

Description of LGAs for the website section „ **Pilot Local Governments / Municipalities**”

Key Facts:

Name of Pilot Place (Full-version)	Danang City
Type of Local Government	Municipality (directly managed by the Central Government)
Country	Vietnam
State	Danang City
Name of Major	TRAN, Van Minh
Number of registered inhabitants	887,100
Logo /Flag	
Website	www.danang.gov.vn

Thematic Area:	Theme: Fiscal management and investment promotion strategies
Replication of BP No/Theme?	No:14 Theme: old Phuket town

Contact Details of Contact Person at Pilot Place:

1/ Last Name, First name	LAM, Quang Minh
Email:	minh0568@gmail.com
Phone:	+84 511 3886244 , Mobile: +84 913405568
Fax:	+84.511.3810056
2/ Last Name, First name	HO, Anh Ngoc
Email:	hoanhngoc1986@yahoo.com
Phone	+84 511 826342/ Mobil: +84 976649888
Fax	+84 511 3825321

Description of LGA
Location (accessibility, multiplier effects on neighboring regions), population, size, reputation

in the country

- **Location:**

Danang City is located from 15°55'20" to 16°14'10" North, 107°18'30" to 108°20' East, about 759km from Hanoi Capital and 960km from Ho Chi Minh City. Conveniently, it lies on the north-south communications axis of land route (National Road 1A), rail, sea and air routes. Danang borders Thua Thien - Hue Province in the north, Quang Nam Province in the south and the west, and the Eastern Sea in the east.

Danang is the powerhouse of growth and development for the Central Region. It plays a crucial role as the growth nucleus of the Key Economic Zone in Central Vietnam, and giving the impetus to the socio-economic growth of the Central Region and the Central Highlands. Danang Port is the Eastern Gateway to the East- West Economic Corridor, acting as the access point for the Pacific Ocean of the virtually untapped hinterland of Laos, Northeast Thailand, Myanmar and Central Vietnam. In addition, Danang is the entrance for exploring the four World Natural and Cultural Heritages in Central Vietnam.

In brief, with the strategic location, good infrastructure system (an international airport, a deep-water seaport and north-south land routes and railways, Danang has great potentials for manufacturing, trade and tourism development and investment

- **Total urban population(4/2009):** Population of the city is estimated of 887,100 people in 56 wards/communes which are divided into 8 administrative units (06 urban districts, 1 rural district and 1 archipelago district).
- **Natural population growth rate:** The rate of population growth naturally maintains stable at 1.2% per year (2008).
- **Urban Size:** : 241.51 km²

Political/legal position in the respective state structure (name of major and term in office, next election Period, decision-making structures)

Danang City was certified as the first city of grade 1 in Central Vietnam under the direct management of the central Government. The political structure of Danang City belongs to the central political mechanism of Vietnam.

-Name of major: Tran Van Minh

-Term in Office: 2005-2010

-Next election period: 2010-2014

Decision-making structures: Please see the annex

Human and financial resources (no. of civil servants working in the public administration, overall annual financial budget, etc).

- No of civil servant working in the public administration: 16,000 persons
- Overall annual financial budget: VND 10,000,000,000,000 (# USD 526 mil.)

Specific political, social, cultural and economic character/framework

The political structure of Danang City belongs to the central political mechanism of Vietnam. The social safety and security and political stability are well controlled facilitating the socio-economic development of the city. Political system of the city is strengthened and consolidated to meet the strong management capacity.

Road networks, public services and urban facilities have been built and renewed to make living conditions in Danang more comfortable. Many planned residential areas, new roads, parks, exercise grounds, supermarkets, trade centers and clean and open promenades make Danang a beautiful city. Schools, hospitals, and golf courses of international standards have been being set up in order to better local residents' life and to satisfy foreign investors and visitors. Various initiatives such as the "Five Nos", "Three Must-Haves" have been implementing with the participation of the community so that Danang becomes a bustling developed city, of good cultural environment and lifestyle, and with a high quality of life. The project of developing Danang to be a city of good environment by the year 2020 is under progress with specific action plans to increase its landscape area and public spaces, to ensure the standards of water supply and air quality, and to settle issues related to climate change. The poverty rate based on the Danang's standard which is higher than the national standard was 14.8% in 2009. 100% of households connected to the power line, 100% of households have radio and/or TV. All wards/communes access to the clean water

Danang has high educational development indexes with fairly complete education systems, creating favorable and firm foundations to carry out the target of enhancing the quality for human resources and life. At present, junior secondary education is universalized in Danang and the city is aiming at senior secondary universalization. There are 14 universities and colleges, 15 professional secondary schools and 51 vocational centers in Danang now.

The city healthcare system consists of 12 state hospitals, 05 non-state hospitals, 05 specialized health centers, 06 district health centers, 56 commune health centers and a foreign invested family clinic.

Danang has experienced continual and stable economic growth. GDP grew at an average rate of 12.47 % in the period 2001-2006, and at a rate of 11.2% in 2009. Services account for 50.3%, manufacture and construction 46.2% and agro-forestry and fishery 3.5% of the city economic structure. GDP per capita income of Danang reached US\$1,706 in 2009. Major industrial products consist of seafood, textile and garments, footwear, mechanical products, building materials, fine-arts handicrafts. H-tech industries, in particular the ICT industry, and tourism are now developing as two key industries of Danang.

INPUT FROM COORDINATORS

Please explain why this local government/municipality has been suggested and approved as pilot place?

- Danang City has a strategic location in Central Vietnam with an international airport and a deep-water seaport convenient for communication with other provinces in Vietnam and neighbouring countries.
- Its economy is strong and grows at high rate. Its GDP grew at an average rate of 12.47 % in the period 2001-2006.
- Its infrastructure system and investment supporting services are well developed. Danang International Airport is one of the three largest and most modern airports in Vietnam with weekly international flights to Singapore, Taipei, Bangkok and Guangzhou. There are also plans for additional international destinations such as Japan, Korea, Shanghai and Hong Kong (China) to be added to this schedule. Danang seaport can receive 45,000 DWT ships including container ships and large cruise ships with the annual capacity for handling cargo of 4 million tons and regular international shipping lines to Hong Kong, Singapore, Japan, Taiwan and South Korea.

- Danang is well known through Vietnam and the region as a focal tourist destination. with 70km of beautiful coastline. It also has many famous tourist sites close by. World class resorts are being built and recreation services of international standards such as golf courses, casino, etc. are in operation in the city. The number of visitor arrivals in Danang was 1.35 million in 2009.
- Danang has business friendly environment. Emphasis has been paid to reform of administrative procedures with good results. The “one-stop shop” service in business registration has been offered by Danang Planning and Investment Department since 2006 and in granting investment certificate for FDI projects by Danang Investment Promotion Center since 2007. Public administrative services online such as business registration, e-commerce, e-customs have been provided to businesses. ISO 9001: 2008 management standards are applied in public administrative agencies. The e-government is under development.
- The city leaders are dynamic and creative with good socio-economic management capacity and leadership. Many initiatives have been implemented in urbannization, developing its infrastructure system and human resources as well as its competitive business climate.
- The city has focused on training high quality human resources by issuing preferential policies to appeal good staff to come and work for the city, providing scholarships for training its staff abroad and excellent high-school graduates in Vietnam and abroad.
- Danang has a great number of experience in cooperation with 29 provinces/cities or regions of foreign countries such as Nord Pas de Calais (France) Macau Special Administrative Region and Shandong (China), Khonkaen (Thailand), Grodno Region (Belarus), the city of Oakland and Pittsburgh (USA), etc.
- Danang has mobilized the advocacy and participation of the community, businesses and organizations in its socio-economic development.
- Danang was ranked number one in the Provincial Competitiveness Index (PCI) Survey in 2008 and 2009 among all cities/provinces in Vietnam (*report of VNCI/VCCI project funded by USAID*)
- Danang was ranked number one in the readiness for ICT development and adoption as reported in the Vietnam ICT Index 2009 by the Office of Vietnam ICT Steering Committee and Vietnam Association for Information Processing.
- Danang beach was recognized as one of the most luxurious beaches in the world by Forbes magazine, a reputable US magazine, in 2005. My Khe Beach in Danang was included in the top 10 beaches in Asia as reported by the Sunday Herald Sun (Australia) in 2009.

- The city leaders are willing to apply good practices in the field of financial management and investment promotion strategies.

What have been the main indicators for the selection?

Name of Local Government: Danang City

No	Criteria for selection	Met criteria
1	Minimum of four years of performance/good track record in exercising local government functions (good governance principles)	<ul style="list-style-type: none"> - Certified as the city of grade 1 in July 2003 - Determined as the core city of the key economic zone in central Vietnam in 2004
2	Not less than 20,000 registered inhabitants and a solid potential of human resources and adequate qualification and availability of staff in comparison to other municipalities in the respective country	887,100 inhabitants
3	High reputation and country wide popularity	<ul style="list-style-type: none"> - One of the most successful and well-known city in Vietnam in administrative reforms (one-stop shop application) - Ranked number two in PCI in 2005, 2006, 2007; number one in PCI in 2008, 2009 - Ranked number one in the Vietnam ICT

		<p>Index 2009</p> <ul style="list-style-type: none"> - A good example of infrastructure development; land clearance and compensation in Vietnam - One of the clean and safe cities in Vietnam
4	<p>Strong leadership quality of the mayor and of senior local government officials and willingness to improve existing participative mechanisms and procedures.</p>	<p>City leaders are dynamic, supportive and willing to apply IT in public the administrative management system. Danang signed the agreement with CISCO in April 2010 to develop it as a “smart city”</p>
5	<p>Good accessibility of the location (no remote areas). The municipalities preferably should be in a strategic location to have a multiplier effect on neighboring municipalities.</p>	<p>Danang is about 759km from Hanoi Capital and 960km from Ho Chi Minh City. Conveniently, it lies on the north-south communications axis of land route (National Road 1A), rail, sea and air routes. It also included in the East-West economic corridor linking Vietnam with Laos, north east Thailand and Myanmar, the gateway to the Pacific Ocean of EVEC. Direct flights from Danang to Singapore, Taipei, Bangkok and Guangzhou. International shipping lines from Danang seaport to Hong Kong, Singapore, Japan, Taiwan, South Korea</p>
6	<p>Should have sufficient experience and</p>	<p>Danang has sufficient experience and competence in the field of administrative</p>

	competence in the respective thematic fields in comparison to other municipalities in the respective country.	reforms, urbanization and institutional governance
7	Clear Commitment by local officials to become a pilot municipality – including commitment for financial contributions (e.g. can be given in the form of work, time and other efforts, or financially), if necessary. They should be ready to engage in network activities during and beyond the life cycle of the project.	City leaders have clear and strong commitment to become the pilot municipality.

Annex. Organization Structure of Danang City



DANANG PEOPLE COUNCIL

ECONOMIC-BUDGET
BOARD

CULTURAL-SOCIAL
BOARD

LEGISLATION BAORD



