RETHINKING LAND READJUSTMENT FROM A GOVERNANCE-CENTERED PERSPECTIVE:

THE CASE OF A LAND READJUSTMENT PILOT IN TRA VINH, VIETNAM

Mansha Chen, Hoa Thi Mong Pham
World Bank
mchen2@worldbank.org, hpham1@worldbank.org

Paper prepared for presentation at the
“2017 WORLD BANK CONFERENCE ON LAND AND POVERTY”

Copyright 2017 by author(s). All rights reserved. Readers may make verbatim copies of this
document for non-commercial purposes by any means, provided that this copyright notice
appears on all such copies.
Abstract

Land readjustment (LR) has been used in many countries as a tool to promote more inclusive and efficient urban development. LR refers to a participatory process in which a group of neighboring land owners and occupants combine their land for unified planning and redevelopment in collaboration with the government or private developers. This is a win-win situation: government can upgrade the neighborhood without having to use its power of eminent domain, which often raises issues of fairness and transparency, and the landowners can remain in situ and enjoy better living conditions and an increase in their real asset value. Since March 2015, the World Bank has been providing technical support to Tra Vinh City in Vietnam on a pilot LR project, as well as to national ministries on legislation that would enable wider application of LR in Vietnam. This paper uses the Vietnam LR Pilot as a case to reflect emerging challenges, approaches and the process of applying LR from a governance-centered perspective, and also discusses how supporting legislation, an organized community, collaboration between the public and private sectors, and trust-based relationship among stakeholders could be gradually developed and strengthened to build viable institutions and governance for managing land development.

Key Words:
land readjustment, governance, community, collaboration, legislation
1. Introduction

Land readjustment (LR) has been used in many countries as a tool to promote more inclusive and efficient urban development. LR refers to a participatory process in which a group of neighboring land owners and occupants combine their land together for unified planning and redevelopment in collaboration with the government or private developers. In this process, each participating household contributes land for building basic infrastructure and public amenities based on the needs of the community and, in return, receives a serviced land plot of smaller area with at least equal value in the vicinity of the original site upon the completion of the project. This is a win-win situation in which the government can upgrade the neighborhood without having to use its power of eminent domain which often raises issues such as fairness and transparency, and the landowners can remain in situ and enjoy better living conditions and an increase in the value of their real asset. Through the process, LR also fosters trust and collective actions, because landowners are empowered to make decisions on planning, servicing and redevelopment.

In principle, land readjustment can achieve five policy goals, if it is implemented carefully.

- First, it can assemble land for urban expansion and revitalization with minimal displacement.
- Second, land readjustment can help recover a portion of the project cost.
- Third, it can promote maximization and intensification of land use, thereby enhancing land value for landowners and expanding the property tax base for the municipality.
- Fourth, land readjustment can distribute land redevelopment costs and benefits equitably among landowners and other stakeholders such as the municipality, private developers, and the community, especially the urban poor and landless.
- Fifth, land readjustment can encourage public participation in policy decision-making.

Land readjustment or similar methods have been used or experimented with in many countries to facilitate peri-urbanization, urban regeneration including slum upgrading, and post-disaster and post-conflict reconstruction. The earliest application of land readjustment is to assemble fragmented farmland for either higher productive agricultural uses or for urban expansion. Instead of acquiring land from

---

1 Countries or cities that have used LR or similar approaches include Angola, Australia, Bhutan, Chile, China, Colombia, Ethiopia, Finland, France, Germany, India, Indonesia, Iran, Iraq, Israel, Japan, Nepal, the Netherlands, Philippines, South Korea, Spain, Sweden, Taiwan, Thailand, and Turkey.
farmers to facilitate rural productivity enhancement or urban activities, farmers are asked to partake in these investments and to share the development benefits generated by structural economic changes. In many cases, this arrangement has protected farmers’ economic wellbeing and at the same time lowered the monetary and negotiation costs of land assembly for urban development.

Land readjustment is also employed to facilitate infill redevelopment; however, the frequency is much lower than that of using it for peri-urbanization. This is because development densities in urban centers are already quite high in most cases and thus the number of landowners affected by redevelopment is normally large, rendering the application of LR more difficult. That said, many developing countries have adopted land readjustment or land sharing to deal with informal settlements in their cities. This is largely due to the concern about the potential political controversies and adverse effects on the livelihoods of self-settlers caused by forced eviction.

In addition, land readjustment has played an instrumental role in rebuilding some war-torn and natural-disaster-affected regions. For example, in Japan, LR was used to rebuild Tokyo after the Great Kanto Earthquake in 1923, and the Kobe Earthquake in 1995, as well as the post-war reconstruction after World War II. In India, the Town Planning Scheme approach was used to reconstruct the historic city of Bhuj after a severe earthquake in 2001. The Development Workshop, a nonprofit organization, has used land readjustment to upgrade an informal settlement in Huambo in Angola.

Since 2010, the World Bank, through several analytic and advisory reports (including World Bank, 2011 and World Bank, 2013), has been promoting the potential benefits and facilitating the adoption of land readjustment in Vietnam as a more inclusive, equitable and transparent approach to land assembly. In May 2014, the World Bank along with the Japan International Cooperation Agency (JICA), UN-Habitat and the Vietnamese Ministry of Construction organized an International Workshop on Land Pooling and Readjustment in Vietnam to share experiences of LR in Bhutan, India and Japan, and discuss the potential for its applications in Vietnam. It was widely agreed that Vietnam would benefit greatly from using the LR approach, but that before this can be done extensively, a few pilot projects as well as national regulations would be necessary. Can Tho, Vinh Long, and Tra Vinh cities expressed interest in piloting such an approach. After preliminary assessment of the proposed pilot project sites and further discussion with the three city authorities, a pilot project in Tra Vinh City was initiated in March 2015 with the World
Bank’s technical assistance. In addition to supporting the pilot, the World Bank has also assisted national ministries in drafting legislative provisions that would enable wider application of LR in Vietnam.

This paper will use the Vietnam Land Readjustment Pilot in Tra Vinh as a case to reflect emerging challenges, approaches and the process of applying land readjustment from a governance-centered perspective, and discuss how supporting legislation, an organized community, collaboration between the public and private sectors, and a trust-based relationship among stakeholders could be gradually developed and strengthened to build viable institutions and governance for managing land development.

2. Institutional and Legislative Background

Vietnam is experiencing one of the most rapid urbanizations in the East Asia Region, with the urban population growing at 4% per year. This rapid growth creates strong competing demands for land, and cities see many development projects suspended or abandoned, often due to the increasingly contentious and prolonged process of negotiation associated with compulsory land acquisition. According to the World Bank report on Land Governance Assessment Framework, land acquisition in Vietnam has generated many serious conflicts, and these conflicts are not resolved expeditiously and transparently. The recent pressure on government budget, coupled with difficulties in land acquisition, raises a need for more participatory ways of land assembly for development. LR could be seen as a very attractive alternative, as it is based on collaboration between the project implementing bodies and the affected communities, easing the pressure on government budget.

The incentives to consider LR as a more effective way of land assembly and infrastructure development come not only from the lack of government budget but also from the need of getting community participation and fostering inclusive development. For cities where government budget is limited, LR appears to be a very good option for urban development. For those cities with more affluent resources or more active private sector, funding pressure could be less intense. However, LR should still be considered where possible since it facilitates more meaningful community participation and equitable sharing of benefits and responsibilities among land users, and enhances sustainable development of the cities.

In terms of private sector involvement, in many countries LR offers a way for the private sector to participate in the project, either as one of the landowners, or as an outsourse agency that manages the project.
and receives back the reserve land in return. In the context of Vietnam, the most common role for the private sector in LR could be as outsource agency for the initiator. The private sector’s services could then be paid for either by money from auction of contributed land or with pieces of contributed land.

Until very recently, Vietnam did not have any existing legal framework on land readjustment. The 2013 Land Law includes clauses (Article 146 and 179) that allow voluntary land contribution and self-investment by land users, or leasing or contributing land to a project’s investors. In practice, under the “state and people working together” mechanism promoted by the national government, some cities have begun to experiment with initiatives that aim to share the cost and benefits of development more equally among the stakeholders involved, such as land consolidation in rural areas to consolidate land ownership and increase agricultural productivity (the so-called New Rural Development recently, see Box 1), redevelopment of old apartment buildings by private developers with on-site resettlement of original residents (Box 2), and voluntary land contribution to widen alleys in peri-urban areas (Box 3). However, these practices, although demonstrating some similar features of LR, were carried out on an ad hoc basis without clear government guidance on the roles of different stakeholders involved and the implementation process.

In January 2017, a new Land Decree for the Implementation of the 2013 Land Law was approved by the Prime Minister. It includes general provisions that give the Provincial People’s Committee authority to issue regulations on land readjustment to implement investment projects. This will provide a firmer legal basis for cities to apply such an approach in Vietnam.

**Box 1: New Rural Development in Thanh Van Commune (Thanh Oai, Hanoi)**

Thanh Van is a peri-urban commune of Hanoi which has about 1,700 households with 6,500 people. The commune relies largely on agricultural production. Thanh Van leaders (particularly the former Secretary of the Commune Communist Party) had the idea to undertake land consolidation since 1992.

---

2 Article 146, item 4 states: “In cases a community builds or readjusts public utilities or infrastructure with people’s contribution or government budget, the agreement of land contribution or support is decided by the community and landholders.”

3 Article 179, item 1 states: “In cases of acquiring land for projects, [household] has a right to invest in the land, let the developer rent the land, and use the land use right to contribute to the project to implement the project as per government regulations.”
long before the national New Rural Development Program (NRD) was initiated. After the first failed attempt in 1993, land consolidation resumed in 1997. Three of four villages finished their land consolidation in 2004, while the last one completed the process only in 2014.

As a result of land consolidation, the average number of agricultural land parcels of each household dropped from 20 – 25 pieces to only 1 or 2 parcels. Field transportation and irrigation systems were developed and closely met the NRD standards. Agricultural productivity roughly doubled, and most of that increase can be attributed to the application of new technology which is facilitated by land consolidation and infrastructure development.

In the land consolidation of the late 1990s, Thanh Van faced two big challenges. First, nobody wanted to take “low grade” parcels, i.e., those that have low fertility, are hard to farm, and are hard to access. Offering a higher land exchange rate for these parcels was one solution, but the key was to build a good in-field transportation and irrigation system to make these parcels cultivatable. This posed a question of financial sources since this commune was very poor at the time. Secondly, there were a number of public land parcels (dat “xen ket”) that were hard to farm, such as low-ground land, small parcels located in between residential areas, or parcels that had been used for brick making. These land parcels could not be consolidated, nor could they generate a good value based on agricultural production. Putting these two challenges together, the people of Thanh Van decided to sell “xen ket” land. This was perfect timing, since 2005 – 2011 was a good time for selling land. The commune used 67% of the land sales proceeds for infrastructure development and the remaining funds for establishing a retirement fund for farmers. However, selling “xen ket” land, which is public land, was a violation of current policies, and thus commune leaders faced some penalties from the city.

**Box 2: Redevelopment of Thanh Cong Apartment Building (Dong Da, Hanoi)**

Inherited from the old socialist system, Hanoi has 1,630 old apartment buildings, and most of them are in very bad condition. In 2005, the city set a plan to renew all of these buildings by 2020, and after more than 10 years of implementation, only 10 buildings were renewed, accounting for less than 1% of the plan. Thanh Cong Old Apartment Building had 107 households. It was on the city’s redevelopment plan in 2005, but the implementation actually only started in 2008, when the building’s condition
became too dangerous for its residents. With a long process of negotiation and communication between the developer and the households, the building was finished by 2012, and by 2015 all inhabitant households agreed to receive their new apartments. The new building has two blocks of 413 apartments (including 107 apartments for resettlement and the remaining units for commercial purpose) and an office block of 11 floors.

The project brought benefits to all stakeholders: (a) the developer obtained net financial gains; (b) the government also gained a politically significant project contributing to social stability and improving the city’s image; and (c) the people received better apartments. However, the project’s implementation revealed a number of issues, particularly with respect to gaining consensus among the impacted people, the developer, and the authorities.

**Box 3: Land Contribution to Widen Alleys in Ho Chi Minh City**

Since the early 2000s, Ho Chi Minh City has promoted alley widening activities based on the “state and people working together mechanism”. District governments have played a central role in carrying out this initiative. This example is about the widening of alley 162 Phan Dang Luu, Phu Nhuan District.

The idea initially came from voters’ request in a meeting with the District’s People’s Council delegates. The District’s People Council then discussed the matter with the People’s Committee and Party and agreed that widening alleys was an important political initiative of the District. Alley 162 Phan Dang Luu was one of 100 alleys in Phu Nhuan District that have been widened during 2000 - 2015. The alley 162 Phan Dang Luu, Ward 3, Phu Nhuan District is 217m in length and 1.1 to 2m in width. The alley includes 76 households, of which 62 households are located along the alley and 14 households on the alley corners.

According to the District’s overall alley widening policy, people contributed their land to widen alleys while the district government had responsibilities for road construction, drainage, water supply, and movement of construction structures.
Contrary to the case of alley widening in Giang Bien, Hanoi, the alley widening project in Phu Nhuan District, Ho Chi Minh City, was actively led by local authorities (District and Ward governments). Local authorities converted people’s requests into specific plans. The Working Team was formed, comprising representatives from Father Front, the Ward’s People’s Committee, Party members, and respected citizens. The Working Team developed detailed plans, communicated with households and authorities to reach necessary level of agreement (70% of households), and proposed solutions for various especially challenging cases. After nearly eight years of preparation and discussions (2008 – 2016), the alley widening of 162 Phan Dang Luu has been completely agreed and was completed by the end of 2016.

3. Land Readjustment Pilot Project in Tra Vinh City, Vietnam

Tra Vinh City is located in the Mekong Delta Region in the south of Vietnam, with a population of 200,000. In 2016, the city had a total budget of VND208bln (about 9 million USD), and nearly 80% of the budget came from central and provincial government transfer, which is the main funding source for urban infrastructure development. Given the very limited budget, Tra Vinh City is struggling to provide better infrastructure and services to its residents. After attending the World Bank LR workshop in 2014, Tra Vinh provincial leaders sent a formal request to the World Bank to provide technical assistance to apply the land readjustment approach to upgrade one of Tra Vinh City’s poor neighborhoods. An area of about 24 hectares located 1km from the city center and 1.5km from the new administration center was selected as the pilot site, which includes 480 land users and about 1,000 land parcels. The city’s leadership was convinced that land readjustment would be the only feasible approach to developing this low-income and flood-prone area (Figure 1, next page) due to government budget constraints, and would like to set an example through this pilot for developing many other similar sites in the city. To speed up implementation, the site was divided into four sub-areas and an area of 4.02 hectares (zone 3 in Figure 2) was designated as the first pilot project. The pilot project was agreed to be carried out in the city by the Tra Vinh Province in August 2015, and the city is at the final stage of project preparation with infrastructure development expected to start in August 2017.

4 As this pilot project is still in progress and all project documents are still under preparation, all data presented in this section was based on preliminary estimates and is subject to revision as project documents are being finalized.
3.1 Pilot Project Area Features

The pilot project area is a low lying area frequently suffering from flooding. It currently has very few access roads, with internal alleys only taking up 2% of the entire area. It consists of 138 land parcels, including 2 publicly-owned parcels and 136 parcels owned by 92 private land users. About half of the land area are residential and the other half is agricultural. The total area of private residential and agricultural land is 28,737m$^2$. Average private land parcel size is about 200m$^2$, with about half of the parcels less than 100m$^2$. Most of the residential parcels already have built-up structures; however, the majority of the structures are semi-permanent and temporary.

*Figure 1: Existing conditions of the 24-hectare site*

*Source: Tra Vinh City Land Readjustment Pilot Project Leaflet, Tra Vinh City.*
3.2 Site Plan and Land Readjustment Scheme

Based on the city’s master plan, a site plan of the overall 24-hectare area was prepared. The site plan proposed a road network of 12-meter-wide secondary roads and 4-meter-wide alleys, which intends to provide access to every land parcel yet avoid demolition of existing structures to the extent possible (Figure 2, above, left image). Two scenarios for the road network were proposed for the pilot project area to solicit comments from the community through a town hall, during which the community opted for one preferred scenario. It was calculated that an additional area of about six thousands m² is needed for the road network. As there are already parks, schools, hospitals and other amenities available in the proximity of the site, the site plan proposed to make use of those amenities rather than to provide those on site. The

*Source: Tra Vinh City Land Readjustment Pilot Project Leaflet, Tra Vinh City.*

*Notes: Left image: Location of pilot project site (Zone 3) in the site plan of the 24-hectare area; Upper right image: Current road network in pilot project site; and Lower right image: Planned road network in pilot project site.*
total investment cost was estimated to be about VND25bln. As this is the first pilot project, the city plans to cover 70-80% of the total investment cost from its budget in order to reduce land contribution from the land users and gain support from the community. The remaining 20-30% of the total cost will be covered by sale of surplus land, which, based on the projected market price of residential land in this area, is more than one thousand square meters. This means that a total area of about seven thousand square meters is needed through land contribution from the community.

When determining the land contribution ratio, as the current market price of residential land is about 2.5 times of that of agricultural land, it was proposed that the contribution ratio for households holding agricultural land will be 2.5 times of that for households holding residential land. Based on the total land needed for both infrastructure development and land sale to recover part of investment cost, it was calculated that the contribution ratio for agricultural land is 33% of land area while for residential land it is 13%. The preliminary land price assessment shows that land price, on average, is estimated to increase by 3.5 to 5 times after the pilot project, so the net value of the land users’ real assets is expected to increase substantially even after land contribution.

3.3 Project Principles

Given that community engagement is of paramount importance to the pilot project, a community working group was formed when the project was initiated with representatives from the community, city authority and local organizations to assist the project management team in communicating and consulting with the community. Ten project principles were established at an early stage of project preparation in consultation with the community working group:

1) A land contribution ratio is calculated for two types of land: it is 13% for residential land and 33% for non-residential (agricultural) land.
2) Contribution from households may be made in the form of cash or land, or a combination of the two, depending on the specific situation of their parcel.
3) Households whose land parcel will become too small for construction after land readjustment can select the following options:
   a) contribute in cash instead of land;
b) purchase additional land to achieve the minimum plot size (36m²) according to the urban planning regulations;

c) consolidate their remaining parcel with neighboring parcels occupied by other households; or

d) transfer their land to the city, or another household, with compensation, and move to the resettlement site.

4) The project will aim to minimize demolition of existing structures, except for structures that do not conform to urban planning regulations. Demolished structures and other private assets will be compensated in accordance with the regulations of the relevant law(s).

5) The project will account for the previous contributions made to Mekong Delta Region Urban Upgrading Project, and will reduce households' contribution to the current land readjustment project accordingly.

6) Final parcels returned to the participating households will be at their original location, or as close as possible to the original location.

7) The land readjustment project will serve as a tool for achieving the city's broader urban planning goals.

8) In cases where the community's benefits and interests conflict with those of individual households, the former will be given priority.

9) The land readjustment project will only be approved if at least two-thirds of the total households and the users of two-thirds of the total land area agree with the project. The city will attempt to persuade all affected households of the benefits of participating in the project and obtain their agreement to participate voluntarily. However, for households who cannot be persuaded to participate, the city will use compulsory land acquisition as the last resort to acquire their lands in accordance with the relevant law(s).

10) All land readjustment activities will be implemented in a transparent manner and monitored by the community.

3.4 Project Financing

In terms of project financing, initially the city intended to make full use of the public land (about six thousand square meters) for the pilot project, including contributing part of the public land for roads, and auctioning part of it to recover investment cost. However, auction of public land is beyond the authority
of the city, and requires complicated procedures of approval by the Provincial authority. Furthermore, the pilot nature of the project and unclear legal framework related to investment will create confusion and delay if the city includes public land auction as part of the funding source of the pilot project. In view of these considerations, the city proposed to use city budget instead of the public land auction to bridge the financing gap of the Pilot project to make the procedures simpler. There are justifications for the city to use its budget for this pilot project. For example, the city may auction the public land in the future and retain 60% of the auction revenue, and the auction price will increase substantially as a result of the improved infrastructure investment of the pilot project. Also, the city expects that the revenue from land, such as the land transaction tax, land use conversion fee (from agricultural to residential), and land tax, will also increase substantially as a result of the pilot project. It was recorded that in 2016, the city’s revenue from land has tripled due to the infrastructure improvements of the ongoing World Bank-funded urban upgrading project. Initially, the city intended to explore the option of a Public Private Partnership arrangement with a private construction company so that the company could invest in the infrastructure first and get the surplus land back in the project site as its return on investment. However, this option would delay substantially the project implementation because of the government’s cumbersome procedures, so it was dropped from the plan.

3.5 Replotting Plan

Based on the site plan and contribution ratios, the replotting plan (Figure 3, next page) was done according to the project principles. Specifically, the replotting process paid special attention to the following:

1) The replotting plan should be based on the updated site plan of the area and follow the proposed road network in the site plan. Meanwhile, the site plan should have flexibility to allow for small adjustments based on the community’s inputs during the process of preparing the replotting plan.

2) It was agreed that the first layer of structures next to the main roads on the east and west boundary of the site would not be subject to land contribution and replotting, due to the fact that

---

5 The City will have to submit 40% of the auction revenue to the Province if public land auction is conducted separately from the pilot project and the auction revenue does not contribute entirely towards the investment cost of the pilot project.
these structures already have access to the main roads and will not benefit directly from the pilot project. In this case, demolition of these mostly permanent structures will also be avoided.

3) Access to every final land parcel is ensured through the replotting process.

4) All parcels are given regular and rectangular shapes, with a minimum width of 3 meters and minimum plot size of 36m².

5) Demolition of existing structures is minimized and the returned parcels are placed as close as possible to their original locations.

6) Prior to starting the replotting exercise, information in the cadastral map and the corresponding land records should be cross-checked and verified to make sure they are consistent and up to date.

7) A standard format to maintain the land record should be developed which contains information such as: land user’s name, plot number, map number, village number, house area, land type, area to be deducted for pooling, prior land contribution for urban upgrading project, actual area to be deducted, final area to be allocated, area for which cash will be collected (if any), amount to be collected (if any), compensation amount for structures (if demolished), and a remarks column.

8) To the extent possible, surplus land for sale is reserved in locations with better access such as along the primary/secondary roads or at the road junctions, which is usually more valuable and will be in demand at the time of auctioning.

9) When a land user holds two or more land plots in the pilot project area, which are more or less contiguous, and when one of the plots would become less than 36m² after land contribution, these plots are consolidated into a single land parcel.

10) In the process of re-plotting there are a few instances where very small, narrow, and irregular shaped pieces of land parcels are created which are not able to be put to productive use. In such cases the immediate adjoining land user will be given the option to buy off these small areas.
3.6 Challenges

Since this pilot project is the first of its kind in the city and in Vietnam, the city encountered numerous challenges during project preparation. This section summarizes the three biggest challenges, as follows:

1) As there has been no precedent or legal framework for land readjustment until very recently, many efforts were devoted to raising awareness of the city and provincial governments and local community, defining the appropriate procedures and approach for the project, as well as increasing technical capacity of the city project management team and local consultants. The World Bank team organized several training workshops tailored to the needs of the project, including one with the Provincial authority to discuss project progress and challenges. In parallel to the pilot project, the World Bank team also provided advice to the Ministry of Natural Resources and Environment on LR provisions of the draft land decree, and prepared draft LR
guidelines for LR projects for Tra Vinh province. The recent approval of the new Land Decree has removed the major legal barrier to piloting LR in Vietnam.

2) Another major challenge is getting the community’s agreement since the pilot project has to rely on voluntary participation of the local community. The way the affected community is consulted and participate in the project is quite different from other conventional projects in Vietnam, in that the local community was brought in from the beginning throughout the project preparation to be part of the decision-making process. The community worked closely with the city to form a community working group, define the project boundary and operating principles, review site plan scenarios and the replotting plan, and express their preferences; resolve mismatches between the cadastral map and land records; and discuss options and policies for specific groups such as the poor, small land users, and households with fully built-up structures, etc. In addition, one-on-one meetings were held with residents that have not yet agreed to participate in the project, and all their concerns and issues were discussed openly and were addressed in a timely manner. After five rounds of public consultations that combined town halls and small groups meetings at different stages of project preparation (Figure 4, next page), the project has obtained 90% agreement from the community as of early January 2017. Although the project principles specify that the project will proceed once two-thirds of households agree, the city aims to get as much agreement as possible and resolve disagreement through more consultation and negotiation, while only using compulsory land acquisition as a last resort for the dissenting households.

To date, the above-mentioned challenges of the pilot project, namely community agreement and legal basis on land, have been largely overcome. However, the biggest challenge currently facing the city is the lack of funding sources for the infrastructure investment. As mentioned above, due to the complexity of the procedures of using public land for auction, the city now will have to find another budget source for the initial infrastructure development, which could be difficult as Tra Vinh is a poor province and relies heavily on the central budget assistance. If the city will not be able to find sufficient funds, there will be a risk that the land users might lose the trust in the city authority and change their mind if they have to wait for the investment to come. At the same time, it is noted that results of the TraVinh pilot project will have a big impact on the possibility of scaling up the approach nationwide.
4. Conclusions: Lessons Learned

Although results of the pilot project in Vietnam are yet to be seen given that it is still in progress, several lessons have emerged from the project preparation process:

1) The project could not have advanced this far without strong commitment from Tra Vinh City’s leadership, especially the Chairman (Mayor). The Chairman played a crucial role in securing political support from the provincial authority, mobilizing financial resources, instructing different departments and organizations to collaborate, and giving decisive guidance on important policy issues.

2) Another key factor that would lead such a complex pilot project to succeed is meaningful community engagement. The establishment of the community working group from the very beginning, development of community engagement strategy and communication materials, engaging social experts or consultants throughout the process, conducting many rounds of community consultations in different formats at various stages, discussing residents’ concerns and the project’s details in an open and transparent manner, and taking the community’s opinions into account in preparing and finalizing the project design and reploting options, have greatly contributed to increasing the community’s support of the project and building trust between the community and the city authority.
3) For cities that are under serious budget constraints, such as Tra Vinh, land readjustment represents an innovative financing mechanism through which the city authority, the community and the private sector can collaborate to share the burdens and benefits of development, thus achieving win-win outcomes for all involved parties.

4) Although Tra Vinh proceeded with the pilot project without any existing legal framework or guidelines, working with central government on legislation development as well as developing detailed guidelines for land readjustment could strengthen the legal basis and streamline the project preparation process to shorten the learning curve of local governments, thus enabling more cities to experiment with and scale up this approach.

5) There is no one-size-fits-all way of applying land readjustment. The pilot project in Tra Vinh has benefitted tremendously from experts and experiences from other countries that have successfully implemented land readjustment projects. However, many challenges are context specific, and require local solutions and innovation that emerge through collective learning and actions of the city, community and other stakeholders. This leads us back to the idea of trust building and governance—that is, having an open and inclusive decision-making process so that no stakeholders would feel that they were left out of the process.
References


Tables

[none]

Figures

Figure 1: Existing conditions of the 24-hectare site.................................................................10
Figure 2: Overview of pilot project site ..........................................................................................11
Figure 3: Existing plots and replotting plan..................................................................................12
Figure 4: Public consultations........................................................................................................12