overlap and were not followed-up by budgeting and implementation.66

Pressure and incentives for reform of planning are emerging from the administrative reform movement following recent decentralization of authority to the local level (i.e. to the sub-district or tambon), and from an overall endeavour to transform government bureaucracy into a performance-oriented institution. Therefore, it is essential to understand the current reform movement in some detail in order to identify the entry points and opportunities for devising a more integrated planning approach.

Linkages between the planning processes at the various levels as well as the integration of these processes

In general, development policy formulation and development planning in Thailand is a combination of top-down and bottom-up approaches. Yet emphasis is gradually being shifted to local levels for greater responsiveness and enlarged resource mobilization. A step towards more efficiency and integration of planning is currently being undertaken by the Bureau of Provincial Administration Development, MOI.

Applying new public administration management approaches the Government embarked on a business-model to capacitate Provincial governors as CEOs to manage regional development at the provincial level.67 This entails a new approach to strategic development planning which starts at the cluster level of provinces. 19 provincial clusters have been established across the country. Since end of 2003 each Governor is obliged to follow a set of management guidelines to manage the “Committee on Integrated Provincial Administration” which is the governing body of each province. Among those guidelines are the following tasks:

- Formulate a provincial strategic plan in line with national/regional/sub-regional strategies.
- Promote participation of all concerned parties in the province.
- Organise and provide supporting system adequately.
- Strengthen decentralisation to local government to ensure acceptance of common goals rather than exercising supervision.
- Delegate more decision-making power to implementers and set up evaluative measures.

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66 ibid.  
67 Personal communication with Mr. Shajchanunn Thammajinda, Policy Analyst and Mr. Nataphon Wichienprerd, Director Bureau of Provincial Administration Development, MOI, Oct 8th 2004
Specify all administrative operations and indicate key performance indicators.

The CEO-style approach contains a performance evaluation component according to which effectiveness and efficiency of development will be assessed and public satisfaction with service delivery and leadership will be evaluated. The new approach will impact on local development planning as closer integration of different planning streams into regionalized and localized strategies is envisaged both at micro-level through bottom up planning and at macro-level through clustering several provinces into strategic development areas. Towards that end networks and partnerships shall be established and linkages between provincial strategic plans and national development policies be accomplished.

**Text Box 6: The State of Decentralization – An Example**

In order to illustrate the current state of decentralization a look at the rural development sector is useful. Agricultural and rural development policies are not clearly integrated into the decentralization efforts of the RTG. The agricultural and rural development planning system is organized in such a way that the planning takes place through vertical consultation at national, ministerial, provincial, district and tambon levels, and through horizontal consultation for five-year plans and annual plans at each level.

On the one hand, a number of responsibilities and capacities in the field of agricultural and rural development are transferred to Tambon Authority Organization (TAO) from the line ministries. However, roles and functions of TAOs in the agricultural and rural development planning system remain unclear. While TAO is authorized to design and implement tambon-level annual/five-year development plans in general terms, its role and function in relation to those of line ministries and other local government units within the planning system of the specific sector are yet to be identified.

The most localized agricultural planning unit under the Ministry of Agriculture and Cooperatives (MOAC) is the Tambon-level Center for Agricultural Technology Transfer (TTC) under the District Agricultural Promotion Office (DAPO). It shall formulate Community Agricultural Development Plans, with active participation of farmers’ organizations and other local organizations. The TTCs are also a focal point for communication and information transfer on technical knowledge and experiences on agriculture. Essentially, the TTCs are a kind of government agency at local level, imbedded in the vertical administrative system of the MOAC.

In effect Tambon Authority Organization (TAO) can only 'advise' the TTCs on agricultural service provision and project implementation.

**Enabling framework (policies, laws, guidelines and institutions) for planning processes**

The Decentralisation Act and the National Government Reform Act have devolved significant authority for development planning to the tambons or sub-districts. Thirty-five per cent of the national income through taxation will be allocated to the newly constituted TAOs to enable them to perform their tasks. The challenge is to develop an integrated policy and legal framework for enhancing institutional coordination, and expanding partnerships between government agencies and civil society.

There are numerous policies and regulations which in total should provide an enabling framework for pursuing an area-based planning approach. This should start at the provincial level and embrace tambon organizations according to their mandate for local development planning.

To further enhance the role of local government and local development efficiency, the 7th and 8th National Plans called for the decentralization of fiscal authority and asset holding as important mechanisms to help strengthen local administrative capacity. While the 8th Plan and the Constitution set up a new decentralized framework, the Government administration

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and practices, especially at the national and regional levels still remain the same. The ministries and departments still control resources and implement most development activities.

As the structure and management system of the local government have been put in place by the end of the 8th National Plan, the 9th National Plan (2002-2006) concentrates upon improving the development capability of the local administrations. Development plans will integrate all aspects, monitoring systems will be enhanced, information system upgraded, and human resource capability increased.

C. Opportunities for Integrated Planning

*Identification of possibilities for integration of watershed management objectives into the existing planning regulations and practices*

The planning and management approach advocated for the provincial level provides several opportunities to embark on integrated area development and thereby promote watershed management objectives from a more holistic point of view embedded in the Government’s national agenda and driven by integrated planning and development goals.

The entry point is provided through the provinces’ functions to deal with strategic planning and define explicit development strategies which are responsive to regional potentials and local needs. The approach is driven by deconcentrated planning in order to better promote national development objectives across the country following the national agenda as a policy framework for development action. The challenge is to integrate and coordinate local development plans advocated by local self-government with provincial plans. Planning based interfaces will have to be created which ensure greater coordination between different - deconcentrated and devolved - planning streams and greater consistency between national, provincial and local development visions and strategies. This will heavily depend on the progress made in fiscal decentralization as to enable local self-government to implement their own plans without much interference from central departments at provincial and district level. Rather than embarking on a confrontational planning approach a dialogue based negotiation procedure seems warranted that aims at better coordination and mutual support and complementarity of strategies.

Provincial strategic plans will unfold into several issue-based strategies which rely on inputs provided by the lower levels of government. The risk is that strategies are formulated in a too “business-like” fashion focussing on economic opportunities only at the expense of more holistic and integrated planning approaches. There is no explicit mentioning of the spatial framework in which strategies are embedded. Also land use is considered as a consequence of strategies formulated rather than a pre-condition to be taken into account while elaborating on the strategies. This calls for an enlarged spatial perspective integrated into strategic planning efforts in order to achieve clear spatially determined guidelines on future area development.

River basin management is currently being emphasized in Thailand’s policy framework towards integrated water resources management. The National Water Resources Committee (NWRC) with the support NESDB has started to implement water resources management through the river basin approach. The subcommittee for the establishment of a Chao Phraya river basin authority was set up in 1998. Since then, the pilot implementation of a sub-basin authority has started in three priority sub-basins of the Chao Phraya basin, namely the upper Ping, lower Ping and Pasak. The corresponding sub-basin committees were established by NWRC at the request of the Cabinet. Each committee consists of all involved parties, such as representatives of the local government, local community, local people’s organizations, etc. Its duties are information collection, local project formulation and approval before submission to NWRC, and resolution of local conflicts about water issues.

While it contains an explicit spatial perspective and resembles an area planning approach, some problems have been found from the start in water resources management at the river
basin level. These problems are indicative of an attempt to introduce an additional layer of administrative authority which does not fully correspond to authorities established under decentralization and even is endangered to contradict them.

Text Box 7: Area Development through River Basin Management? 69

Problems have been found from the start in water resources management at the river basin level:

**First** is the issue of management mechanism at basin level. The unclear policy, legal and institutional framework governing basin areas makes it difficult to effectively implement basin management. Inadequate and sometimes conflicting legislation is also a problem. There are numerous agencies involved in basin management, and none has clear responsibility for basin management and development.

**Second** is the problem of participation of stakeholders. The current process of project identification and formulation of line agencies has proven unacceptable to the local population and other stakeholders, who demand more information from line agencies and greater participation in the decision-making process. Many large-scale projects do not go through this public process and cannot proceed.

**Third** is the issue of involvement of stakeholders in the development process. All public water projects are intended to serve and benefit the users, though they may have adverse effect on some other groups or resources. It is therefore important to seek the opinion of all concerned parties or stakeholders, to get them involved from the early stage of project formulation and to keep consulting them throughout the development process. This is certainly a big change for line agencies. On the other hand, the stakeholders have to adopt a more cooperative and objective stance and be keen to compromise, instead of letting outside influence overshadow their real interests, as has occasionally been the case.

**Fourth** is the issue of conflict management. With the more democratic practice of public involvement in water resources development, many conflicts happen during public hearings or consultations. The conflicts centre on environmental issues, compensation for those affected by the projects and demands from interest groups. At present, there is a lack of a mechanism for conflict management, in the form of institutional, legislative or procedural arrangements. As competition for water will increase in the near future, conflicts will multiply; thus, conflict management is a necessity.

**Finally** is the issue of sense of ownership and sharing of responsibility. As long as water is freely accessible and the government provides all water resources projects free of charge, the users or beneficiaries do not appreciate the projects and have little sense of ownership. The general feeling is that if it’s a government project, it belongs to the government, so let the government take care of it: people do not feel responsible for the maintenance of the project.

3.4 National and Local Development Planning in Viet Nam

Vietnam has opened significantly since the 1980s, signalling a move away from Soviet-style socialism and toward market socialism. In 1986, Vietnam’s Party Congress adopted its doi moi or renovation policy that led to a set of reforms aimed at liberalizing the economy and attracting foreign investment. The emergence of a market-oriented economy under doi moi has been accompanied by a process of land allocation to individual households. Households are now permitted to lease agriculture and forest land for up to 50 years. The increased citizen mobilization implied by these new policies finds ample support in the Vietnamese Constitution and the teachings of the country’s founding father, Ho Chi Minh. 70 In spite of land reform and the partial embrace of market reforms, Vietnam retains strong central planning of its economy. As a consequence, Vietnam’s provinces and districts still function under production quotas and central mandates for new enterprise development although this

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69 Sethaputra et al. (2000)
70 Dupar, Mairi and Nathan Badenoch (2002:14)
practice is gradually being reformed.⁷¹ These directives limit the discretion of local authorities or communities to pursue alternative production systems.

A. The System of Governance

Institutional Setting

Vietnam being a socialist country, government policy emanates from the communist leadership, the Vietnamese Communist Party, which the Constitution considers as “the force leading the State and society.” The all-powerful “politburo” and its five-man standing board set the policies and oversee their implementation. The Party meets every five years to elect the members of the central committee. Major policy directives come either from the central committee or the politburo.

Of equal importance with the Vietnamese Communist Party is Vietnam’s unicameral lawmaking body, the National Assembly or Quoc-Hoi, with 450 members who are popularly elected for a term of five years. It is the highest legislative body representing the people and exercises “supreme control” over all activities of the state. The Assembly meets twice a year. Previously, the Assembly simply acted on the proposals coming from the executive bodies, but the 1992 Constitution increased its legislative power and independence. It now exercises oversight authority over financial matters as well as defence and security policy. There are standing and permanent committees within the Assembly which are also granted new powers by the 1992 Constitution.

The executive bodies in Vietnam are the Office of the President and the Office of the Prime Minister. The president holds supreme executive power and acts as head of state. He also serves as commander of the armed forces and chair of the National Defence and Security Council. The National Assembly elects the president from among its members for a term of five years. The head of government is the prime minister, who is appointed by the president from among the National Assembly members. The prime minister heads the Cabinet, which is composed of five deputy prime ministers and directors of 31 ministries and commissions. Cabinet members are appointed by the president upon the recommendation of the prime minister and upon ratification of the National Assembly.

The Supreme People’s Court is the country’s highest judicial body. Upon the recommendation of the president, the National Assembly elects the chief justice for a five-year term. While the judiciary is independent from the administrative control of the government, the lower courts remain administered by both the Ministry of Justice and by the local authorities under whose jurisdiction they fall.

Governance and Decentralization Reforms

Vietnam has no comprehensive decentralization program. Decentralization takes place under a unitary state structure. Local authorities in Vietnam have no inherent powers but their public administration functions are explicitly assigned to them by national legislation.⁷² The 7th Party Congress maintained that there is a “need to strengthen centralism of the government in macro-economic supervision.”

There are three existing levels of local authorities in Vietnam: provinces (61 units); districts (600), and communes (10,330). Each locality at all of these levels has its own legislative and executive organs, the People’s Council and People’s Committee, respectively.⁷³ They are the

⁷¹ Personal communication with Dr. Le Hong Thai, Director General Dep. of Agric. Economy, Ministry of Planning and Investment, on 16.09.2004
⁷² Santiago, E. (2001)
⁷³ Vietnam has promulgated several laws to provide the basic legal framework for local government organization and operation through the “Law on Organization of the People’s Council and People’s Committee” (1994), and the “Ordinance on the Concrete Tasks and Powers of the People’s Council and People’s Committee at Each Level” (1996)
State administrative organs on local level. The members are popularly elected at the provincial, district, and commune levels. They, in turn, elect the members of their executive organ, which is the People’s Committee. The councils are responsible both to the local population and to the state organ at the upper level. Administrative committees handle the routine business of the councils.

Decentralization intends to strengthen the administrative capacity of government at the different local levels, including communities and nongovernmental organizations. It aims to tap existing and potential local resources for the purpose of planning and implementing policies and tasks to realize the long-term goal of improving quality of life, promoting social equity, and sustaining economic development. “The local authorities elected by the local population are entitled to clear rights, obligations and competence by laws, are entitled to decide and deal with local affairs within the limits of their competence by virtue of laws, are not allowed to violate the laws and the common national interest and are subjected to the uniform management and inspection from the central State agencies.”74

Decentralization thus comes in the form of “broadening the scope of responsibilities and power of the sectors and localities.” The Law on the Organization of the People’s Council and People’s Committee provides for decentralization in the social sectors, particularly in education, health, and social welfare. This is to be done through the distribution of powers to different local government levels, including taking over some of the responsibilities of the central government or coordinating the latter’s activities.

The People’s Councils decide on all matters pertaining to the administrative competence of local authorities. A number of factors, however, prevent the people’s councils from doing their tasks effectively. For one, the councils have inadequate resources and infrastructure facilities, and its members have inadequate skills. The councils meet for a limited number of times, holding two four-day sessions every year, usually only after the two sessions of the National Assembly. This means that council members have no substantial contribution to policy discussions concerning their respective communities.

The Grass-roots Democracy Decree of 1998 calls for greater transparency and public participation and pro-active disclosure of new legal and policy information to local people by the communes and a more active role for commune authorities in planning. Although the Decree itself transfers few tangible powers to the local level, it forms the basis for several targeted reforms that have funds attached, and in that regard contributes to the empowerment of local authorities. One such example is “Program 135”, which transfers government grants to the country’s poorest communes for planning and disbursement by the commune leadership.

Yet, political or democratic decentralization, meaning the creation of downwardly accountable local government with decision making powers, remains largely unrealized. Even then, the scope for representation at the village level is not to be exaggerated because, under the one-party system, elections are made on the basis of Party lists. Nonetheless, in theory, public consultation regarding development decision-making has the potential to be considerably greater at the village level than at the county or province level.75

Financing & Budgeting Process

There still is a low degree of fiscal decentralization, and provincial budgets primarily depend on central budget allocations. The major portion of a provincial budget is subsidized from the central budget and redistribution. On average, the net central transfers represent about 62 percent of local budgets, and budget deficits on local levels are entirely covered by the central budget.

74 Santiago, E. (2001)
75 Dupar, Mairi and Nathan Badenoch (2002:14)
Fiscal arrangements between the different levels and assignment of budget responsibilities to local authorities, particularly at the provincial level have been formalized through the Budget Law (1996; 1998). It provides an enabling framework for localities to increase their own revenue base.

Previously, the local budgets were heavily reliant on grants and transfer payments from the central government. Variations in yearly fiscal transfers made long term local planning unfeasible. Under the new budget law, the local governments are able to develop their own sources of income. For example, provincial people’s committees are authorized by the budget law to raise investment funds from the lease of public lands, to collect rent from public housing projects, to receive ODA grants, to receive money from lotteries and to collect fees as payment for rendering certain regulatory functions.

For governmental units at the district and urban ward level, the budget law allows contributions from people and communities on a voluntary basis. In addition, such units could obtain funds from taxes on agricultural land, taxes on the transfer of land use rights, taxes on houses and residential land, trade license fees, charges for specific services, and contributions and donations from the people. However, according to the budget law, the provincial authority is not allowed to borrow directly from foreign banks. This restriction limits the mobilization of investment for provincial development.

Whereas the Ministry of Planning and Investment (MPI) is in charge of the state budget planning, its provincial branch, the Department of Planning and Investment (DPI) proposes the allocation of state budget to the Provincial People’s Committee. The provincial budget allocation is formulated in collaboration with the Finance and Pricing Department (FPD). The FPD is a line agency under the Ministry of Finance, responsible for the management of expenditure and disbursement of state provincial budget. The FPD is also responsible for the preparation of budget for annual sector plans at provincial level and for overall financial management and accounting of the investment programs and projects that relate to the state budget and are under provincial responsibility. It also advises the PCC in the promulgation of fiscal policies and measures for provincial implementation in line with the national guidelines and regulations.76

B. The Planning Frameworks

Since the introduction of the multi-sector market economy, the government endeavours to apply reformative approaches to the national planning system. Such approaches, which may not yet be reflected clearly in the planning implementation throughout the country, are stated as follows: 77

- To reform the command-based planning approach of centralized allocation of state and collective resources into a new system that sets directives for resource allocation in a multi-sector economy;
- To reform the command planning with a system of obligatory targets (indicators) assigned by the government to enterprises into a system of incentive policies and regulations, and a few macro targets (indicators). This reform measure would encourage planners to focus on issues of quality rather than quantity, and with due concerns to inter-sectoral and inter-regional issues;
- To reform the technical planning process within individual sectors and regions into an objective-oriented development planning of programmes covering inter-regional and sectoral issues both within the country and, increasingly, with neighbouring countries;
- To reform the planning system based primarily on foreign development aid into an integrated planning system balancing domestic and international resources, taking into

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76 Nguyen Quang (2003:27)  
77 Nguyen Quang (2003:13)
consideration economic development, social justice and environmental protection based on sustainable development principles.

Despite these declared innovations, planning mechanisms still resemble the centralized model. The methodology essentially is a top-down (target setting) approach not yet starting with the concrete issues and problems to be addressed. All “planning” is viewed as a process of implementing the planned investment of state resources, and not as a means of guiding and controlling private development/investment for the public interest.\footnote{ibid.:14}

**Existing levels and instruments for planning**

In Vietnam, the main planning instruments comprise socio-economic planning (policy and strategy), sectoral planning and physical planning (giving spatial orientation to the investment decisions).

**Figure 6: The Planning System in Vietnam**\footnote{Modified according to Nguyen Quang (2003)}

These three planning fields are equally applicable at the national, provincial, and district levels. They are classified as long-term (10 - 15 years); medium-term (5 years) and short-term (annual) planning. Socio-economic, sector and physical planning tasks are also conducted for up to seven regional units, however without an administrative framework for plan implementation. Additionally, Vietnam is allocating some powers for local development planning to communes in the rural areas.\footnote{The commune is a unit of government administration below the district, which, in the rural areas, typically comprises several villages.}
**Socio-economic Planning**

Socio-economic planning is being prepared and coordinated at the central level by the State Planning Committee (now the Ministry of Planning and Investment - MPI) and, at provincial/city/district levels by subordinated planning/investment departments (DPI). Planning constitutes a platform for vision building and coordination of Government actions at each level. Planning contents for medium- and short-term plans are guided by the ten-year national development strategies promulgated by the National Assembly (following the Party resolutions), which establishes the priorities of national socio-economic goals and objectives.

Under the conditions of a market economy, some of the main weaknesses of this current system are (i) that the plan contents rely mainly on predetermined targets rather than analyzed issues and problems; (ii) that the plans consider public investments only (i.e. public spending) as the means to achieve development objectives, and (iii) that the plan elaboration lacks a strategic focus/analysis and priority setting. In addition, the integration of sector plans into the development plans is carried out superficially through consultation with ministries and line agencies.

Socio-economic planning is not conceived as a continuous responsibility of the government but rather as a set of discrete activities, which have to lead, to the extent possible, to investment projects. Therefore, there was no capacity for a follow-up on the implementation and/or the administration of the plans because, once approved, the plans should directly lead to public work programs. Priority setting (in the socio-economic plans) and implementation of physical planning are separated and, therefore, difficult to coordinate.

From the implementation point-of-view, one of the planning constraints is that the socio-economic plans lack a spatial perspective. Land management as well as other planning and management tools like policies for economic promotions and environmental consideration, are not fully taken into account in the planning process. Together with the fact that there is little community or private sector involvement in the preparation of socio-economic planning, the effectiveness of this planning tool under the conditions of a market economy are quite limited.

**Sector Planning**

Under the command planning system, one of the roles of sector development planning is to define targets for the production of state owned enterprises (SOEs). In some way, such plan targeting was justified since the resources were under public ownership and government took responsibilities on the inputs supply and outputs distribution. But, in a multi-sector economy, the enterprises (either under the state or non-state ownership) should follow their own business plans prepared in response to the dynamic changes of the market. Thus, the business plans of SOEs should not be subject to centralized decisions of the government.

In fact, the state intervention (through the planned targets in the sector development plans) is compromising the efficient and effective production and business activities of SOEs in the market economy. Therefore, it is necessary to replace the top-down sector plans with sector development policies in order to create a more favourable framework for development and operation of SOEs.

**Investment Planning**

In the investment planning process, the physical layout of all major public and private development/investment projects is planned as if they were components of a public works program. The main problem of physical planning is related to the application of a rigid master planning approach resembling some type of blue-print land use plan. The master plan is a kind of photograph of how the urban basic land use may look at some future point in time. Its content lacks details on how the various land use schemes are to be implemented.

There is a limited participation of non-state (foreign, domestic private and community) sectors in the preparation of socio-economic, sector and physical plans. Consequently, the mobilization of non-state sources has not been adequately included in the investment plan.
Regarding the public investment, the project implementation, in many cases, is undertaken without an adequately integrated framework, and there is no proper budgeting support.

The investment projects’ appraisal is based largely on the appropriateness of the proposed (or assumed) investment of government resources rather than a set of criteria taking into account socio-economic and environmental implications. Official appraisers are often unsure whether the proposal (either private or state) is economically feasible or compatible with the existing and/or future infrastructure or does not cause social and/or environmental problems.

In Figure 7, it is evident that the investment procedure is basically a top-down approach, where investment projects are formulated through centralized investment planning rather than being based on local strategic analysis and demands. The role of private sector is omitted while non-state investment has not been contemplated in the investment program prepared by the authorities.

Figure 7: Procedure for Planning of Investment Projects

- Master Plan for Spatial Structure
- Master Plan for Socio-economic Development
- Five-Year Plan
- Investment Programme
- Determination of Capital Investment
- Project Proposals
- Annual Budget Plan
- Prioritized Projects
- Project Implementation
- Evaluation of Implemented Projects

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81 according to Nguyen Quang (2003). No information has been found on the “Master Plan for Spatial Structure” as mentioned in the diagram.
The local development planning approach

The Government of Vietnam is committed to encouraging citizen participation in local governance and development planning, and to increasing the transparency and accountability of public institutions and decision-making processes. The Regulation on the “Exercise of Democracy in the Communes”, introduced by the government in 1998, provides a legal framework for consultative relations between local-level administration and the people, and affirms the role of citizens to provide input and oversight in selected areas of local planning and decision making. By encouraging consultations, participatory decision making, and supervision by citizens, the regulation enhances the transparency of the plans, expenditures, and activities of People’s Councils and People’s Committees at the commune level.

Local government involvement in planning multi-sectoral economic activities, however is still insufficient. Local governments are not yet in a position to create effective linkages to other stakeholders (e.g. private enterprises) in the formulation and implementation of development plans. The main causes are (i) dependence of the local authorities on decisions from superior levels (i.e., approvals of investment project and business plan); (ii) lack of fiscal decentralization (i.e., provincial budgets depend on central budget allocation).

There is a need to strengthen the role of local government in the planning and implementation of development activities since the local administrative mechanism is the most appropriate to directly deal with conflicting interests arising from the market economy. The effectiveness of planning could be significantly increased if local levels were provided with autonomy on planning, project approval and fiscal decisions.

In the current planning practice, requests for funding are submitted from the local to the central level.82 The central level (mainly the Ministry of Planning and Investment – MPI) coordinates and takes decisions which are communicated to the local level in the form of targets with an approved list of investment proposals (i.e., in the socio-economic plans and sector plans). On the other side, once the broader socio-economic plans are defined and investment proposals are prioritized, the Ministry of Construction (MOC) or subordinated agencies have to find appropriate locations and to prepare the physical plans (i.e., urban master plan, detailed plans) for the implementation of the public works program. All major development projects are included as components in this program. Private sector development is assumed to be small scale, and therefore not significant and as a result does not form part of the existing mechanisms. Hence, the planning implementation is the realization of such a public work program rather than a legal planning framework to facilitate and control the development activities of multi-sector stakeholders.

This top-down approach was justified in the centrally planned economy since the main function of the plans was to distribute public resources. However, under the conditions of a market economy its continuing application is inappropriate and can create serious risks to the credibility of planning as well as distortion of market competition. The following text box provides an illustration of the provincial level planning carried out in one of the provinces of Vietnam.

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82 This situation is clearly reflected in those localities that rely heavily in national budget subsidies like in Ha Tinh province (see below)
Ha Tinh’s planning system reflects a formal procedure for plan preparation and approval. Development plans are prepared technically by planning departments and handed to the People’s Committees (as the executive agencies) for discussion and completion. An internal planning platform comprises professional and institutional actors (i.e., local agencies and government authorities) to contribute to the formulation of plan targets and strategies. Later, they are submitted the People’s Councils (as representatives of state power) for final approvals. Formally, the community participation in the planning process is represented through the approval role of these elected bodies. Plans are also prepared at different local levels reflecting a certain grade of decentralization and flexibility for localities. Moreover, a regular procedure for the monitoring and evaluation of plan implementation exists. Following this procedure, all sector agencies and local authorities are required to report regularly on the situation of planned development activities under their management.

The planning outputs aim to integrate socio-economic and environmental issues under responsibilities of provincial sector agencies. There is some co-relation between the plan vision/goals, strategies (long-term and medium plans) and some concrete actions that manifest in the form of investment projects with proposed budgets. Planning priorities and solutions are intentionally drawn in plan outputs despite lacking strategic analysis.

Ha Tinh’s Ten-Year Strategic Development Plan states that the investment priorities are to develop the economic structure, the rebuilding and upgrading of the transport and drainage system, the construction of electricity supply for irrigation, the development of cement-paved canals, the reconstruction of a port system. However, it does not indicate how these priorities were formulated.

In reality, the planning system is still executed in a top-down manner in which the planning targets are predetermined by superior levels. The formulation of planning objectives often focuses on determining plan targets (indicators) rather than addressing basic issues and development problems. In practice, the proposed indicators are considered as the planning objectives (targets) instead of assumed projections in prospective socio-economic scenarios.

For example, Ha Tinh’s Ten-Year Strategic Plan sets objectives for agriculture, forest and fishery development as: “to obtain an agriculture - forestry - fishery growth rate of 5.93 percent in the period 2001-2010; agricultural contribution to GDP is reduced from 51.3 percent to 33 percent in 2010. The proportional structure of the agriculture sub-sector, forestry sub-sector and fishery sub-sector is 70 percent, 9.5 percent and 11.5 percent respectively”.

Similarly, in Ha Tinh’s Five-Year Socio-economic Development Plan (2001 – 2005), objectives of economic development are set as to “strive to pace up economic growth to an average annual growth rate of 8 percent with the economic structure by the year 2005 as follows: agriculture, forestry and fisheries is to be accounted for 40-42 percent; industry and construction 20-22 percent; and trading and services 36-38 percent. The gross social product per capita is to reach VND 4.5 million, approximately 156 percent compared to that of the year 2000; food production per capita to reach 400 kg on average. To increase budget revenue in the province, export value is to reach US $ 40-50 million by the year 2005.”

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83 Nguyen Quang (2003)
**Existing spatial planning processes with special consideration of cross-sectoral (economic) development planning**

There is no comprehensive spatial planning approach being conducted in Vietnam which would integrate socio-economic development on a territorial perspective. Physical planning of investment projects is the dominant form of planning involving a spatial dimension.

The People’s Councils have been vested the powers to decide the measures for management and use of the land, forests and other natural resources in their localities. This includes the responsibility to prepare land use plans, to carry out land allocation and to issue land use certificates as specified in the Land Law. The People’s Councils at each level of local government enjoy a high degree of autonomy and executive powers to oversee the work of the local branches of the line ministries which are generally hierarchically linked to the respective People’s Councils and not to the higher levels of their ministry. The District People’s Council is the responsible body for land allocation and land use planning at commune and village level and commonly in charge of all projects carried out on its territory, including those organised at provincial or national level.⁸⁴

Despite certain changes, the physical plans prepared under the Ministry of Construction (MOC) and its subordinate agencies have the main purpose for the implementation of the "public works program". A number of planning instruments (i.e., urban master plan, site development plans) are primarily developed under the government internal platforms (coordination of public construction projects) and are not meant to become a development control framework within an area.

In Vietnam, the current master planning approach has been a focus of many critiques made by different local and international studies and projects, which have been designed to improve the ineffective planning and management system for urban areas. The master planning approach undertaken in Vietnam is ill equipped to manage market-led development, and unrealistic planning standards often promote uneconomic and inefficient use of land.

**Linkages between the planning processes at the various levels as well as the integration of these processes**

The general procedure for formulating socio-economic and sector development plans (long, medium and short terms) on the national level consists of four steps:

**Step 1:** The Central Government (following Party resolutions) identifies visions, directions, strategic orientations and major targets for developing socio-economic fields of the whole country for the next planning period (i.e., ten-year period 2001-2010). These recommendations rely on the status of the previous period and projections for economic development in the country; internal factors (such as the potential of domestic resources and development trends); and, external factors (such as development aid, support from international co-operation, and trends in regional and international development).

**Step 2:** The Ministry of Planning and Investment (MPI), assigned by the Central Government as coordinating agency, together with other line ministries and local government and agencies (provincial level), formulates the Ten-year National Socio-economic Development (Master) Plan, including Regional Socio-economic Development (Master) Plans. Line ministries (or other agencies) responsible for sector development formulate their own Ten-year Sectoral Development (Master) Plan based on the directive strategic goals set out in the national strategy.

**Step 3:** Based on the long-term development strategy and master plans, MPI in cooperation with other ministries and provinces, formulates the Five-year Socio-economic

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⁸⁴ Christ, Herbert and Dirk Kloss (1998) Land Use Planning and Land Allocation in Vietnam; Hanoi
Development Plan and submits it to the Government for examination. The Government then submits it to the National Assembly for approval.

Step 4: Based on the Five-Year Socio-economic Development Plan, MPI provides guidance to line ministries and provinces in preparing their own annual development plan. MPI synthesizes all annual development plans submitted by line ministries and provinces, reports to the Government and then submits them to the National Assembly for approval.

In principle, the process of preparing and approving socio-economic and sector plans at the sub-national level is similar to that followed at the national level. The provincial department of planning and investment is the focal point for provincial planning and assists the Provincial People's Committee (PPC) in formulating the overall framework for the plan. The PPC is responsible for the preparation of the socio-economic development plan. All sector departments in the province are involved in the planning exercise. The Department of Planning and Investment (DPI) is designated to synthesize the sector contributions and technically prepare the master plan to the PPC. In the process of the plan formulation, PPC can invite some professional institutions at the national level to provide technical assistance. In principle, the provincial socio-economic development plan must include plans of institutions and enterprises located in the province which are under direct management of the central government. In practice, many provinces are unable to realize that integration.

The PPC, with the assistance of DPI, formulates the annual planning framework for the whole province, based on the requirements and directive targets from the central government, the Provincial Party Committee and People Council’s resolutions, the provincial master plan, existing circumstances and programs in the province and on implementation of the previous annual plan. Each provincial department prepares its tentative plan based on this framework and circulates it directly to subordinate institutions (at provincial level) and all districts.

Guided by these tentative plans, subordinate institutions in the province and districts, formulate their annual action plans and submit them to their supervising departments for approval. It is a formulation and revision process based on consultation between districts, subordinate institutions and provincial departments.

After reaching agreement, departments submit their annual development plans to the PPC. DPI is the agency to assist PPC in synthesizing and reviewing plans and finally submitting the plan for approval. PPC synthesizes its annual provincial socio-economic development plan and submits it to central government. There is a need to receive central government endorsement of the validity of the plans for some important fields or projects drawing from the state budget. Based on the approved plans, PPC directs its institutions and agencies to formulate their actions to implement the plan.

Regarding the district and commune level, the preparation of plans should proceed in a similar way to that followed at provincial level, but the contents of plans are more limited.
Enabling framework (policies, laws, guidelines and institutions) for planning processes

Currently, a planning guideline is under elaboration by the MPI which in the future will guide the national and local development planning process and its integration. It will give some discretion to communes to determine local development agendas.85

At present here is no institution with the mandate and capacity to elaborate and enforce planning and development control frameworks for all stakeholders in development. Planning responsibilities are fragmented between the different ministries (sector plans), and coordination by the Ministry of Planning and Investment is difficult as the sectors are competing against each other for financial resources. For instance, the regulatory function of planning in MPI could become confused with the interest to promote investments, or in the MOC, plans would be prepared with the interest to optimise public works programs.86

Planning is still widely seen as a process of allocation of state resources to meet specified targets addressed by the Party's policies. This planning system is neither appropriate nor effective for proper operation of a market economy since private investment is still not recognized as the major factor in development. Planning weaknesses are, among others, (i) consideration of public investments as a unique means to achieve objectives; (ii) lack of priority setting and a strategic focus; (iii) lack of effective coordination among the socio-economic plans, sectoral plans and physical plans; (iv) little community participation and public awareness in planning process; and (v) little or no consideration of the appropriateness of the development in terms of its visual, social, economic or location characteristics, as there is no process or mechanism for the grant of development permission.

Public consultation in planning would allow better coordination and implementation of development activities. However, as the planning system is input oriented and heavily subject to government decisions, there is very limited community participation on plan formulation and discussion. This problem inhibits the coordination among development actors and the effective mobilization of the societal resources.

There is a need to create different means for community participation in the planning process (i.e., consultative mechanisms, planning platform, and others) at different local levels. Yet, there is some progress since the government incrementally pays more attention to the participatory planning approach. One example is the promulgation of the “grass-root democracy decree” (1998) that requires the community and households to participate, monitor and evaluate the development activities at commune level. On the other side, the effective community participation can be achieved if government planning becomes more transparent to the civil society.

Plan enforcement is also confused as the main objective of the plans is to promote investment and not development control. There is little or no consideration of the appropriateness of the development in terms of its visual, social, economic or location characteristics, as there is no process or mechanism for the granting of development permission where these characteristics of the proposal would be evaluated. It appears that this vacuum is filled increasingly with ad-hoc decision making without reference to consolidated planning frameworks that should be available to guide development.

Moreover, there exists no independent institutional system (i.e. a legal planning court) which has the capacity to resolve conflicts between the society and the government and to enforce the regulations of construction and land use.

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85 A complete translation of the draft ordinance could not yet be obtained.
C. Opportunities for Integrated Planning

Identification of possibilities for integration of watershed management objectives into the existing planning regulations and practices

Socio-economic planning has taken a dominant position as the public sector represents the dominant investment source. It prioritizes all of the proposals contained in the sector plans prepared by sectoral ministries, departments or agencies. Meanwhile, physical planning represents essential tools for the spatial arrangement of land uses in a region or city. It could provide a spatial orientation to the socio-economic plans representing socio-economic development strategies and policies.

Planners and policy-makers must focus more attention on the integration of spatial and environmental issues into socio-economic planning. Indeed, the Communist Party of Vietnam has provided a mandate for such integration in the Ten-Year Development Strategy (approved by the 9th National Congress in April 2001). This strategy requires government to: “...proactively incorporate[s] environmental improvement into every socio-economic development scheme, plan, program and project, regarding environment-related requirements as a major criterion for evaluating development solutions.” 87

While there are clearly important developments underway at the macro-level with some emphasis on decentralisation, much needs to be done to streamline policies, regulations and guidelines that constrain the incorporation of watershed management into area-based planning. 88

- Centralised control over financial flows has meant that central policies and programs tend to dominate over provincial level approaches which may be more sensitive to the development needs of particular areas.
- Legal documents, policies and guidelines at central and local level conflict with each other and overlap, constituting an obstacle for the effective implementation of activities.
- Government institutions operate according to different administrative mandates in place at commune, district, provincial and national level which are not yet integrated.
- Understanding of mutual impacts of macro-economic and sectoral policies at local and national levels is limited (e.g. encouraging rice production has accelerated the reclamation of important wetlands).

While the current planning system is not yet well elaborated from a spatial or territorial development perspective, it provides some avenues to achieve a higher degree of integration. Linking existing forms of land use planning at communal and district levels with the elaboration of socio-economic strategies would provide an entry point.

Finally, it is worth mentioning that GTZ currently supports three new projects in the field of NRM. 89 All of these combine area development with innovative forms of land use planning, socio-economic development and environmental management. There should be ample opportunity to integrate watershed management objectives into the envisaged approaches.

The project Rural Development in Dak Lak Province, begun in January 2003, supports the development of appropriate land use and resource planning practices on the community level and within local government institutions.

The project Tam Dao National Park and Buffer Zone Development, begun in October 2003, applies decentralised planning procedures aimed at environmental conservation, with a

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87 ICEM (2003); Protected Areas in Vietnam
88 ibid.
89 as retrieved from the GTZ’s website in Vietnam (http://www.gtz.de/vietnam/index.htm)
specific focus on biodiversity, and socio-economic development of communities in the area of Tam Dao National Park.

The project *Management of Natural Resources in Central Vietnam*, opened in April 2004, will promote appropriate planning practices on the provincial and local level in Quang Binh Province.

### 3.5 Summarized Analysis of Existing Planning Frameworks

The analysis of the planning systems in the four countries reveals that integrated spatial planning is not yet applied as an instrument of planning. The existing planning systems are characterized by fragmentation and lack of strategic orientation and often are short of implementation.

Rather than coordinating various needs and demands through a spatial or territorial orientation to planning, each sector plans according to and within its own narrow objectives. Moreover, each sector planning ascribes specific planning tasks to the different levels for the execution of which the capacity is severely lacking. Sectors that are particularly relevant to watershed management such as land, water, forests and environment have developed their own planning procedures and sector methodologies in order to make some headway into bureaucratic competition for scarce budgets, leading to numerous overlapping plans of which few ever get implemented (*implementation gap*).

All planning systems have a distinct multi-level approach starting from the national level and often reaching down to the lowest level of commune or even villages, however vertical integration, particularly of bottom up inputs into higher level planning and policy making is not evident.

Donors often tend to concentrate on the lower end of the planning hierarchy and then try to work their way upwards through a participatory and bottom up approach. This only succeeds where policy advisory support is made available to transfer practices into national policies. The implementation of plans heavily depends on donor support as well.

This situation calls for a more integrated planning approach which is firmly anchored into existing institutional set ups and based on distinct forms of decentralization - which are emerging in all of the countries in one way or the other during the past few years. This provides the opportunity to adopt local development planning as the vehicle to strive for integration of watershed management objectives into a more holistic area-based planning process from which basic principles for sector planning could be derived. It is essential that this form of integrated area planning is strengthened because it could also provide the principal mechanism for fiscal decentralization following localized development strategies.

Yet, the support to planning from an enabling legislation, effective organizational settings, transparent decision-making systems and related processes, skilled manpower, administrative leadership and institutional arrangements for coordination is still weak. On the other hand, the planning systems do not suffer from a lack of regulations but from a lack of consistent application - which is encouraging as it provides some room to improve upon weakly established planning practices to flexibly address conservation and development issues in a more integrated area-based manner.

**Entry points** for focusing on integrated planning for area-based watershed management could be substance-, level- and procedures-based, and ideally comprise all three elements.

- **Substance-based**: from sector policies and related legislation (e.g. land, forests, water, minerals, and energy) the substantive inter-linkages should be identified which provide interdependencies with WSM issues. A cross-cutting policy framework on area development should be formulated.
• **Level-based**: planning at specific levels should be based on clear mandates which are mutually supportive and enhance the quality of planning products. The inter-relationships between levels in formulating plans and their impact on each other’s plans should be clarified.

• **Procedures-based**: clear planning guidelines should provide for coordinated planning processes, transparent decision-making, integration of programmes, and provision of guidance to enhance planning capacities.

The **entry levels** for integrated planning in each country are suggested as follows:

- Cambodia: Communes & District Level
- Lao PDR: Village Clusters & District Level
- Thailand: Sub-districts & Province Level
- Viet Nam: Communes & Province Level

In any case, the role of the province has to be considered as the most important level from both a spatial and institutional point of view. The process to reform the planning process therefore should start at the provincial level because

- a more differentiated spatial-functional framework is available within which the options for strategic development can be identified;
- it is possible to pursue a broader natural systems based approach with more complex inter-linkages;
- the response to different intra-regional development conditions and existing degrees of political, administrative and fiscal capacity can be better balanced;
- it presents an effective institutional entry point for national planning and vertical coordination with local development planning efforts;
- it provides an adequate response to the current major capacity constraints in the administrative systems.

In the following, a summary table is provided that summarizes the main planning levels and instruments in comparison.
Table 3: Planning Instruments of the LMB Countries

<table>
<thead>
<tr>
<th>Level / Country</th>
<th>Cambodia</th>
<th>Lao PDR</th>
<th>Thailand</th>
<th>Vietnam</th>
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<tbody>
<tr>
<td></td>
<td>Sector Investment Plans</td>
<td>Sector Development Plans</td>
<td>Five-Year Socioeconomic Development Plan</td>
<td>Five-Year Socioeconomic Development Plan</td>
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<td></td>
<td></td>
<td>Five Year National Public Investment Programme</td>
<td>Annual National Development Plan</td>
<td>Annual Development Plan</td>
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<tr>
<td><strong>Region</strong></td>
<td>Multi-province projects, e.g. coastal zone (different categories established)</td>
<td>Development Plans for Regions or Economic Zones</td>
<td>Spatial Development Framework (ten functional development zones) (NESDB 1997)</td>
<td>Regional Socio-economic Development Plans (7 regions)</td>
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<tr>
<td><strong>Province</strong></td>
<td>Provincial Development Plan</td>
<td>Five-Year Development Plan</td>
<td>Provincial Development Plan (Strategic Development Plan, Three-year Development Plan)</td>
<td>Ten-year Provincial Development Plan</td>
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<td></td>
<td>Provincial Development Investment Programmes by sector following SEDP</td>
<td>Annual Development Plan</td>
<td>Annual Operational Plan</td>
<td>Provincial Sector Development Plans</td>
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<td></td>
<td>Ad-hoc spatial planning (Physical framework plans)</td>
<td>Provincial agricultural land use plans (for seven provinces)</td>
<td>Provincial Structure Plan</td>
<td>Five-year Provincial Socioeconomic Development Plan</td>
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<tr>
<td><strong>District</strong></td>
<td>District Integration Workshops (SEILA)</td>
<td>Five-Year Development Plan, Annual Development Plan</td>
<td>District Development Plan (Strategic Development Plan, Three-year Development Plan)</td>
<td>District Sector Development Plans</td>
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<td></td>
<td>District Development Plans (special planning project for</td>
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<td>Five-year District Socioeconomic Development</td>
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<tr>
<th>Level</th>
<th>Plans</th>
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<tr>
<td>(special planning project for two districts)</td>
<td>- District land use zoning plans for special areas</td>
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<td></td>
<td>- Area-focused rural development approach which applies comprehensive poverty-focused planning at the district level is envisaged</td>
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<td></td>
<td>- Annual Operational Plan</td>
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<td></td>
<td>- Socioeconomic Development Plan</td>
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<td></td>
<td>- Annual District Socioeconomic Development Plan</td>
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<td></td>
<td>- District land use plans</td>
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<tr>
<td>Commune or Sub-district</td>
<td>- Commune development plans</td>
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<tr>
<td></td>
<td>- Three-Year Rolling Investment Plans</td>
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<td>- Annual Budget Plans</td>
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<td>- Five-Year Development Plan at village cluster level (Kum Ban)</td>
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<td>- Annual Development Plan at village cluster level (Kum Ban)</td>
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<td></td>
<td>- Sub-district development plans</td>
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<td>- Land use plan</td>
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<td>- Natural resource management plan</td>
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<td></td>
<td>- Commune socio-economic development plans</td>
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<td>- Commune land use plans</td>
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<td>Village</td>
<td>- Participatory land use plans</td>
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<td>- Participatory land use plans</td>
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<td>- Village development plans</td>
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<td>- Village development plans</td>
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<td>- Land use plans</td>
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Notes:
- Commune development plans
- Three-Year Rolling Investment Plans
- Annual Budget Plans
- Five-Year Development Plan at village cluster level (Kum Ban)
- Annual Development Plan at village cluster level (Kum Ban)
- Sub-district development plans
- Land use plan
- Natural resource management plan
- Commune socio-economic development plans
- Commune land use plans
- Land use plans

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A summarized descriptive assessment of the planning systems differentiates according to four essential components, i.e. structures, policies, resources and support mechanisms. These issues are relevant to describe existing planning systems and their performance in meeting the objectives of integrated planning.

**Figure 8: Planning Systems’ Analysis**

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**Planning Structure** enables the generation of policies, rules and procedures to perform the planning system’s functions within the legal mandate.

- Multi-tier systems of planning not well defined and operated.
- Absence of unified planning frameworks but fragmented sector programmes and activities with modest attempts for area focused planning.
- Structural inter-linkages between more comprehensive strategic and sectoral planning and between different planning levels are mostly superficial.
- Government institutions at commune, district, provincial and national level frequently operate according to different administrative mandates which are not yet integrated.
- Limitations of conventional sector approaches have led to conflicting natural resource development strategies.
- Effective substantive coordination among the socio-economic plans, sectoral plans and physical/land use plans is not taking place.
Planning Policy provides the institutional capability to prescribe future courses of action or behavior of actors to mobilize, allocate and utilize resources in the process of policy implementation.

- Legal documents, policies and guidelines at central and local level overlap and conflict with each other, constituting an obstacle for the effective implementation of policy.
- Spatial planning framework and policy at national and regional level not emphasized.
- Sectors focus on own policies with little recognition of inter-sectoral coordination needs.
- Most planning is still seen as a process of allocation of state resources to meet specified target addressed by the Party policies. (Vietnam)
- Target driven economic development planning at the expense of strategic planning. (Vietnam)
- Regional plans prepared ad hoc and only loosely related to socio-economic planning.
- Local development planning largely not tied up with national – regional planning streams.
- Substantive policy interfaces between sectors widely missing.
- Integrated natural resource management policy less emphasized at all levels.
- Little strategic goal setting at higher levels to provide orientation to local level planning.
- Approaches to poverty alleviation not yet consistently integrated into planning activities.

Planning Resources comprise human (competencies and skills), financial and physical resources, available for the internal operation of the planning framework which are essential in performing assigned tasks and functions

- Impediments to more effective planning include inadequate spatial information and modelling capabilities and a shortage of skills in development planning agencies.
- Dependence of local authorities on decisions from superior levels (e.g., approval of local investment projects and business plans) for support of plan implementation.
- Centralized control over financial flows has meant that central policies and programs tend to dominate over local level approaches which may be more sensitive to the development needs of particular areas. (Cambodia, Vietnam)
- Separated budget streams do not facilitate implementation of water resource related investments.
- Lack of fiscal decentralization (i.e., provincial budget depending on central budget allocation (Vietnam) or on non-obligatory individual agreements with sectoral departments (Cambodia).
- Limited participation of non-state (foreign, domestic private and community) sectors in the preparation of socioeconomic, sector and physical plans. (Vietnam, Laos)
- Low level of professional planning competence at national and local levels and huge demands for more systemic capacity building that addresses the institutional (regulatory), organizational (mechanisms) and individual (skills, attitudes) dimensions.
Planning Support embraces the management strategies and tools to generate and sustain support from the internal and external environment to accomplish the planning mandate.

- Absence of effective multi-sector and multi-level planning platforms and/or consultation mechanisms which would allow better coordination of development activities.
- Little consideration of the appropriateness of development in terms of its visual, social, economic or location characteristics, as there is no process or mechanism for granting of development concessions through which the characteristics of proposals would be evaluated.
- Weak mandates and capacity to elaborate and enforce planning and development control.
- Ad-hoc decision making without reference to more or less consolidated planning frameworks that would guide development.
- Understanding of mutual impacts of macro-economic and sectoral policies at local and national levels is limited (e.g. encouraging rice production has accelerated the reclamation of important wetlands). (Vietnam)
- Insufficient approach to capacity building that does not apply a more holistic approach integrating institutional, organizational and individual capacity building needs.

Summarizing, the remaining significant challenges for adopting an integrated system of planning:

- Review the planning systems with the objective to create process-based inter-linkages between different streams of planning between and at each level to enhance consistencies.
- Remove institutional constraints inhibiting government agencies from taking an integrated approach to development planning by creating appropriate mechanisms for mutual coordination under a policy-based fiscal management framework.
- Establish integrated spatial development and management objectives which consider alternative means of achieving them, assign priorities to alternative strategies based on equitable distribution of costs and benefits, ecological integrity, sustainability and other relevant criteria.
- Facilitate participatory planning and decision-making at the local level, and establish and strengthen partnerships by involving the relevant stakeholders in a substantive way in planning and management (co-management).
- Conduct extensive capacity-building for increased application of relevant planning techniques in development planning processes.
- Delegate appropriate fiscal authority to local authorities to fulfil their roles in planning and managing area development.
4. Towards Integration – A Concept for Area-based Planning

Due to the variety of definitions, concepts and applications of “planning” and the weak integration or coordination between different planning levels and instruments, the challenge is to formulate a combination of the different planning forms into one practical manageable planning approach. It should consider the existing institutional frameworks and, at the same time, represent a working methodology for participatory and inclusive spatial planning to be conducted on the various levels. In view of the weaknesses of the existing planning practice and the requirements for managing multi-stakeholder and multi-level planning, a planning strategy that facilitates dialogue and negotiation of interests is strongly recommended.

4.1 Working definitions

As the analysis has revealed there is an enormous variety of different forms of planning that all have an impact on spatial development. Spatial planning - which obviously is largely absent in the four countries - as the broadest form embraces other forms such as land use planning and physical planning. It is considered to pave the way to regional development planning, sectoral planning and annual budgeting/investment planning. Although implicitly contained in many policy statements of the riparian countries, the “integration” of the various planning streams and its vertical or horizontal coordination has not been effective yet being hampered by centralism and sectoralism, and remains a fundamental challenge to overcome.

To begin with, the term “integrated planning” refers to a holistically conceived planning approach based on a commonly accepted inter-sectoral set of development objectives which are transferred into well coordinated arrangements for implementing development activities at the various levels of planning.

As a first step into this direction spatial planning is the process to analyse, plan and implement the physical requirements of a society’s spatially and functionally interdependent needs, potentials and interests, based on the determination of territorial functions and future land requirements that result from established development goals and policies.

As such it would precede socio-economic development planning which is the systematic endeavor of multiple actors (stakeholders) from the public, private and civic domain to deal with interdependent spatial, socio-economic and ecological problems. It aims to analyse development conditions, formulate development goals and policies, conceptualize alternative strategies for solutions, and implements them with the available resources. New opportunities which enhance the society’s well-being could be mobilized in a sustainable manner.

A more specific form of planning, although often used synonymously with spatial planning is connoted by the term physical planning which is the designing of the physical infrastructure, such as transport facilities - roads, railways, airports, harbors; industrial plants and storage of produce; mining and power generation; and facilities for towns and other human settlements, in anticipation of population increase and socio-economic development. It takes into account the outcome of land use planning and zoning. Physical planning usually is carried out by sectors in charge of planning and managing particular infrastructure projects.

This definition indicates that physical planning is closely related to and preceded by land use planning, which is a process that "facilitates the allocation of land to the uses that provide the greatest sustainable benefits." (UNEP, Agenda 21, paragraph 10.5) It is based on the socio-economic conditions and expected developments of the population in and around a natural land unit. These are matched through a multiple goal analysis and assessment of the intrinsic value of the various environmental and natural resources of the land unit (evaluation of options). The result is an indication of a preferred future land use, or combination of uses. Through a negotiation process with all stakeholders, the outcome of land use planning is a set of decisions on the concrete allocation of land for specific uses (or non-uses) through legal and administrative measures, which will lead to implementation of the plan. Land use planning is mainly related to rural areas, concentrating on the use of the land in the broadest agricultural context (crop production, animal husbandry, forest management/silviculture,
inland fisheries, safeguarding of water resources, protective vegetation and biodiversity values). However, urban areas are also included where they directly impinge on rural areas, through expansion of building construction onto valuable agricultural land and the consequent modification of land uses in the adjoining rural areas.

Pertaining to the implementation of planning, **land resources management** is the actual and sustainable practice of using the land by the local population. In a broader sense, land resources management is the implementation of land use planning, as agreed between and with the direct participation of stakeholders. It is achieved through political decisions; legal, administrative and institutional execution; demarcation on the ground; inspection and control of adherence to the decisions; solving of land tenure issues and the safeguarding of traditional rights of indigenous peoples; settling of water rights; issuing of concessions for plant and animal extraction (timber, fuel wood, charcoal and peat, non-wood products, hunting).

The definitions indicate that spatial planning as the broadest approach is a multi-dimensional and inter-sectoral task that takes into account natural, physical, social and economic aspects. These should be integrated into one joint plan to accomplish the development objectives of a given territory for which planning is carried out. It should be based on the participation of all stakeholders or interest groups within the territory and follow a coordinated and transparent planning methodology and decision-making process for arriving at the expected outcome.

### 4.2 Area-based Planning

The following diagram attempts to inter-relate the different forms of planning with each other. The starting point is the formulation of national development policies, among them i.e. a water resource policy.

Being informed by those policy frameworks functional inter-linkages between spatial planning and development planning unfold. The former prepares the overall direction of territorial development (e.g. through a spatial-functional development concept) and is supplemented by other, more subordinate forms such as physical planning (planning of infrastructure, transportation networks etc. to concretise the spatial-functional concept) and land use planning (i.e. the allocation of land resources in line with the objectives of the spatial-functional development concept).

In order to turn spatial concepts into reality they have to relate to regional development planning which deals with the formulation of local development policies, establishment of concrete strategies and programmes and the allocation of resources through detailed multi-year and annual investment planning and programming. This planning form is closely related to sectoral planning as the more specific technical approach to address, plan and resolve sectoral development issues. Both ideally are based on and receive direction from spatial planning.
Yet, one has to be realistic: integration is the goal, but there are no practical management models that could really integrate all of the multiple forms of planning; the proposed framework is no exception but it is nevertheless a step in the right direction. Moving away from the centralized management models in order to adopt increasingly decentralized processes is a precondition for more responsive development strategies.
5. Suggested Planning Strategy and Components

A strategy is suggested in the following that combines development and conservation goals on an area-based approach. It consists of several components that constitute a package of institutional, conceptual, methodical and financial arrangements to address planning and implementation related issues of watershed management from a spatially integrated perspective.

5.1 Institutional arrangements

- Orientation to the ongoing decentralisation processes and emerging patterns of distribution of responsibilities and functions;
- Institutionalisation based on the cornerstones of the decentralisation or deconcentration efforts (Cambodia: communes, Thailand: sub-districts/provinces, Lao PDR: provinces/districts, Vietnam: provinces/districts plus communes);
- Allocating some of the ‘national services’ to local authorities in order to promote good governance, transparency, and efficiency;
- Localizing opportunities for decentralized watershed management (based on assigned functions such as ‘natural resource management’ and environmental preservation);
- Dissolving the elements of watershed management into appropriate manageable levels;
- Applying the concept of subsidiarity to identify watershed management activities at lowest appropriate level where competence exists.

5.2 Conceptual arrangements

- Spatial planning as a comprehensive form of elaboration of spatial-functional area-based development;
- Capacity building for integrated development planning and watershed management based on a systemic approach (combining institutional, organizational and individual requirements);
- Emphasizing the “economics” of natural resources and protected areas;
- Application of ‘common property regimes’ in relation to watershed management, providing mechanisms for the equitable use of water resources with a minimum of internal conflict;
- Conflict resolution through rules mutually agreed upon by all stakeholders;
- Developing methods to systematically assess the effectiveness of watershed management.
5.3 Planning Arrangements
- Enhancing consistency and inter-sectoral coordination of government policies related to planning, rural development, land management and natural resources;
- Reconciling natural boundaries and administrative authority and addressing the need for integrated cross-area planning procedures;
- Establishing the typology of plans for area-based planning and the hierarchy of different kinds of plans as well as its horizontal integration;
- Incorporating environmental issues (e.g. water resources) method-wise into plan preparation (analysis, goal setting, programming, project formulation);
- Defining codes of practice for each sector to guide the application of watershed management principles;
- Applying a participatory planning methodology appropriate with levels of planning;
- Strengthening dialogue and negotiation as inter-active planning tools to deal with conflicting interests between a diversity of stakeholders;
- Creating and installing transparent procedures for decision points in each sector and between different planning levels for integration of development objectives and coordination of strategies.

5.4 Financing Arrangements
- Stabilizing central level financing mechanisms and resource allocation to local level governments;
- Strengthening local mobilization of financial and other resources for implementation of local level plans;
- Identifying supplementary financing approaches that build on watershed services and products (e.g. conservation levies (compensation payments) for external users to pay for the watershed protection values afforded by upstream protected areas);
- Exploring and applying the “user pays” principle through local water use charges.

5.5 Implementation Arrangements
- Creating and managing appropriate cross-sectoral and inter-local/regional interfaces:
  - **stakeholder consultations** at each level: explicit procedures to involve stakeholders incl. government sector agencies into plan deliberations, asking them to forward their sector’s views and inputs to the draft version of a local, sectoral, areal plan;
  - **quality management** approach at sector level: incorporation of watershed management principles into the sectoral planning by means of providing decision support material (analysis of risk factors, projections, impact assessments etc.) and a list of “do’s and dont’s” in WSM;
  - creation of **decision points** within formal permit/concession issuance procedures for specific land & water resource related investments, starting with a check on compatibility with existing land use designations and compliance with overall and/or specific development objectives;
  - formulation of **agreements** between sectoral agencies, administrative levels, districts, regions and countries on observing established objectives, “do no harm” principles;
- Determining and strengthening the basis for collective action on watershed management, i.e. co-management to strengthen commitment and collaboration of stakeholders where natural resources are essential for local livelihood security;
- Improving compliance with and enforcement of planning regulations;
- Establishing covenants on rights and authority between local level bodies and the government departments which are supported by decentralisation policies (e.g. through the process of contracting);
- Monitoring and evaluation on status of area development including the status of watersheds and emerging trends.
6. Suggested Work Process & Activities

The suggested work process consists of four phases, which allow (i.) the establishment of a comprehensive policy analysis and planning process, (ii.) the execution of planning at different levels, (iii.) the evaluation of the planning process, and (iv.) the feed back into policy making at national level.

The work process also provides important learning for MRC-S and its Basin Development Planning Programme on how to affect change in development planning in the four countries and how to enhance its own outreach to the established planning systems and enlarge the coverage of institutional planning levels to better incorporate watershed management principles into development planning at the various levels. Hence, the overall objective is to generate policy relevant lessons on the linkages between watershed management, area-based planning, decentralization/deconcentration, and local development.

6.1 Preparation of Integrated Planning Process

1. Form coalitions with National government agencies that have a mandate in local development planning (e.g. Cambodia: Department of Local Administration; Laos: Committee for Planning and Investment, Department of General Planning; Thailand: Ministry of Interior, Department of Local Administration and Bureau of Provincial Administration Development; Vietnam: Ministry of Planning and Investment) and decide on institutional entry points.

2. Support the (extended) National Working Groups on WSM in preparing a concise and integrated paper on area-development from a watershed management perspective based on WSM-related policy frameworks (e.g. land, water, forests, rural development, natural resources, environment): Importance of water resources for national socio-economic development, cross-cutting functions of WSM and essential inter-linkages with economic growth, poverty alleviation, natural resource management, balanced sub-national development; governance related issues, decentralization of public authority, financial mechanisms, suggested planning strategies and methods, and steps for implementation of integrated area-based development planning.

3. Review the pilot areas’ local and sector planning products, their degree of incorporation of WSM principles, identify entry points in each sector methodology and points for collaboration and mutual coordination on an area-based approach.

4. Review existing planning approaches for suitable techniques and instruments on area based planning; define supplementary tools on spatial analysis and planning, e.g. natural resource analysis tools.

5. Devise the area planning process (procedure and methodology) for each pilot area including participation strategies and instruments for planning coordination (detailed steps indicating at which stages sectors need to get involved with what type and quality of information).

6. Review the local planning actors’ existing capacity (stakeholders and mandates) and suitability of processes to conduct area-based planning and clarify roles and responsibilities of government and other actors involved.

7. Elaborate a capacity building strategy to strengthen the relevant planning level actors through learning-by-doing.

8. Establish planning teams at local levels and do initial skills development.

9. Mobilize support instruments and allocate required public resources for conducting the planning exercise.

10. Link up with the established planning calendars in each country and start the planning process.
6.2 Implementation of Integrated Planning Process

The planning phase aims to devise and apply a consistent and methodical planning process at the local level that is area focused and integrative. The starting point is a **spatial analysis framework** which supports the integration of watershed management issues into the analysis of territorial functions, available potentials and related problems. An integrated area planning process would proceed along the following lines:

1. Identify important spatial elements across the planning territory such as movements, nodes, networks, surfaces and hierarchies in order to achieve an initial understanding about spatial components making up the territorial fabric.
2. Analyse the variety of spatial-functional boundaries that exist for different sets of relationships such as natural, social, cultural or economic inter-linkages and establish functional sub-areas where one or more main functions are clearly prevailing or would complement each other and/or have a bearing on the entire planning region.
3. Analyse underlying problems and potentials in the institutional, economic, ecological and social settings that are located in different segments of the territory.
4. Do in-depth assessments using specific methods and tools for major issues within their identified spatial context; these issues can be sector-based (forestry, agriculture, small scale industries) or micro-area focused (land use and farming systems) or thematic cross-cutting issues (e.g. natural resources & environment, gender, marketing etc.).
5. Construct an overlay of problem and potential mapping in order to identify the core areas in the planning territory that require urgent attention in future spatial planning.
6. Based on the analysis of core areas and issues establish a preliminary spatial development vision.
7. Determine the territorial development objectives in general and in regard to specific sub-areas and prevailing spatial problems and potentials, i.a. management goals for natural resources, production systems, transport networks, service supply systems etc.
8. Delineate required spatial strategies through the elaboration of spatial diagrams and macro-zoning approaches.
9. Develop more detailed land use plans on levels of sub-district (zoning) and village.
10. Define detailed programmes addressing the spatial development objectives.
12. Establish priorities in line with strategic objectives.
14. Define annual action plans and allocate budgets.
15. Design project implementation process and monitoring arrangements and tools.

6.3 Evaluation of Integrated Planning Process

Evaluation within this work process addresses the effectiveness of designed planning approaches, methods and tools to accomplish the underlying objectives of integrating watershed management principles into area-based planning. It is confined to an assessment of the working/planning processes and planning results (i.e. policies, plans and programmes) rather than the more tangible outcomes of the planning exercise in terms of plans implemented through particular projects at local level. While this would be the ultimate objective of any planning process, the suggested pilot planning process does not extend that far, hence evaluation is centred on the lessons learned during application.
The evaluation process to be established essentially is a capacity building evaluation process that measures the improved capacity of organizations and individuals to conduct the planning process and achieve significant planning results which address the objectives of integrated planning at the area level. Baseline data and information for this process are derived from the initial analyses of the national planning systems (this report) and from further analytical work to be carried out prior to embarking on the capacity building process. (See above, Phase I., steps 3,4, and 6)

Specific activities for evaluation comprise the following steps:

1. Review baseline data on planning capacity (planning processes and methods, results) and determine the outputs within each planning process as the basis for defining the capacity building intervention.
2. For each major output category establish benchmarks to assess capacity improvements, describing the expected results in a time-specific manner.

| Framework | the existing strategies, policies and legal frameworks and the scope for improving planning processes at the area level |
| Structure | the functions and interrelationships of the planning units improved, repositioned or decentralized |
| Systems | systems (including financial, managerial, operational, information and accountability systems) and processes put into place and coordinated internally and externally |
| Methods | technical outputs, particularly manuals and guidelines provided and applied for the purpose of process implementation |
| Human Resources | stakeholders from the public and civic domain trained |
| Physical & Financial Resources | the physical and financial resources provided |

3. Formulate capacity indicators which address the framework, process and product related issues to measure the “performance” of the planning system in comparison to previous planning practice. Capacity indicators have to go beyond the input-output dimension in order to capture the process dimension “in between” such as developing professional planning skills or decentralizing planning and decision making to local government levels.
4. Conduct evaluation based on progress of planning process implementation.
5. Report on the results and obtain feedback from relevant stakeholders.

6.4 Revising Policies and Planning Strategies

It is deemed essential that the lessons learned during the application of the area development planning process are fed back into the policy making process in the four countries and into international forums (such as MRC) in order to inform on-going and future policy making on both integrated planning and watershed management. For this to happen a communication and dissemination strategy is required that addresses the various stakeholders with appropriately prepared information on specific policy suggestions.

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90 Capacity is defined as the ability of individuals, groups and organizations to mobilize and use resources in order to achieve their objectives on a sustainable basis. Efforts to strengthen abilities of individuals, groups and organizations can comprise a combination of (i) human skills development; (ii) changes in organizations and networks; and (iii) changes in the governance/institutional context.
Each of the arrangements to be established for integrated planning (see chapter 5) holds important policy lessons that will have to be carefully evaluated and documented. A comparative assessment of existing and required arrangements regarding planning, implementation and financial mechanisms would show the initial gaps, accomplished changes in planning process implementation, achieved planning products and improved performance standards of stakeholders involved. Each of these will provide significant input to improve upon existing policies which impact on watershed management, area development planning and related issues of resource allocation based on fiscal decentralization.

The following activities are being suggested:

1. Summarize key achievements such as important area development policy analysis work carried out, planning processes and mechanisms conducted, planning products elaborated, with a focus on the innovations established.

2. For each arrangement addressed during the course of planning work (e.g. institutional, conceptual, financial etc.) condense the lessons learned.

3. Prepare concise documentation based on process steps and outputs.

4. Organize key events such as national workshops and seminars, policy dialogues and international conferences on sharing of experience.

5. Formulate specific policy recommendations and disseminate widely.
7. Final Recommendations

The countries of the Lower Mekong Basin have made significant progress towards strengthening the essential aspects of decentralization and development planning, but find that there are still important gaps to be filled before integrated watershed management based on people's participation moves from the realm of theory to reality. The challenge therefore is to identify ways in which the incomplete yet valuable experiences of individual countries may be combined in the search for comprehensive solutions to be applied subsequently according to the particular situation in each country.

Watershed management could become an integrated component of local development if decentralization policies and settings enable local stakeholders to plan for and take control of development. Political decentralization needs to be accompanied by fiscal decentralization in order to become meaningful. Vertical frameworks have to provide the enabling conditions through proper policy formulation, setting of incentives, facilitation, monitoring and capacity building. Horizontal frameworks must aim at more inclusive governance.

The integration of watershed management principles into area-based planning procedures requires a significant reform of the planning systems in a way that the currently loosely knit ends of different planning streams are tied together to form a unified planning approach which could be labelled as “one area – one plan”. This area development plan would combine socio-economic and land use planning into a consolidated spatial development framework upon which more detailed sector programmes would be elaborated.

While there are clearly important developments underway at the macro-level with an emphasis on decentralization, much needs to be done to streamline policies, regulations and guidelines that at present constrain the incorporation of watershed management into area-based planning at local levels.

Under present institutional and capacity frame conditions this may pose a significant challenge because it means to realign planning functions under one lead agency which is mandated to coordinate the presently existing planning instruments into an innovative planning methodology following principles of integrated planning.

Spatial planning as an instrument creates solutions that target specific geographical territories while the solutions are integrated with solutions in other larger or smaller territories. The spatial approach to planning provides comprehensive development frameworks while respecting the distinctive characteristics and competencies of regions and local areas. Vertically integrated frameworks will generate the enabling conditions through proper policy formulation, setting of incentives, facilitation, monitoring and capacity building.

Spatial planning has the potential to integrate the interdependent dimensions of sustainable development (economic, social and environmental) considerations into sectoral policies and across administrative boundaries. This emphasizes that spatial planning can be used as an instrument to ensure a comprehensive approach to the numerous initiatives taken to safeguard natural resources and promote sustainable development. Applying spatial planning to promote sustainable development strives to view the concepts of development and protection as being complementary rather than contradictory.

Innovative spatial planning methods that include the institutional design of governance, apply more transparent methods for participation and for delegating authority and responsibility, should form part of the planning instruments for promoting integrated spatial planning and watershed management in the Mekong River Basin. Developing spatial planning instruments that view spatial processes and related institutional reforms and capacity building in an integrated manner is crucial. All countries have some important policies formulated that would facilitate watershed management. The challenge is to operationalize them in an integrated approach that makes use of the existing development opportunities while safeguarding environmental resources toward a sustainable development path. This requires tremendous efforts for systemic capacity building at all levels of planning before the suggested integration can be accomplished.
The entry levels for integrated planning in each country are suggested as follows:

- Cambodia: Communes & District Level
- Lao PDR: Village Clusters & District Level
- Thailand: Sub-districts and Province Level
- Viet Nam: Communes & Province Level

In any case, the role of the province has to be considered as the most important level from both a spatial and institutional point of view. The process to reform the planning process should start at the provincial level because

- a wider spatial-functional framework is available within which the options for strategic development can be identified;
- it is possible to address a broader natural systems based approach with more complex inter-linkages;
- the response to different intra-regional development conditions and existing degrees of political, administrative and fiscal capacity can be better balanced;
- it presents an effective entry point for national planning and vertical coordination with local development planning efforts;
- it provides an adequate response to the current major capacity constraints in the administrative system.

Summarizing, it can be concluded that

- all four countries require more “integrated planning”: a holistic planning approach based on a commonly accepted set of inter-sectoral spatial development objectives;
- integrated planning for watershed management should be based on the established and emerging planning systems at the different administrative levels;
- integrated planning should follow actual decentralization and deconcentration policies. It should aim to integrate development-cum-conservation goals into national and local development plans and programmes;
- decentralization provides opportunities for new arrangements for area development, such as innovative forms of collaboration between national and local agencies, horizontal networking and coordinated and participatory management strategies;
- a planning strategy that facilitates dialogue and negotiation of interests is strongly needed at each level and between different territories, levels and sectors;
- systemic capacity building should address the institutional (policies), organizational (regulatory mechanisms) and individual (skills, attitudes) dimensions.

Eventually, it is a critical factor for success that the suggested work process for integrated area planning is reconciled within MRC’s Basin Development Planning Program and with the regional planning process. This will avoid duplication or even contradiction of efforts and increase the synergies between macro-regional planning at the basin level and more detailed local area development planning. Both approaches hold the potential for mutual integration and will enhance the spatial coverage and institutional outreach of planning into the established national-local planning systems - which are work in progress and thus provide ample opportunities for policy advice and coordination of efforts for better integrated watershed management and overall water resource planning.

The following diagram present a schematic outline for enhancing interlinkages between the various levels of planning.
Figure 10: Inter-related Levels and Processes of Planning

Policy Advice

Lower Mekong Basin
National Territories
Provinces …
Districts …
Commune …
Villages …

Basin Development Plan
National Socio-Economic Development Plans
Provincial Development Plans
District Development Plans
Commune Development Plans
Village LUP

Enabling Policies
Development Strategies
Action Programmes
Local Plans
Projects
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Appendix I: Terms of Reference

*Integrated watershed management planning in the Lower Mekong Basin*

**General**

The water and land resources of the Lower Mekong Basin are the basis for the livelihood of about 60 million inhabitants and provide food for some 300 million people. Agriculture is the most important industry that relies on the water resources of the Basin and forestry is a key to the regularity and quality of water runoff for agriculture. Agriculture contributes to income and provides employment for many people. For many of these people forestry itself and fisheries also contribute substantially to their livelihood and income.

Activities related to agriculture and forestry are among others the most significant direct human environmental influences on the Basin and much of this impact occurs across national borders, requiring a regional approach. The multi-faceted functions of the watersheds call for an integrated and participatory approach throughout the Basin.

Within the Operations Division of MRC the *Agriculture, Irrigation and Forestry Programme* (AIFP) is one of the sector programmes of MRC. Based on a watershed management approach, the programme focuses on activities to promote sustainable natural resource management where cooperation between member countries is required for success.

The immediate target of the watershed management component is to enable relevant institutions in the riparian countries to make increased use of regional co-operation, information exchange and sharing of improved approaches for sustainable watershed management in the Lower Mekong River Basin. This objective will lead to an enhanced capability of the riparian countries to sustainable manage their watersheds increasingly in view of regional needs.

**The mandate and role of MRC**, as stated in the 1995 agreement between the four riparian countries (Cambodia, Laos, Thailand and Vietnam), cover all matters related to water and water related resources in the Lower Mekong Basin. The MRC portfolio covers four core programmes (Basin Development; Water Utilisation; Environment; and Flood Management and Mitigation Programmes) and five sector programmes (Agriculture, Irrigation and Forestry; Fisheries; Water Resources Management; Navigation; and Tourism Programmes). Based on that mandate and a general proposal on how to deal with agriculture, irrigation and forestry issues, approved by the MRC Joint Committee in 2000, a MRC GTZ Cooperation was established in 2003 to support the four countries in watershed management issues. This cooperation is part of the Agriculture, Irrigation and Forestry Programme.

**The issue**

There are several levels at which planning takes place or should take place. Basin wide planning, master planning, regional planning, watershed management planning, land use planning are examples. To enhance the effectiveness of the planning processes and the integration of the planning processes at different levels it is important to achieve a certain level of consistency between the different planning processes. A detailed analysis of the existing situation in the four countries of the Lower Mekong Basin as well as the formulation of recommendations regarding the contents and processes of next steps is the core task of this assignment.
Detailed tasks:

1. Analysis of existing levels for spatial planning in the Lower Mekong Countries (LMC).
2. Analysis of existing spatial planning processes in LMC, with special consideration of cross-sectoral (economic) development planning.
3. Analysis of the linkages between the planning processes at the various levels as well as the integration of these processes.
4. Analysis of the enabling framework like policies, laws, guidelines and institutions for these planning processes.
5. Analysis of the of “top down” regulations, guidelines, and plans; their closeness to reality, bindingness, and implementation; and their integration with “bottom up” land use planning procedures and experiences.
6. Analysis of possibilities for integration of watershed management objectives into the existing planning regulations and practises within given administrative borders.
7. Analysis of monitoring processes in line with existing planning processes.
8. Analysis of planning process related activities of other bilateral, regional and multilateral organisations and programmes and their relevance for the MRC interventions and vice versa.
9. Preparation and introduction of a paper on integrated planning (basin wide, regional and local) during the watershed management policy dialogue, jointly organised by MRC – GTZ – INWENT, on 29 September.
10. Formulation of recommendations for immediate, mid term and long term MRC – GTZ cooperation programme interventions in order to improve existing planning processes in the context of watershed management.
11. Formulation of draft terms of references for a possible follow up study in November 2004 if needed.
12. Preparation of a comprehensive report with the main findings and recommendations.
13. Preparation of a power point presentation with a summary of the main findings and recommendations.

Timeframe: 1 September – 5 October 2004
## Appendix II: Country Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Cambodia</th>
<th>Lao PDR</th>
<th>Thailand</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>12.0 million</td>
<td>5.3 million (23.5 % urban)</td>
<td>60.7 million</td>
<td>78.5 million</td>
</tr>
<tr>
<td>Surface Area (in 1.000)</td>
<td>181.040 sqkm</td>
<td>236.800 sqkm</td>
<td>513.100 sqkm</td>
<td>331.700 sqkm</td>
</tr>
<tr>
<td>Density/sqkm</td>
<td>66.28</td>
<td>22.0</td>
<td>118.9</td>
<td>241.2</td>
</tr>
<tr>
<td>Population Growth Rate</td>
<td>2.2 %</td>
<td>2.3 %</td>
<td>0.8 %</td>
<td>1.3 %</td>
</tr>
<tr>
<td>Life expectancy</td>
<td>53.8 yrs</td>
<td>53.7 yrs</td>
<td>68.8 yrs</td>
<td>69 yrs</td>
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</table>

Source: World Development Indicators Database 2002
# Appendix III: Administrative Levels in the LMB Countries

<table>
<thead>
<tr>
<th>Level</th>
<th>Cambodia</th>
<th>Lao PDR</th>
<th>Thailand</th>
<th>Vietnam</th>
</tr>
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<tbody>
<tr>
<td>Provinces and Municipalities</td>
<td>20 + 4</td>
<td>16 + 2</td>
<td>76</td>
<td>61 + 3</td>
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<tr>
<td>Districts</td>
<td>183</td>
<td>141</td>
<td>795</td>
<td>600</td>
</tr>
<tr>
<td>Communes or Sub-Districts</td>
<td>1.621</td>
<td>-</td>
<td>7.255</td>
<td>10.330</td>
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<tr>
<td>Villages</td>
<td>n.a.</td>
<td>11.229</td>
<td>70.865</td>
<td>n.a.</td>
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## Appendix IV: Meeting Schedule and Persons Contacted

### Thailand

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Name/Position</th>
<th>Organization</th>
<th>Tel/Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday, 3 Sept. 2004</td>
<td>Dr. Nipon Tangatham, Faculty of Forestry, Kasetsart University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.00h</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saturday, 4 Sept. 2004</td>
<td>Mr. Phaiboon Phosuwan, Policy &amp; Planning Analyst, Ministry of Interior</td>
<td>(informal meeting)</td>
<td></td>
</tr>
<tr>
<td>17.30h</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monday, 6 Sept. 2004</td>
<td>Dr. Margaret C. Yoowatana, Dept. of Agriculture, Kasetsart University Campus</td>
<td>Tel.: 0-2561 4669 Mobile: 0-1684 4516</td>
<td></td>
</tr>
<tr>
<td>10.00h</td>
<td>Sr. Policy and Planning Analyst, Foreign Project Sub-division</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monday, 6 Sept. 2004</td>
<td>Mr. Wanchai Chandrachai, Senior Planning &amp; Policy Analyst</td>
<td>Tel.: 0-2579 0111 #2194</td>
<td></td>
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<tr>
<td>14.00h</td>
<td>Dept. of Land Development, Phaholyothin Road, Chatuchak, BKK, 6th floor, Room #607</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuesday, 7 Sept. 2004</td>
<td>Mr. Somchai Tasingsa, Natural Resources and Environmental Management Division, ONEP, Soi Phibunwattana 7, Phaholyothin, Rama VI Rd. 2nd Floor</td>
<td>Tel.: 0-22789 5202 Mobile: 0-1514 2576</td>
<td></td>
</tr>
<tr>
<td>10.00h</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thursday, 7 October 2004</td>
<td>Mr. Thana Yontakovit, Ministry of Interior, Department of Local Administration</td>
<td>Tel.: 01 839 0485 (mobile)</td>
<td></td>
</tr>
<tr>
<td>14.00h</td>
<td>Director of Local Development Planning Division</td>
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<tr>
<td>Friday, 8 October 2004</td>
<td>Mr. Nataphon Wichienprerd, Bureau of Provincial Administration Development, Office of the Permanent Secretary of Interior (OPS)</td>
<td>Tel.: 0-2221-9200, mobile: 09 456 1975</td>
<td></td>
</tr>
<tr>
<td>10.00h</td>
<td>Director, Mr. Shajchanunn Thammajinda, Policy Analyst</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friday, 8 October 2004</td>
<td>Mr. Kriengsak, Senior Policy and Plan Analyst NESDB</td>
<td>Tel. 0-2282-8736#1409 Fax 0-2282-8735</td>
<td></td>
</tr>
<tr>
<td>14.00h</td>
<td></td>
<td>4th fl, 962 Krungkasem Road</td>
<td></td>
</tr>
<tr>
<td>Date/Time</td>
<td>Name/Position</td>
<td>Organization</td>
<td>Tel/Contact</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------</td>
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<tr>
<td>Wednesday, 08 Sept 2004 14.30h</td>
<td>Mr. Leng Vy, Director</td>
<td>Department of Local Administration, General Department of Administration, MOI</td>
<td>12915473</td>
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<tr>
<td>Thursday, 09 Sept 2004 09.00h</td>
<td>Mr. Kan Vibol, Deputy Director</td>
<td>Dept of Planning &amp; Legal Affairs, Ministry of Environment</td>
<td>012 90 11 16</td>
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<tr>
<td>Thursday, 09 Sept 2004 14.00h</td>
<td>Dr. Angelika Fleddermann, Program Leader</td>
<td>GTZ Rural Development Program Kampot/Kampong Thom</td>
<td>012 815 801 / 023 881 683</td>
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<tr>
<td>Friday, 10 Sept 2004 10.00h</td>
<td>Dr. Theng Tara, Director</td>
<td>Dept. of Water Resources Management and Conservation, Ministry of Water Resources and Meteorology</td>
<td>012 970 232</td>
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<tr>
<td>Friday, 10 Sept 2004 10.00h</td>
<td>Mr. Thach Sovanna, Vice Chief of Hydropower and Flood Control Office</td>
<td>Dept. of Water Resources Management and Conservation, Ministry of Water Resources and Meteorology</td>
<td>012-890 321</td>
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<tr>
<td>Friday, 10 Sept 2004 11.30h</td>
<td>Ms. Agnes Grace A. Cargamento, Planning Specialist</td>
<td>UNDP, Support to Decentralization Project, Department of Local Administration, MOI</td>
<td>012 246 138</td>
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<tr>
<td>Friday, 10 Sept 2004 14.30h</td>
<td>Mr. Nhem Sovanna, NREM Advisor</td>
<td>UNOPS, Partnership for Local Governance, SEILA Program</td>
<td>12959429</td>
</tr>
<tr>
<td>Friday, 10 Sept 2004 14.30h</td>
<td>Mr. Ignas Dümmer, Technical NREM Advisor</td>
<td>Seila Task Force Secretariat - DANIDA</td>
<td>023-991 049</td>
</tr>
<tr>
<td>Monday, 13 Sept 2004 09.30h</td>
<td>Mr. Ken Serey Rotha, Deputy Director</td>
<td>Department of Nature Conservation and Protection, Ministry of Environment</td>
<td>012 404 065</td>
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<tr>
<td>Monday, 13 Sept 2004 09.30h</td>
<td>Mr. Phat Phalit, Senior Advisor</td>
<td>GTZ - LMP (Land Management and Administration Project, Ministry of Land Management, Urban Planning and Construction</td>
<td>012-973 133</td>
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<tr>
<td>Monday, 13 Sept 2004 11.00h</td>
<td>Mr. Prak Angkeara, Director</td>
<td>Department of Research and Regulation, Ministry of Land Management, Urban Planning and Construction</td>
<td>12869377</td>
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<tr>
<td>Monday, 13 Sept 2004 14.30h</td>
<td>Dr. Shyam K. Bhurtel, Decentralization Policy Advisor</td>
<td>UNDP, Support to Decentralization Project, Department of Local Administration, MOI</td>
<td>012 731 702 / 023 726 119</td>
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<tr>
<td>Date</td>
<td>Time</td>
<td>Name</td>
<td>Position</td>
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<tr>
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<tr>
<td>Monday, 13 Sept 2004</td>
<td>16.00h</td>
<td>Mr. Luc de Meester, Team Leader,</td>
<td>GTZ Administration Reform &amp; Deconcentration, Department of Local Administration, MoI</td>
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<tr>
<td>Tuesday, 14 Sept 2004</td>
<td>07.00h</td>
<td>H.E. Hou Taing Eng, Under Secretary of State of Planning</td>
<td>Cambodia National Mekong Committee, Secretary General,</td>
</tr>
<tr>
<td>Tuesday, 14 Sept 2004</td>
<td>10.20h</td>
<td>Mr. Ty Sokhun, Head of Forestry Administration</td>
<td>Ministry of Agriculture, Fisheries and Forestry</td>
</tr>
<tr>
<td>Date/Time</td>
<td>Name/Position</td>
<td>Organization</td>
<td>Tel/Contact</td>
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<tr>
<td>------------------------</td>
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<tr>
<td>Wednesday, 15 Sep 2004</td>
<td>Ms. Nguyen Tuong Van, Planning Division, Dept. of Forestry, Ministir of Agriculture and Rural Development</td>
<td>#2 Ngoc Ha street</td>
<td>8438 814 mobile: 0912 350526</td>
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<tr>
<td>14:00h</td>
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<tr>
<td>Thursday, 16 Sep 2004</td>
<td>Mr. Do Duc Doi, Deputy Director</td>
<td>Dept. of Land Registration and Statistics, Ministry of Natural Resources and Environment (MONRE)</td>
<td>844-8343921 mobile: 0913-226296</td>
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<tr>
<td>08:30h</td>
<td></td>
<td>#83 Nguyen Chi Thanh street</td>
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<tr>
<td>Thursday, 16 Sep 2004</td>
<td>Dr. Le Hong Thai, Director General</td>
<td>Dept. of Agricultural Economy, Ministry of Planning and Investment (MPI)</td>
<td>(Ms. Hien Intl Economic Cooperation Dept. 08043029 / 0903450015)</td>
</tr>
<tr>
<td>10:30h</td>
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<td>#2 Hoang Van Thu street</td>
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<tr>
<td>Thursday, 16 Sep 2004</td>
<td>Dr. Le Anh Son, Vice President</td>
<td>Development Strategy Institute, Ministry of Planning and Investment (MPI)</td>
<td>823 3285</td>
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<tr>
<td>13:30h</td>
<td></td>
<td>#65 Van Mieu street</td>
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<td>Thursday, 16 Sep 2004</td>
<td>Mr. Tran Van Hung, Deputy Chief</td>
<td>International Cooperation Division, Forest Inventory and Planning Institute</td>
<td>861 2001</td>
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<tr>
<td>15:15h</td>
<td></td>
<td>(MARD)</td>
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<tr>
<td>Friday, 17 Sep 2004</td>
<td>Mrs. Nguyen Le Binh Hang, International Cooperation Division</td>
<td>National Institute of Agriculture Planning and Projection (NIAPP)</td>
<td>7335707</td>
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<tr>
<td>08:30h</td>
<td>Mrs. Nguyen Thi Xuan, Director of Remote Sensing</td>
<td>(MARD)</td>
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<tr>
<td></td>
<td>Tran Viet Dzung, Agricultural Planning Division</td>
<td>#61 Hang Chuoi street</td>
<td></td>
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<tr>
<td>Friday, 17 Sep 2004</td>
<td>Mrs. Nguyen Thi Tam, Chief of Secretariat</td>
<td>Office of River Basin Planning, Dept. of Water Resource, Ministry of Agriculture and Rural Development</td>
<td>(contact Mr. Hung 7335707)</td>
</tr>
<tr>
<td>14:00h</td>
<td>Mr. Pham Quoc Hung,</td>
<td>#2 Ngoc Ha street, A6b Building</td>
<td></td>
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<tr>
<td>Friday, 17 Sep 2004</td>
<td>Dr. Do Tu Lan, Director</td>
<td>Management Board for Surveying and Planning Projects, Ministry of Construction</td>
<td>9740318</td>
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<td>18:30</td>
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<td>Organization</td>
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<tr>
<td>20 September 2004 09:00h</td>
<td>Mr. Bounlouane, Head of Division</td>
<td>Department of International Economic Cooperation (DIEC), Ministry of Foreign Affairs</td>
<td>990 1444</td>
</tr>
<tr>
<td>20 September 2004 CPC/DoP/ 10:00h</td>
<td>Mr. Daopheng, Deputy Director General</td>
<td>Department of Planning, Committee for Planning and Cooperation (CPC)</td>
<td>551 5741</td>
</tr>
<tr>
<td>20 September 2004 CPC/DoP/ 11:00h</td>
<td>Mr. Charles Jeanneret, Senior Roundtable Process Advisor</td>
<td>Committee for Planning and Cooperation (CPC)</td>
<td>240 968</td>
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<tr>
<td>20 September 2004 LNMC 13:00h</td>
<td>Mr. Sourasay Phoumavong, Deputy Director</td>
<td>Lao National Mekong Committee (LNMC)</td>
<td>552 6901</td>
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<tr>
<td>20 September 2004 RDMA Office 15:00h</td>
<td>Dr. Jens Kallabinski, Program Coordinator</td>
<td>Rural Dev. in Mountainous Area (RDMA)-GTZ</td>
<td>551 9708 414563 ext. 116</td>
</tr>
<tr>
<td>20 September 2004 16:00h</td>
<td>Mr. Phetsamone Southalack, Director</td>
<td>Planning Division, Lao National Mekong Committee (LNMC)</td>
<td>260981-3, ext. 130</td>
</tr>
<tr>
<td>21 September 2004 08:30h</td>
<td>Mr. Khamsone Sysanhouth, Senior Planner</td>
<td>Department of Planning, Ministry of Agriculture and Forestry</td>
<td>021 263 160</td>
</tr>
<tr>
<td>21 September 2004 10:00h</td>
<td>Dr. Robyn Johnston, Natural Resources Planner</td>
<td>MRC Secretariat - Basin Dev. Plan</td>
<td>263 263 ext. 2105</td>
</tr>
<tr>
<td>21 September 2004 10:00h</td>
<td>Ms. Muanpong Juntopas, Socio-economist</td>
<td>MRC Secretariat - Basin Dev. Plan</td>
<td>263 263 ext. 2112</td>
</tr>
<tr>
<td>21 September 2004 13:00h</td>
<td>Mr. John B. Cantor, Team Leader</td>
<td>MAF, Nam Ngum River Basin Development Project (ADB)</td>
<td>263 161 020-200 1134</td>
</tr>
<tr>
<td>21 September 2004 14:00h</td>
<td>Mr. Phoumy Vongleck, Director General, Ms. Bouakhom Soulivanh, Land Administrator</td>
<td>Dept of National Land Use Planning and Development</td>
<td>021 213 266</td>
</tr>
<tr>
<td>22 September 2004 09:00h</td>
<td>Mr. Anonh Khamhung, Director General</td>
<td>Department of Planning, Ministry of Agriculture and Forestry</td>
<td>021 263 160 568 2364</td>
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<tr>
<td>22 September 2004 10:00h</td>
<td>Mr. Rod Lefroy, Regional Coordinator Asia</td>
<td>CIAT – International Centre for Tropical Agriculture</td>
<td>770 090 020-550 9863</td>
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<tr>
<td>22 September 2004 15:00h</td>
<td>Mr. Manfred Hans Staab, Senior River Basin Planner</td>
<td>MRC Secretariat - Basin Dev. Plan</td>
<td>263 263</td>
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<tr>
<td>27 September 2004 09:00h</td>
<td>Mr. Phonchaleun Nonthaxay, Director</td>
<td>Water Resources Coordination Committee</td>
<td>218-737</td>
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<tr>
<td>04 October 2004 16:00h</td>
<td>Mr. Florian Rock, Consultant</td>
<td>Rural Dev. in Mountainous Area (RDMA)-GTZ</td>
<td>0033-493-901166</td>
</tr>
<tr>
<td>05 October 2004 10:00h</td>
<td>Mr. Thanousay Banxalith, Chief of Macro-economic Analysis Div.</td>
<td>Department of Planning, Committee for Planning and Investment (CPI)</td>
<td>Mobile: 020-5668646</td>
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</table>