IMPROVING THE PRIVATE PRODUCTION OF OPEN PUBLIC SPACES IN VIETNAMESE CITIES

POLICY BRIEF
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Vietnamese public planning authorities clearly recognize the importance of providing current and future urbanites with more and better green and open public spaces such as parks, public gardens and playgrounds. Since the early 2000s, large Vietnamese cities have been paying greater attention to these spaces in planning exercises such as the formulation of masterplans. During the same period, City governments devoted parts of their public budgets to renovate existing green and open spaces and to build new ones on their territories.

In parallel, starting in the late 1990s, policymakers introduced new institutional mechanisms to involve the private sector in the production of urban green and open spaces. This policy reorientation sought to boost the provision of these amenities in Vietnamese cities, in spite of strained public budgets. Public policies have since been adopted which transferred part of the responsibility to invest in the design, construction and management of public spaces to the private sector.

This is a major policy shift, one with potentially lasting impacts on the development of Vietnamese cities. And yet, twenty years on, very few studies have examined its outcomes. While conflicts related to privately-produced public spaces emerge sporadically in the media, and while one can observe new types of public spaces in and around urban centers that are visibly produced by the private sector (e.g., themed parks, private pools, etc.), there is a lack of systematic research on these spaces. Little is known about the quantity, types and quality of the open public spaces produced by the private sector in Vietnamese cities.

We define open public spaces as open pieces of land, mainly designed for recreational functions (socialization, resting, physical exercises, etc.) and to which there is at least some degree of public access. They can be green or hard spaces.
Context

Taking stock of these gaps in evidence, the NGO HealthBridge Canada mandated an international research team to conduct a pilot study of privately-produced open public spaces in Vietnamese cities\(^2\). The study was conducted between April and December 2020. It focused on two areas at the near periphery of Hanoi and Ho Chi Minh City which have been the theater of very dynamic private property development activities since the 1990s: the North and South Từ Liêm districts (Hanoi) and the District 2 (HCMC).

**This pilot study had four main objectives:**

i) To critically review the main policies and institutional mechanisms governing the private sector’s involvement in the production of open public spaces in Vietnamese cities;
ii) To document how much and what types of spaces are produced through these mechanisms;
iii) To assess the quality of the resulting public spaces, especially in terms of publicness; and
iv) To propose avenues to address shortcomings and issues stemming from the involvement of the private sector in the production of open public spaces in Vietnamese cities.

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\(^2\) For the full report, see: Labbé, D., Musil C. and Trần Thị Mai Thoa (2020) The Role of the Private Sector in the Production of Open Public Spaces in Hanoi and Ho Chi Minh City.
This pilot study assessed the implementation and impact of two key policy mechanisms: i) the production of open public spaces as part of commercial property developments ranging from high-rise apartment complexes to large new urban areas, and ii) build-transfer arrangements implemented under the socialization policy umbrella. We identified several problems with these mechanisms as well as with the approach taken by Vietnam to involve the private sector in the production of public spaces.

A spatial survey and interviews with real estate actors indicate that neither the market nor the current policy framework are enticing private actors to produce a significant amount of publicly-accessible public spaces. The issue is not so much that private actors produce no green or open spaces in the city; they do. The problem, rather, concerns the types, sizes and degree of publicness of the spaces they produce. Most of the greenery land generated by the private sector consists of very small or decorative spaces that support very few activities and of exclusive spaces inaccessible to the general public.

These public spaces are often new to Vietnamese cities and very little is known about their contribution to the environmental and social life of urban neighbourhoods. Our study however show that, while they provide some aesthetic and environmental benefits, they fail to meet the basic needs of Hanoi and HCMC’s populations for spaces which are accessible and large enough to come together for a range of leisure, recreational, cultural and celebratory activities.

Illustrating this, we were only able to identify a few publicly-accessible open spaces of 0.5 ha or more, produced by either the private or the public sector, and in operation. In our Hanoi study site, we found 23 such spaces and in Ho Chi Minh City we could identify 32. These minimally usable spaces represent a mere 1.6 sq m/person in the North and South Từ Liêm districts and 2.7 sq m/person in District 2.

The World Health Organization establishes the minimum size of a useable open public space at 0.5 ha (or 5,000 sq m). This is also the minimal area for public gardens, the smallest public space defined by Vietnamese planning policies.

By comparison, the urban districts (quan) of Hanoi provide 2.17 m² per person of park (cong vien) and public garden (vuon hoa) spaces.
MAIN FINDINGS

These are surprisingly low figures given that these areas have been explicitly planned, since the early 1990s, to ensure that they meet their populations’ infrastructural and amenities needs, including their needs for green and open public spaces. These figures also stand in sharp contrast with the ambitious green and open space provision plans and targets set by governments for Hanoi and HCMC.

This suggests that provincial and district governments might be leaning too heavily on the private sector to ensure urban green and open space provision. Non-governmental and international organizations agree that public development and management of public spaces is preferable. This is because private involvement tends to lead to cost overruns, lack of long-term commitment, poor oversight and limited public accessibility.

SHORTCOMINGS OF VIETNAM’S QUANTITATIVE AND RATIO-FOCUSED PUBLIC SPACE POLICY FRAMEWORK

The overly quantitative focus of Vietnam’s public space policy framework leads to problematic planning and design practices. Central to this problem is that, when it comes to green and open space provision, the approval of property development projects is based on their fulfilling a sole criterion: the provision of 2 sq m/person of greenery land. Provincial planning authorities also interpret this minimum ratio in problematic ways when they assess the conformity of commercial property development plans. Three problematic practices stand out:

- First, planning authorities allow developers to designate as greenery land almost any unbuilt space in their projects. In most cases, they make no distinction between publicly-accessible and exclusive open spaces or between spaces in which users can practice at least some recreational and socialization activities and those which can hardly be appropriated for any usage. As a result, significant areas of open spaces in projects get accounted for as greenery land which are either inaccessible to the general public or very difficult-if not impossible-to use.

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MAIN FINDINGS

- Second, planning authorities let developers distribute the area of greenery land required in their projects in any way they want as long as the total meets the 2 sq m/person ratio set by the Code. This allows developers to only designate as greenery land residual and no-build areas in their project (e.g., mandatory setback margins between buildings and the street) and surfaces needed by revenue-generating spaces (e.g., pathways to access).

- Third, in the calculation of the mandatory ratio of greenery land per inhabitants, authorities sometimes accept to take into account existing public space areas located outside of the commercial property development projects they are assessing. Examples include public planning authorities agreeing to let the ratio of greenery land included in a given project fall below the minimum requirement established by the Code on the basis of it being located near an existing park or public garden.

INSUFFICIENT POLICY INCENTIVES AND PUBLIC SPACE DELIVERY SHORTCOMINGS

Key respondents from both the property development and public planning sectors unanimously agree that the economic incentives offered by extant policies are insufficient to attract significant private investment into the production of open public spaces. Furthermore, existing policies do not engage private actors in the production of genuinely publicly-accessible spaces that are large enough to meet the needs of rapidly growing urban populations. Moreover, private actors often defer the construction of privately-produced open public spaces after they have built all the commercial components in their projects or worse, they never deliver them. This outcome is often the result of land-use plan adjustment practices through which areas designated as greenery land are incrementally converted to other land uses.

UNDEREQUIPPED AND UNEVENLY ACCESSIBLE PUBLIC SPACES

A questionnaire survey conducted in six parks built by the private sector in the North and South Từ Liêm districts and in District 2 reveals that users are fairly satisfied with them. Although they were produced and, in most cases, are still managed by private entities, users perceive the parks investigated as public and accessible. These spaces are well-used throughout the week and the day by both men and women belonging to various age groups. They are also clearly multi-functional spaces. Moreover, the levels of comfort, safety and cleanliness of these spaces reported by users are generally good.
The parks assessed in this study however present worrisome tendencies which stem directly from the participation of private actors in their production. *Investors and developers tend to keep investment into these spaces to a minimum*, a problem partly related to risks of a deadlock in their transfer to public authorities. This can lead to the *under-provision of basic facilities and equipment* such as benches, tables, trash bins. The complexity of extant criteria and procedures generate long delays in the transfer process is partly to blame for this problem. During the long transfer period, private actors must cover the costs of the management and upkeep of the spaces. Currently, many try to offset these costs by under-investing in the public spaces they are charged to produce.

But the under-equipping parks is more than a cost-saving strategy. Instead some, private investors intentionally avoid providing areas for group sports or public toilet in the public spaces they build to *limit their use by people who do not reside in their projects*. Some private actors also privatize portions of the supposedly publicly-accessible public spaces they are assigned to produce, equipping them with equipment exclusively accessible to their clients. Some developers, for instance, fence off areas inside the perimeter of the public parks for exclusive, private functions (e.g., BBQ area, swimming pools).
Recommendations

Re-examine governmental expectations regarding privately-provided open public spaces in cities

Relevant governmental agencies at the national level, and notably the Ministry of Construction, should consider the role that the private sector can and should play in the planning, investment, construction and management of open public spaces in Vietnamese cities. Addressing this question is urgent to avoid the development of new urban territories severely deficient in open public spaces.

Revise policies to ensure the production of more publicly-accessible open public spaces of at least 0.5 ha in commercial property developments

In view of the problematic green and open space provision requirements in the existing policy framework, we recommend that the Ministry of Construction (and City government, where relevant):

- Specify provisions of the 2019 Vietnam Building code stipulating the criteria that areas must meet to be considered as greenery land in commercial property development plans. These criteria should privilege areas that are publicly accessible and support recreational activities. Conversely, they should rule out the categorization of any greenery land areas exclusively accessible to projects’ residents or with strictly technical or aesthetic functions.

- Require that commercial property development projects covering large enough areas provide one or more usable open public spaces; i.e., spaces that are: i) genuinely accessible to the public and ii) whose size supports recreational and socialization usage.

- In calculation of the minimum ratio of areas of greenery land per person required in policies, strictly prohibit the inclusion of areas located outside of the perimeter of commercial property development projects.

Ensure that privately-produced open public spaces are genuinely public and meet high standards of quality

The privately-produced parks assessed in this study revealed planning and design practices that have negatively affected their quality and publicness. We recommend that the Ministry of Construction adopts policies that:

- Prohibit the inclusion of exclusive areas or amenities within the perimeter of the publicly-accessible open spaces the private sector is mandated to produce. If private developers wish to provide their clients with exclusive or private amenities, these should be built in areas entirely separate from the publicly-accessible open public space (for instance, inside the perimeter of an adjoining residential complex). Moreover, the production of such exclusive spaces should not count as a project’s greenery land or social infrastructure contribution.
Recommendations

- **Formulate and adopt specific and enforceable design guidelines for different types of open public spaces** and require that the spaces invested in, planned and built by private actors comply with them. These standards should encourage multi-functional spaces that cater to the needs of different age groups (including children), support both individual and group activities, and provide users with sufficient basic equipment and amenities (benches, trash bins, public toilets, etc.).

In addition, we recommend that all the government agencies involved:

- **Simplify and streamline the procedures and criteria to transfer open public spaces from private investor-developer to district/city governments.** Limiting transfer delays should allow public authorities to require higher-quality spaces from private developers.

REVISE AND IMPROVE POLICIES TO INCENTIVIZE THE PRIVATE SECTOR TO PRODUCE AND DELIVER THE TYPES OF OPEN PUBLIC SPACES NEEDED BY CITIES

In view of the unsatisfactory outcomes of extant policies, we recommend that the Ministry of Construction, Ministry of Planning and Investment and City governments should:

- **Adjust existing policies mechanisms and explore new ones** that provide stronger economic incentives to private actors. New mechanisms could include the land-use coefficient bonus regulation currently being experimented in HCMC and the transfer of development right (TDR) tool under study by the Ministry of Construction.

- **Aim to attract private actors with strong financial capacities and a track-record of timely and successful project completion.**

In addition, measures need to be taken by the Ministry of Natural Resources and Environment to:

- **Curb land-use plan adjustment practices** through which areas earmarked as open public space are converted to other land-uses.

DEVELOP A FULLER PICTURE OF PRIVATELY-PRODUCED OPEN PUBLIC SPACES IN VIETNAMESE CITIES

National, provincial and district planning authorities need to improve their knowledge of the amount, size, types and quality of the public spaces produced by private actors (and, incidentally, of the spaces they are not producing). The Ministry of Construction and for City governments need to:

- **Conduct surveys** to get a fuller picture of the outcomes of the private sector’s involvement in the production of open public spaces in Vietnamese cities.

- **Assess private real estate development and design firm’s capacities** to deliver high-quality public spaces. Such evaluation should identify who are the actors within these private entities who are responsible for public space development what principles and criteria they rely upon to plan and design these spaces.

The Ministry of Construction should further:

- **Document the new types of open public spaces produced by the private sector and identify their roles.**
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