




The Study on Integrated Development Strategy for Danang City and Its Neighboring Area in the Socialist Republic of Vietnam (DaCRISS)

FINAL REPORT / Part V

Tourism Development Strategy for CFEZ



December 2010

ALMEC Corporation
International Development Center of Japan

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**JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
DANANG PEOPLE'S COMMITTEE**

**THE STUDY ON INTEGRATED DEVELOPMENT STRATEGY FOR
DANANG CITY AND ITS NEIGHBORING AREA IN
THE SOCIALIST REPUBLIC OF VIETNAM
(DACRISS)**

**FINAL REPORT
PART V TOURISM DEVELOPMENT STRATEGY FOR CFEZ**

December 2010

**ALMEC CORPORATION
INTERNATIONAL DEVELOPMENT CENTER OF JAPAN**

The exchange rate used in the report is

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(average in 2008)

PREFACE

In response to the request from the Government of the Socialist Republic of Vietnam, the Government of Japan decided to conduct The Study on the Integrated Development Strategy for Danang City and Its Neighboring Area (DaCRISS) and entrusted the program to the Japan International cooperation Agency (JICA)

JICA dispatched a team to Vietnam between June 2008 and December 2010, which was headed by Mr. IWATA Shizuo of ALMEC Corporation and consisted of ALMEC Corporation and International Development Center of Japan.

In the cooperation with the Vietnamese Counterpart Team, the JICA Study Team conducted the study. It also held a series of discussions with the relevant officials of the Government of Vietnam. Upon returning to Japan, the Team duly finalized the study and delivered this report.

I hope that this report will contribute to the sustainable development of Danang City and its neighboring areas as well as Vietnam and to the enhancement of friendly relations between the two countries.

Finally, I wish to express my sincere appreciation to the officials of the Government of Vietnam for their close cooperation.

December 2010

KIYOFUMI KONISHI
Director General, Economic Infrastructure Department
Japan International Cooperation Agency

December 2010

KIYOFUMI KONISHI

Director General, Economic Infrastructure Department
Japan International Cooperation Agency
Tokyo

Subject: Letter of Transmittal

Dear Sir,

We are pleased to formally submit herewith the final report of The Study on the Integrated Development Strategy for Danang City and Its Neighboring Area (DaCRISS).

This report compiles the results of the study which was undertaken both in Vietnam and Japan from June 2008 to December 2010 by the Team comprising ALMEC Corporation and International Development Center of Japan.

In the course of the study we have conducted various surveys including the Household Interview Survey which targeted at 5,000 households in Danang City, to grasp the situation of the city from various aspects. By considering these results as well as existing policies, and through thorough discussions with the counterpart team, we have proposed “Danang to be an Internationally Competitive Environmental City Beyond being Pollution-free” as the vision statement for Danang City.

We owe a lot to many people for the accomplishment of this report. First, we would like to express our sincere appreciation and deep gratitude to all those who extended their extensive assistance and cooperation to the Team, in particular the People’s Committee of Danang City.

We also acknowledge the officials of your agency and the Embassy of Japan in Vietnam for their support and valuable advice in the course of the Study.

We hope the report would contribute to the sustainable development of Danang City and its neighboring areas as well as Vietnam.

Very truly yours,

IWATA Shizuo

Team Leader

The Study on the Integrated Development Strategy
for Danang City and Its Neighboring Area (DaCRISS)

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ABBREVIATIONS

| | |
|-----------------|---|
| 3R | Reuse, Reduce, Recycle |
| AASHTO | American Association of State Highway and Transportation Officials |
| ADB | Asian Development Bank |
| AFD | Agence Française de Développement |
| AIDS | Acquired Immune Deficiency Syndrome |
| ALTID | Asian Land Transport Infrastructure Development |
| APEC | Asia-Pacific Economic Cooperation |
| API | Air Pollution Indices |
| ARD | Agriculture and Rural Development Department (|
| AS | Activated sludge |
| ASEAN | Association of Southeast Asian Nations |
| AUICK | Asian Urban Information Center of Kobe |
| AusAID | Australian Agency for International Development |
| BOD | Biological Oxygen Demand |
| BOO | Build-Own-Operate |
| BRT | Bus Rapid Transit |
| BSE | Bus Service Enterprise |
| CAD | Computer Aided Design or Computer Aided Drafting |
| CBD | Central Business District |
| CBO | Community Based Organization |
| CDM | Clean Development Mechanism |
| CDS | City Development Strategy |
| CEMDI | Center for Environmental Monitoring Data and Information |
| CEPT | Chemically Enhanced Primary Treatment |
| CER | Certified Emission Reductions |
| CFEZ | Central Focal Economic Zone |
| CG | Central Government |
| CIE | Capital Investment Expenditure |
| CMTT | Cach Mang Thang Tam. |
| CO | Carbon Monoxide |
| CO ₂ | Carbon Dioxide |
| COD | Chemical Oxygen Demand |
| COWASU | Thua Thien Hue Construction Company |
| CPCM | Certified Pollution Control Manager |
| CPU | Central Processing Unit |
| CS | Commune Survey |
| CSR | Corporate Social Responsibility |
| CZIM | coastal zone integrated management |
| DaCRISS | The Study on Integrated Development Strategy for Da Nang City and Its Neighboring Area in the Socialist Republic of Vietnam |
| DAIZICO | Danang Industrial Zones Infrastructure Development and Exploitation Company |

| | |
|---------|---|
| DARD | Department of Agriculture and Rural Development |
| DOCST | Department of Culture, Sport, and Tourism |
| DEIAA | Department of Environmental Impact Assessment and Appraisal |
| DGN | Design |
| DHMC | Danang Housing Management Company |
| DIEPZA | Danang Industrial and Export Processing Zones Authority |
| DNICT | Danang Information–Communication Technology |
| DOC | Department of Construction |
| DOET | Department of Education and Training |
| DOF | Department of Finance |
| DOFA | Department of Foreign Affairs |
| DOH | Department of Health |
| DOIA | Department of Internal Affairs |
| DOIC | Department of Information and Communications |
| DOIT | Department of Industry and Trading |
| DOJ | Department of Justice |
| DOLISA | Department of Labor, Invalids and Social Welfare |
| DONRE | Department of Natural Resources and Environment |
| DOST | Department of Science and Technology |
| DOT | Department of Transport |
| DPC | Danang People’s Committee |
| DPI | Department of Planning and Investment |
| DPTA | Danang Public Transport Authority |
| DSS | Decision Support System |
| DTCC | Danang Traffic Control Centre |
| DUT | Danang University of Technology |
| DVD-RW | Digital Versatile Disc - Rewriteable |
| DWRM | Department of Water Resources Management |
| DWSC | Da Nang Water Service Company |
| DWT | Dead Weight Tons |
| ECAFE | Economic Commission for Asia and the Far East |
| EFA | Environmental Flows Assessment |
| EIA | Environment Impact Assessment |
| ENTEC | Environment Technology Centre |
| ENVISAT | Environmental Satellite |
| EPA | Environmental Pollution Agency |
| EPC | Environment Protection Center |
| EPRC | Environmental Protection Research Centre |
| EPZ | Export Processing Zone |
| ESCO | Environmental Service Company |
| EU | European Union |
| EVN | Electricity of Vietnam |
| EWEC | East–West Economic Corridor |
| EZ | economic zone |
| FAO | Food Agriculture Organisation |
| FDI | Foreign Direct Investment |
| FEZ | Focal Economic Zone |
| FIA | Foreign Investment Agency |
| FS | Feasibility Study |
| FSCC | Flood and Storm Control Committee |
| GB | Gigabyte |

| | |
|-----------|--|
| GCS | Geographic Coordinate System |
| GDP | Gross Domestic Product |
| GEF | Global Environment Facility |
| GMS | Greater Mekong Sub-regional |
| GOJ | Government of Japan |
| GOV | Government of Vietnam |
| GPS | Global Positioning System |
| GRDP | Gross Regional Domestic Product |
| GRT | gross register tons |
| GSO | General Statistics Office |
| GSTC | Global Sustainability Tourism Criteria |
| GTZ | Gesellschaft für Technische Zusammenarbeit |
| GWh | Giga Watt hour |
| GWP | Global Water Partnership |
| GIS | Geographic Information System |
| GIS-IDEAS | Geo Informatics for Spatial-Infrastructure Development in Earth & Allied Sciences |
| HACCAP | Hazard Analysis and Critical Control Points |
| HAIDEP | The Comprehensive Urban Development Programme in Hanoi Capital City |
| HCMC | Ho Chi Minh City |
| HDD | Hard Disk Drive |
| HDQ | headquarter |
| HEPCO | Hokkaido Electric Power Company |
| HH | household |
| HIS | household interview survey |
| HIV | Human Immunodeficiency Virus |
| HMC | Housing Management Company |
| HOUTRANS | The Study on the Urban Transport Master Plan and Feasibility Study in HCM Metropolitan Area |
| HP | Hewlett-Packard |
| HPC | Hanoi People's Committee |
| HRD | Human Resource Development |
| HSBC | Hong Kong and Shanghai Banking Corporation. |
| HSR | High Speed Railway |
| ICAO | International Civil Aviation Organization |
| ICEM | International Centre for Environmental Management |
| ICM | Integrated Coastal Management |
| ICT | Information–Communication Technology |
| ICZM | Integrated Coastal Zone Management |
| ID | Identification |
| IDA | International Development Association |
| IEE | Initial Environmental Examination |
| IEMS | Integrated Environmental Monitoring System |
| IERR | Internal Economic Rate of Return |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| IMO | International Maritime Organization |
| IMOLA | Integrated Management of Lagoon Activities |
| INBO | International Network of Basin Organizations |
| IT | information technology |
| IUCN | International Union for Conservation of Nature. |
| IWRA | International Water Resources Association |

| | |
|-----------------|---|
| IWRM | Integrated Water Resources Management |
| IYB | Improve Your Business |
| IZ | industrial zone |
| JBIC | Japan Bank for International Cooperation |
| JETRO | Japan External Trade Organization |
| JICA | Japan International Cooperation Agency |
| JPY | Japanese Yen |
| KCN | industrial estate |
| KfW | Kreditanstalt für Wiederaufbau |
| Lao PDR | Lao People's Democratic Republic |
| LICCPP | Livelihood Improvement in Central Coastal Provinces Project |
| LIH | low-income housing |
| LIHAS | Low Income Housing Assessment Study |
| LoS | length of stay |
| LRT | Light Rail Transit |
| LUR | land-use rights |
| LURC | Land Use Right Certificates |
| LWR | Law on Water Resources |
| M/C | Motorcycle |
| MARD | Ministry of Agriculture and Rural Development |
| MASSCORP | Malaysian South-South Corporation |
| MB | megabyte |
| MICE | Meeting, Incentives, Conference and Exhibition |
| MIS | Management Information Systems |
| MLIT | Ministry of Land, Infrastructure, and Transport |
| MOA | Memorandum of Agreement |
| MOC | Ministry of Construction |
| MoCST | Ministry of Culture, Sports and Tourism |
| MOF | Ministry of Finance |
| MOI | Ministry of Industry |
| MONRE | Ministry of Natural Resources and Environment |
| MOST | Ministry of Science and Technology |
| MOT | Ministry of Transport |
| MP | Master Plan |
| MPA | Marine Protected Areas |
| MPI | Ministry of Planning and Investment |
| MRC | Mekong River Commission |
| MT | metric ton |
| NARBO | Network of River Basin Organization |
| NCEST | National Center for Environmental Science and Technology |
| NEDECO | Netherlands Engineering Consultants |
| NFEZ | North Focal Economic Zone |
| NIURP | National Institute for Urban and Rural Planning |
| NKEZ | Northern Key Economic Zone |
| NMT | non-motorized transportation |
| NO ₂ | Nitrogen Oxide |
| NPV | Net Present value |
| N-S | North-South |
| NSHSR | North-South High-Speed Railway |
| NTSC | National Traffic Safety Committee |
| NWRS | National water resources strategies |

| | |
|---------|---|
| NGO | Non Government Organizations |
| NH | National Highway |
| O&M | Operations and Maintenance |
| OD | Origin-Destination |
| ODA | Official Development Assistance |
| OECD | Organisation for Economic Cooperation and Development |
| PAD | Project Appraisal Document |
| PAR | Public Administration Reform |
| PC | People's Committee |
| PCC | Project Coordination Committee |
| PCD | Pollution Control Department |
| PCU | passenger car unit |
| PDF | Portable Document Format |
| PEMSEA | Partnerships in Environmental Management for the Seas of East Asia |
| PIIP | Priority Infrastructure Investment Program |
| PIT | Personal Income Tax |
| PMO | Project Management Office |
| PMU | Project Management Unit |
| PPA | Participatory Poverty Assessment |
| PPC | Provincial People's Committees |
| PPP | Public Private Partnership |
| PSPO | Pilot Study Project Office |
| PTA | Public Transport Authority |
| R&D | Research and Development |
| RBO | river basin organization |
| RDF | Refuse Derived Fuel |
| ROW | Right-of-way |
| SAGE | Schéma d'Aménagement et de Gestion des Eaux (Water Management Plan) |
| SAWACO | Saigon Water Corporation |
| SBR | Sequencing Batch Reactor |
| SCOTIA | Sustainable Coastal Tourism in Asia |
| SDS-SEA | Sustainable Development Strategy of the Seas of East Asia |
| SEA | Strategic Environmental Assessment |
| SEDP | Socio-Economic Development Plan |
| SFEZ | South Focal Economic Zone |
| SIDA | Swedish International Development Cooperation Agency |
| SKEZ | Southern Key Economic Zone |
| SME | small and medium-sized enterprise |
| SOC | State of the Coast |
| SOE | state-owned enterprise |
| SOHO | small office/home office |
| STRADA | System for Traffic Demand Analysis |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| SYB | Start Your Business |
| TCVN | Tieu Chuan Viet Nam |
| TCXDVN | Tiêu chuẩn xây dựng Việt Nam |
| TDM | Traffic Demand Management |
| TEDI | Transport Engineering Design Institute. |

| | |
|------------|---|
| TEU | twenty-foot equivalent units |
| TF | Trickling Filter |
| TGCH | Tam Giang Cau Hai |
| TIN | Triangular Irregular Network |
| TLP | Tropical Low Pressure |
| UMRT | Urban Mass Rapid Transit |
| UN | United Nations |
| UNDP | United Nations Development Programme |
| UNESCAP | United Nations Economic and Social Commission for Asia and the Pacific |
| UNFPA | United Nations Population Fund (formerly United Nations Fund for Population Activities). |
| UPI | Urban Planning Institute |
| URENCO | Urban Environmental Company |
| USA | United States of America |
| USB | Universal Serial Bus |
| USD | US Dollar |
| USP | Utility Service Programme |
| UTM | Universal Transverse Mercator |
| VAT | value added tax |
| VBSP | Vietnam Bank for Social Policy |
| VCCI | Vietnam Chamber of Commerce and Industry |
| VCEP | Vietnam-Canada Environment Program |
| VDR | Vietnam Development Report |
| VEA | Vietnam Environmental Agency |
| VEPA | Vietnam Environmental Protection Agency |
| VHLSS | Vietnam Household Living Standards Survey |
| VITRANET | Viet Nam Trade Network |
| VITRANSS 1 | The Study on the National Transport Development Strategy in the Socialist Republic of Vietnam |
| VITRANSS2 | The Comprehensive Study on the Sustainable Development of Transport System in Vietnam |
| VNAT | Vietnam National Administration of Tourism |
| VND | Vietnamese Dong |
| VNICZM | Viet Nam Netherlands Integrated Coastal Zone Management |
| VNRSC | Vietnam Remote Sensing Center |
| VPSSP | Vietnam Private Sector Support Programme |
| VRA | Vietnam Road Administration |
| WANI | Water and Nature Initiative |
| WB | World Bank |
| WDESP | Water Drainage and Environmental Sanitation Project |
| WGS | World Geodetic System |
| WHO | World Health Organization |
| WSP | Waste Stabilization Ponds |
| WTO | World Trade Organization |
| WWF | World Wildlife Fund |
| WWTP | Waste Water Treatment Plan |

1 INTRODUCTION

1.1 Background

1.1 The Study on Integrated Development Strategy for Danang City and Its Neighboring Area in Vietnam (DaCRISS) has been conducted since June 2008 for the comprehensive urban development of the city and the region to ensure that it follows an appropriate and a sustainable urban development. Based on the request from the Government of Vietnam (GOV) to the Government of Japan (GOJ) for its technical assistance on the issue, the study has been ongoing under the cooperation of both governments up to now.

1.2 In the course of the DaCRISS study, conclusion and recommendations were made on the need for more coordinated and integrated development of tourism sector in the region. The existence of three World Heritages, beautiful beaches and coastal areas as well as preserved forests and mountain areas in a relatively compact area is not comparable to other areas not only in Vietnam but also Asia region.

1.3 While the tourism cluster comprising Thua Thien Hue, Danang and Quang Nam involves strength and ample opportunities, they are not fully realized due to lack of, among others, adequate infrastructure, environmental management, operation capacity, promotion and marketing and information strategies. Insufficient inter-provincial coordination may also be attributed to a factor which restraint to accelerate a sustainable development of tourism in the region.

1.2 Objective

1.4 In view of the above, this study intends to formulate integrated and coordinated strategy and plan to make tourism sector more competitive, thereby tourism can contribute to socio-economic development and environment management of the provinces and the region in much more effective manner. The study is aimed to clarify the following points:

- (i) Review of “Comprehensive Study on Tourism Development in the Central Region” conducted by JICA in 2002

Of the Central Region provinces and city covered in the 2002 JICA Study, the CFEZ (T.T. Hue, Danang, Quang Nam, Quang Ngai and Binh Dinh) will be selected as the project area with focus on T. T. Hue, Danang and Quang Nam. The proposed projects and recommendations of the 2002 JICA study shall be reviewed to identify factors which contributed for or constrained against their implementation.

- (ii) Formulation of Environmental Improvement Measures of Target Tourism Destinations
Target tourism destinations will be selected based on the above (i) and in consultation with related provinces for which measures to improve safety and security, amenity, sanitation as well as to enhance attractiveness will be worked out.

- (iii) Formulation of Transportation Network Plan to Strengthen Connectivity of Target Tourism Destinations

A plan will be formulated on tourism transport network to improve connectivity of target tourism destinations in the project area. The plan will also include a list of projects for which project profiles will be prepared including preliminary estimate of investment costs.

- (iv) Formulation of Plan to Strengthen Operation and Management Capacity of Tourism Sector in the Strategic Area (T.T. Hue, Danang and Quang Nam)

For the strategic area including T. T. Hue, Danang and Quang Nam where prime tourism destinations concentrate, concrete measures will be worked out to strengthen operation and management of tourism sector including overall administration, marketing and promotion, human resource development, tourism area management, among others.

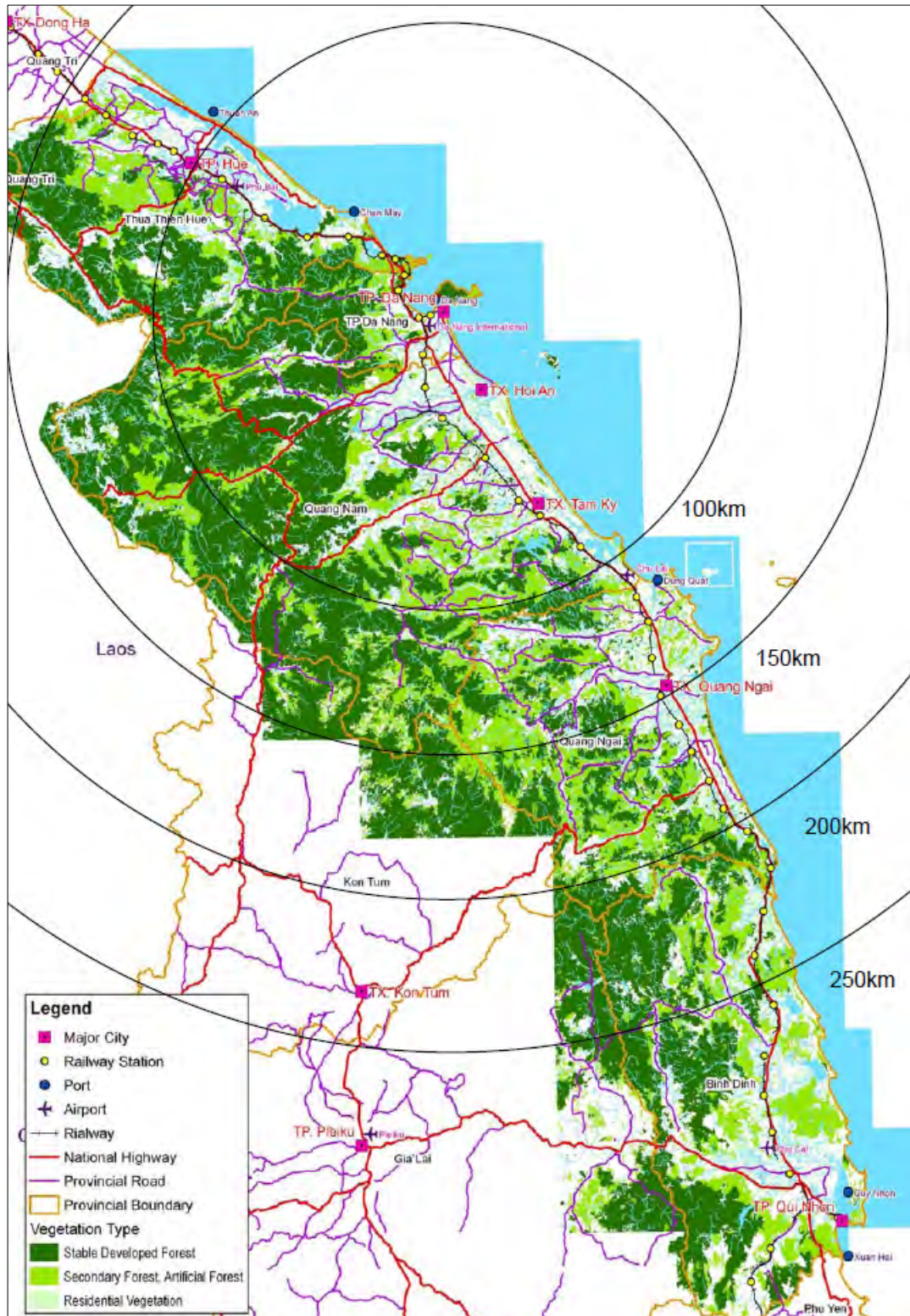
- (v) Formulation of Priority Action Program for the Strategic Area (T.T. Hue, Danang and Quang Nam)

On the basis of (i), (ii), (iii), and (iv), priority action programs will be formulated wherein projects are evaluated from economic, financial, technical, social and environmental aspects, and prioritized.

1.3 Study Coverage

1.5 The Study will cover the CFEZ comprising Thua Thien Hue Province, Danang City, Quang Nam Province, Quang Ngai Province and Binh Dinh Province, with focus on Thua Thien Hue, Danang City and Quang Nam Province.

Figure 1.3.1 Map of the Study Area



Source: DaCRISS Study Team.

2 OVERVIEW OF HDQ IN REGIONAL AND NATIONAL TOURISM

2.1 HDQ in the Region

1) GMS Economic Cooperation Program

2.1 The GMS Economic Cooperation Program which started in 1992 aiming at facilitating efficient cross-border transport infrastructure development to enhance regional economic development and regional cooperation as well as promote the freer flow of goods and people in the subregion. The GMS program covers 9 sectors, namely agriculture, energy, environment, telecommunication, human resource development, investment, tourism, trade, and private sector investment.

2.2 In 2002, a strategic framework composed of a vision, goals, development strategies, and 11 flagship programs was formulated. The East-West Economic Corridor project is one of these flagship programs. The objectives of the East-West Economic flagship initiatives are as follows:

- (i) To further strengthen economic cooperation and facilitate trade, investment and development between and among Lao PDR, Myanmar, Thailand and Vietnam;
- (ii) To reduce transport costs in the corridor area and make the movement of goods and passengers more efficient; and
- (iii) To reduce poverty, support development of rural and border areas, increase the earnings of low income groups, provide employment opportunities for women and promote tourism.

Figure 2.1.1 GMS Regional Economic Corridors



Source: GMS Transport Sector Strategy, ADB, 2007.

2) East – West Transport Corridor Project

2.3 The Asian Highway project started in the 1950s with the aim of developing the international land transport network as was achieved with the development of the Pan-American Highway and the European Highway. The development of the international road network was expected to be conducive to promoting regional development and fostering regional trade and tourism in Asia. In 1959, the Asian Highway Plan was adopted in the general assembly of the Economic Commission for Asia and the Far East (ECAFE), which was the forerunner of the UNESCAP. Initially, it had 15 member countries with a central focus on southern Asia, which included 5 GMS countries, namely Cambodia, Lao PDR, Myanmar, Thailand, and the former South Vietnam.

2.4 The original plan consisted of 41 routes or a total of 65,000km of road network, which linked each capital, important cities, ports, industrial centers, and other major cities in the region. The Asian Highway Network had been developed with the assistance of the developed countries and the United Nations Development Programme (UNDP) as well as through local projects of the respective member countries. In 1968, the Secretariat for the Asian Highway Transportation Engineering was established under UNESCAP to manage its development and coordinate with donor agencies. However, the Secretariat was closed down in 1975 due to financial constraints within the United Nations. While UNESCAP's Department of Transport and Communication took over the management of the Asian Highway Plan, its implementation had slowed down.

2.5 Since the 1980s, Asian countries have built the momentum rolling again to promote the development of the Asian Highway, as a result of the political stabilization in South Asian countries, the dismantling of the Cold War structure worldwide, following the increase in international exchanges and trade. The necessity of international transport infrastructure development was strongly felt all over the region. The accession of China, Myanmar, and Mongolia in 1988, 1989, and 1990, respectively, to UNESCAP and Vietnam's strong willingness to integrate with the world economy as shown by its Doi Moi policy has enhanced the opportunities to promote the Asian Highway Plan.

2.6 In 1992, UNESCAP endorsed three (ALTID) projects, comprising the Asian Highway, the Trans-Asian Railway, and the facilitation of land transport projects. The Asian Highway network was revised to accommodate the modifications to the existing network and the identification of new routes in new member countries.

2.7 Furthermore, The ASEAN Highway Network Project was agreed on at the Fifth ASEAN Transport Ministers Meeting in 1999. While the ASEAN Highway Network does not relate with the Asian Highway network, the former basically follows the Asian Highway network for the major routes, adding some routes of importance to the region

2.8 With the completion of the construction of Hai Van Tunnel, upgrading of the Danang Port, and the Second Mekong International Bridge between Mukdahan and Savannakhet, the East – West Transport Corridor Project has completed the section from Thailand to Lao PDR and further to Vietnam. Apart from Thailand, Vietnam is the only GMS (Greater Mekong Subregion) member that participates in all three economic corridors, namely, the North – South, East – West, and Southern economic corridors. The effects of this East – West Transport Corridor to tourism can be seen in the HDQ as more tourists now arrive to the region via road (e.g. tourist buses), especially from Thailand and Laos.

Figure 2.1.2 Asian Highway and ASEAN Highway Network in the GMS



Source: Cross-Border Transportation Infrastructure Study, JICA.

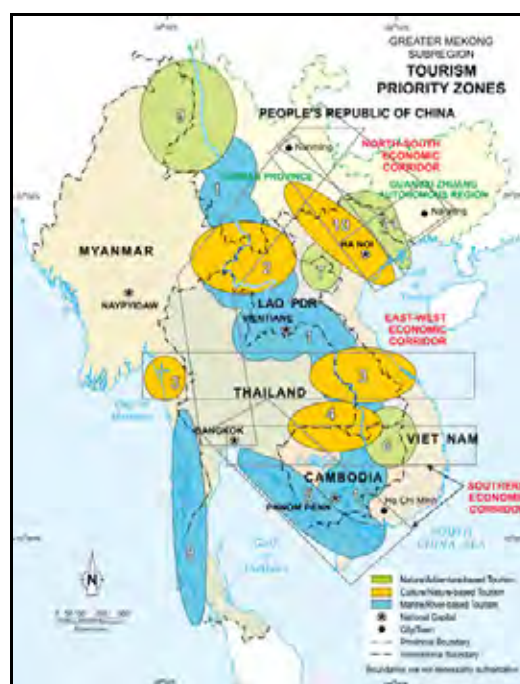
3) GMS Tourism Sector Strategy

2.9 The GMS Tourism Sector Strategy is another one of the 11 flagship projects of the GMS Economic Cooperation Program. It has been focusing on, among others, an intensified promotion of GMS as a single tourist destination, developing tourism-related infrastructure, improving standards for the management of natural and cultural resources, and promoting pro-poor community-based tourism. The tourism priority zones identified in the GMS Tourism Sector Strategy are shown in Figure 2.1.3. Of the 13 priority zones, HDQ is part of the “East West Tourism Corridor Zone”, linking Vietnam to Thailand via Lao PDR.

Figure 2.1.3 Tourism Priority Zones in the GMS

1. Mekong River Tourism Corridor*
2. Golden Quadrangle
3. East West Tourism Corridor Zone*
4. Emerald Triangle
5. Southern Coastal Tourism Corridor
6. Green Development Triangle*
7. Lao PDR-Vietnam Cross-border Community-based Tourism Zone
8. Andaman Coast Tourism Zone
9. Shangri-la-Tengchong-Myittha Tourism Development Zone
10. Red River Valley Tourism Zone*
11. Guangxi-Northeast Vietnam Borderlands Tourism Zone*
12. Heritage Necklace Circuit*
13. GMS Coastal and River Cruise Lines*

* Priority Tourism Zones Involving Vietnam



Source: GMS Tourism Sector Strategy, ADB

4) Strategic Location of HDQ in the World Heritage World

2.10 As stated in foregoing sections, the HDQ is indeed in the center of the region, accessible from many cities in Asia. Figure 2.1.4 shows the location of major cities and world heritages in the region. Possible strategies to expand international connectivity include, i) establish world heritage partnership (e.g. Yogyakarta, Shiem Reap, Luan Praban, Lijian, Okinawa, Bali...), ii) connect to gateways of main market countries (e.g. Tokyo / Kansai, Seoul, Beijing / Shanghai / Hong Kong, Bangkok, Singapore, Kuala Lumpur, Manila, ...), and iii) increase connectivity via transport (air, land, water) and communication.

Figure 2.1.4 Tourism Priority Zones in the GMS



2.2 Current National Tourism Policy

1) National Tourism Development Strategy 2001–2010

2.11 In the Vietnam National Tourism Development Strategy 2001–2010, ratified on July 22nd, 2002 (Decision No. 97/2002/QĐ-TTg), its objectives for the policy is defined as below.

- (i) To develop tourism in a rapid and sustainable way aiming at making tourism as an intrinsic spearhead of economic sector;
- (ii) To enhance the promotion of tourism by concentration of investment into the selected key tourism areas such as tourism resort, tourism circuit and tourism attractions. Thereby, the diversity of tourism products that are of high quality with traditional cultural identity and their comprehensiveness among products will be attained; and
- (iii) To turn Vietnam into a competitive tourism center in the region.

2.12 The key international markets for such products in order of priority are as tabulated as shown in Table 2.2.1.

Table 2.2.1 Target Market in Priority

| | Zone | Representing Countries |
|---|---------------------|--|
| 1 | East Asia - Pacific | Japan, China, Korea, Taiwan, ASEAN, Australia, New Zealand |
| 2 | Western Europe | France, Germany, UK |
| 3 | North Americans | USA, Canada |

Source: Summarized by DaCRISS Study Team.

- (a) **Target Markets:** In 2007, the North-East Asia (Japan, Korea, Taiwan) became the largest tourist generating market with a share of 30%. ASEAN followed at 16%. The tourism products offered to the international tourists / market are to be developed as unique tourism products bearing the identity of Vietnam and at same time with competitiveness in the region and in the world taking into account of the preferences of these key markets. Special attention is given to “eco-tourism, culture and historical tourism products”.
- (b) **Diversification of Products:** The diversification of tourism products is considered important to attracting those prioritized market. The special importance is to be attached to the development of typical tourism products bearing Vietnam’s identity and high competitiveness such as (i) craft village, (ii) garden based tourism and (iii) eco-tourism in the area where there are typical eco-system.
- (c) **Tourism Zones:** Based on the characteristics of tourism resources and activities, Vietnam can be divided into three (3) tourism zones that share the geographic boundary of economic focal zones as tabulated in Table 2.2.2.

Table 2.2.2 Three Tourism Zones of Vietnam

| Zone | | Links | Type | Characteristics |
|------|---|--|---|--|
| 1 | Northern Tourism Zone | Ha Gian – Ha Tinh with Hanoi Capital City as a zone center | Culture, eco-tourism, sightseeing, recreation | Zone center |
| | | Hanoi – Hai Phong – Ha Long | Culture, eco, recreation, sightseeing | Growth dynamic triangle area |
| | | Ha Long – Bai Tu Long – Cat Ba – Do Son | Sea tourism | |
| 2 | North-Central Tourism Zone | Quang Binh – Quang Ngai, Hue as a zone center | Culture | Zone Center |
| | | Quang Tri – Hue – Danang | Sea, sports, leisure, therapeutic, sightseeing, historic, culture, relics | Growth dynamic area with World Heritages |
| 3 | South Central and Southern Tourism Zone | Nha Trang – Ninh Chu – Da Lat | Combination of sea and mountain resort | Tourism circuit connecting with HCMC |
| | | Vung Tau – Long Hai – Can Dao | Weekend tourism | |
| | | Ho Chi Minh City and its vicinity | City tourism | |
| | | Ha Tien – Phu Quoc | Eco-tourism | |

Source: Summarized by DaCRISS Study Team.

- (d) **Key Physical Development Plans:** The national strategy identifies four (4) national tourism complex and sixteen (16) national tourism theme parks. At least one tourism complex has been identified for each economic focal zone as tabulated in Table 2.2.3. The strategy focuses on promotion of investment to develop these tourism complexes shape and put them into operation in the period of 2001–2010.

Table 2.2.3 Four Tourism Complexes of Vietnam

| | Name of Tourism Complex and Location | Province | Economic Zone |
|----|--|--------------------------|---------------|
| 1. | Beach Tourism Complex Ha Long – Cat Ba | Quang Ninh Hai Phong | NFEZ |
| 2. | Marine Tourism Complex Canh Duong – Hai Van – Non Nuoc | T. T. Hue Danang City | CFEZ |
| 3. | Beach Resort Complex Vang Phong – Dai Lanh | Khanh Hoa | CFEZ |
| 4. | Mountain Recreation Tourism Complex Dan Kia – Suoi Vang | Lam Dong | SFEZ |

Source: Summarized by DaCRISS Study Team.

Table 2.2.4 Tourism Theme Parks

| | Tourism Theme Parks | Destination | Province |
|----|------------------------------------|----------------------|-------------------|
| 1 | Mountainous recreation resort | Sapa | Lao Cai |
| 2 | Eco-tourism resort | Ba Be Lake | Bac Kan |
| 3 | Cultural and Historical Resort | Co Loa | Hanoi |
| 4 | Cultural and Environmental Resort | Huong Son | Ha Tay |
| 5 | Cultural and Ecological Resort | Tam Coc – Bich Dong | Ninh Binh |
| 6 | Cultural and Historical Resort | Kim Lien – Nam Dan | Nghe Anh |
| 7 | Cave Ecological Resort | Phong Nha – Ke Bang | Quang Binh |
| 8 | Revolutional and Historical Resort | Ho Chi Minh Trail | Quang Tri |
| 9 | Cultural Resort | Hoi An, My Son | Quang Nam |
| 10 | Beach Resort | Phan Thiet – Mui Ne | Binh Thuan |
| 11 | Ecological Resort | Tuyen Lam Lake | Lam Dong |
| 12 | Ecological Resort | Rung Sac – Can Gil | Ho Chi Minh City |
| 13 | Beach Resort | Long Hai – Phuoc Hai | Ba Ria – Vung Tau |
| 14 | Historical and Ecological Resort | Con Dao | Ba Ria – Vung Tau |
| 15 | Beach Island Resort | Phu Quoc | Kien Giang |
| 16 | Ecological Resort | Mangrove forest | Ca Mau |

Source: Summarized by DaCRISS Study Team.

- (e) **Investment Directions:** The first priority of tourism development and investment is given to the upgrading of national tourism circuit that links the tourism zones with potential destination for tourism development along these tourism corridors. Therefore, the FDI should be induced to such area as well as for four tourism complexes identified. The second priority is given to the development of entertainment facilities in the tourism centers aiming to extend the visitor's length of stay. This includes the North Zone (Hanoi, Ha Long), the Central Zone (Hue, Danang, Nha Trang), and the South Zone (Lam Dong, Vung Tau, Ho Chi Minh City, Can Tho). The third priority is given to investments to be promoted to improve and upgrade tourism cities such as Ha Long, Hue, Nha Trang, Vung Tau, Da Lat and tourism urban areas (tourism towns) such as Sapa, Do Son, Sam Son, Hoi An, Phan Thiet, and Ha Tien.
- (f) **Human Resource Development:** Tourism human resource development is quite an important factor to achieve the development target and goal especially in the context of international and regional tourism integration as well as winning the competition. The tourism staffs and officials are in need to improve and level up their skills and professional expertise of individual person. Strengthening the institutional setup is needed for the effective promotion of tourism. This includes strengthening the institutions and entities which conduct training for all level of tourism staffs and officials by means of tourism vocational training, training at high schools, university and higher academic institutions.
- (g) **Needs:** Current needs as highlighted in the national strategy can be summarized as follows:
 - (i) Consolidate and expand tourism cooperation relations with countries, territories and foreign communities, individuals;
 - (ii) Pay attention to multilateral tourism cooperation in the region especially among Vietnam – Laos – Cambodia, Vietnam – Laos – Thailand, Vietnam – Laos – Cambodia – Thailand, Greater Mekong Sub-region, East – West Corridor, etc. This aims at creation of sub-regional tourism and economic growth; and
 - (iii) Enhance to attract FDI into tourism sector aiming at creation of typical, high quality tourism products and high level employment opportunity.

2.13 The national tourism strategy can be summarized as follows:

- (i) Improve and renew the organization and management mechanism in harmony the economic sector. Mechanism should be improved with consideration to development trends and in the context of international and regional integration;
- (ii) Improve mechanism and policies on finance and investment that includes the simplification of entry-exit procedures and custom clearances;
- (iii) Enhance tourism marketing and promotional activities;
- (iv) Train and re-train tourism staffs and officials to develop human resources;
- (v) Promote research and apply science and technology as a basis for tourism development planning, market segmentation, diversification of products, increase quality of products, improve the mechanism for tourism policy and management;
- (vi) Evaluate all the tourism potentials, resources and environment; and
- (vii) Carryout active international integration and cooperation in tourism development and promotion.

2) National Tourism Development Strategy up to 2010 and Orientation to 2020

2.14 The main points of the 7th Draft Strategy can be summarized as below.

2.15 Reflecting the country's development in the tourism industry up to present, the major requirements for the industry in the coming 10 years are defined as follows:

- (i) Industrialization, modernization and shift to market mechanisms to improve the service sector to meet demands of the rapidly developing tourism industry;
- (ii) Job creation for the society, rise in income and improvement of living standards of people, especially people living in remote areas, require further expansion of tourism activities;
- (iii) Diversification and quality improvement of tourism products (as the rise in foreign currency revenue for the country and expansion of on-site export requires further development of tourism);
- (iv) Development of tourism in general and eco-tourism in particular to solve serious environment degradation issues;
- (v) Preservation and bringing into full play the national history and culture through cultural tourism;
- (vi) Strengthening of national defense, security and ownership of the country in boundary and island areas and its development of economic industries; and
- (vii) Rapid development of external economics, of which, tourism plays an extremely important role, for Vietnam's international and regional integration.

2.16 Table 2.2.5 summarizes the key development indicators regarding the tourism industry.

Table 2.2.5 Key Development Indicators for Tourism Industry

| | | 2005 | 2010 | 2020 |
|------------------------------|---------------------|-----------------------|---------|-----------|
| Number of Tourists (million) | International | 3.0–3.5 ¹⁾ | 6.0–6.5 | 12.0 |
| | Domestic | 15.5 | 20.0 | 30.0 |
| Social Revenue (billion USD) | | 2.1 | 5.0 | 10.0 |
| GDP | Value (billion USD) | 15,730 | 33,880 | 81,730 |
| | % to national GDP | 4.20 | 6.35 | 7.02 |
| Number of Hotel Rooms | | 89,500 | N. A. | N. A. |
| Number of Labor | | 211,000 | 345,000 | 635,000 |
| Number of Jobs Created | | 460,000 | 760,000 | 1,400,000 |
| Investment (billion USD) | | N. A. | N. A. | over 10 |

Source: 7th Draft for National Tourism Development Strategy up to 2010 and Orientation to 2020.

¹⁾ 2002 figures for the number of international tourists

2.17 The following areas are the focal investment areas stated in the plan (bold letters show the area related to the study):

- (i) Ha Long – Cat Ba tourism complex (Quang Ninh – Hai Phong)
- (ii) Huong Son Cultural tourism complex (Ha Tay)
- (iii) Tam Coc – Bich dong cultural – eco tourism complex (Ninh Binh)
- (iv) Ba Be Lake eco tourism complex (Bac Kan)
- (v) Kim Lien – Nam Dan cultural tourism complex (Nghe An)
- (vi) Revolutionary – historical tourism complex (section of Ho Chi Minh Road in Quang Tri)

- (vii) Phong Nha – Ke Bang eco tourism complex (Quang Binh)
- (viii) **Thuan An Beach Tourism complex (Thua Thien Hue)**
- (ix) **Lang Co – Bac Ma tourism complex (Thua Thien Hue)**
- (x) **Danang coastal sport tourism complex**
- (xi) **Hoi An Cultural tourism complex (Quang Nam)**
- (xii) Van Phong – Dai Lanh tourism complex (Khanh Hoa)
- (xiii) Dankia – Suoi Vang relaxation tourism complex (Lam Dong)
- (xiv) Long Hai – Phuoc Hai tourism complex (Ba Ria – Vung Tau)
- (xv) Phu Quoc Island tourism complex (Kien Giang)

2.18 Positive impacts on the implementation of this national strategy in the HDQ region are;

- (i) The focus of the tourism market is on Asian countries, in which the HDQ region has advantage in road transport due to EWEC;
- (ii) Domestic promotion is strongly promoted by the government, in which HDQ region has potential to become an accessible and attractive tourism destination for both Hanoi and HCMC;
- (iii) The HDQ region and the Central Region as a whole have priority for tourism development at the national level, therefore funding support (especially for infrastructure) from the Central Government can be expected.

2.19 On the other hand, constraints include;

- (i) Indication of Hue – Danang – Hoi An as a tourism cluster is unclear – this region can be connected through world heritages, Ho Chi Minh Trail, Cham culture, etc.;
- (ii) There is little commitment from the Central Government to initiate / support an inter – provincial cooperation framework;
- (iii) Focus is mainly on tourism development and exploitation, and it needs to elaborate environmental management policies and heritage preservation as well for the sustainable development of regional tourism.

2.20 For further updating the strategies mentioned in the plan, a stakeholder meeting chaired by VNAT was held on November 27th, 2009 to approve the contents of the National Tourism Development Strategy up to 2020 with a vision to 2030. Information will be updated based on its progress.

2.3 Tourism Zones in Vietnam

2.21 Vietnam is divided into three zones from the view of tourism development planning and management, as follows:

- (a) **North Tourism Zone:** This zone extends from Ha Giang to Ha Tinh province. Hanoi is the principal urban tourism destination in the zone with the tourism triangle formed by Hanoi–Hai Phong–Ha Long as the major tourism zone. Typical tourism products in this zone are culture- and nature-based tourist sites. The World Natural Heritage Site in this zone is Ha Long Bay.
- (b) **North Central Tourism Zone:** This zone extends from Quang Binh to Quang Ngai province. The central points of this zone are Hue and Danang. The Quang Binh–Hue–Danang–Quang Nam (Hoi An) cluster is the major tourism zone. Typical tourism products in this zone are culture-based tourist sites. This zone has four World Heritage Sites, namely the Phong Nha–Ke Bang National Park, the complex of Hue monuments, the ancient town of Hoi An, and the My Son relics. All these tourism destinations are registered as World Natural and/or Cultural Heritage sites. Danang plays an important role as the transportation hub for tourists in this zone.
- (c) **South Tourism Zone:** This zone extends from Kon Tum to Ca Mau province. Ho Chi Minh City is the center and principal urban tourism destination. The Can Tho–Ho Chi Minh City–Nha Trang–Da Lat–Phan Thiet cluster forms the tourist zone. The principal type of tourism products are mountains, panorama in the southern coastal area, Mekong delta, and the long coastline.

2.22 Figure 2.2.1 illustrates the tourism zones mentioned above and the tourist projects prioritized for development at the national level.

2.23 The peculiar feature of these tourism zones is that they cover four of the five World Heritage Sites in Vietnam, which are located very close to each other. Table 2.3.1 tabulates the location, type, year of registration, and distance from Danang City of each World Heritage Site.

Table 2.3.1 World Heritage Sites in the North Central Tourism Zone

| Province | Destination | Registration as World Heritage Site | Remark | Distance from Danang (km) |
|----------------|---------------------------------|-------------------------------------|---|---------------------------|
| Quang Binh | Phong Nha Ke Bang National Park | World Natural Heritage - 2003 | 13,000m long, 10-40m high, Asia's oldest cave | 240 |
| Thua Thien Hue | Complex of Hue Monuments | World Cultural Heritage - 1993 | Capital of Vietnam in 1805–1945 | 80 |
| | Hue Royal Court Music | World Intangible Heritage - 2003 | Officially formed along with the rise of Nguyen Dynasty in the early 19 th century | - |
| Quang Nam | Hoi An Town | World Cultural Heritage - 1999 | Commercial port in the 16 th century | 40 |
| | My Son | World Cultural Heritage - 1999 | Champa culture, 7 th –13 th century | 50 |

Source: DaCRISS Study Team.

2.24 As Danang is situated between Quang Binh and Quang Nam provinces and is the city that has the third-largest international airport in Vietnam, Danang has played an important role as the transportation hub in central Vietnam especially for tourists visiting the World Heritage sites. In addition, Danang's coastal area, specifically China Beach and My Khe Beach, has become the focal belt for beach resorts which extend southward up to the

northern Quang Nam or Hoi An. Beach resort development along the coast of Danang and stretching for over 10km started with the construction of the Furama Resort in 1997.

2.25 However, the more significant and rapid beach resort development has not taken place in Danang but in Quang Nam or along Non Nuoc Beach. The number of beach resorts in this area has increased from almost none in the late 1990s to 14 at present with around 1,100 rooms. This added to the variety of tourism destinations and activities in this region besides sightseeing at the World Heritage sites.

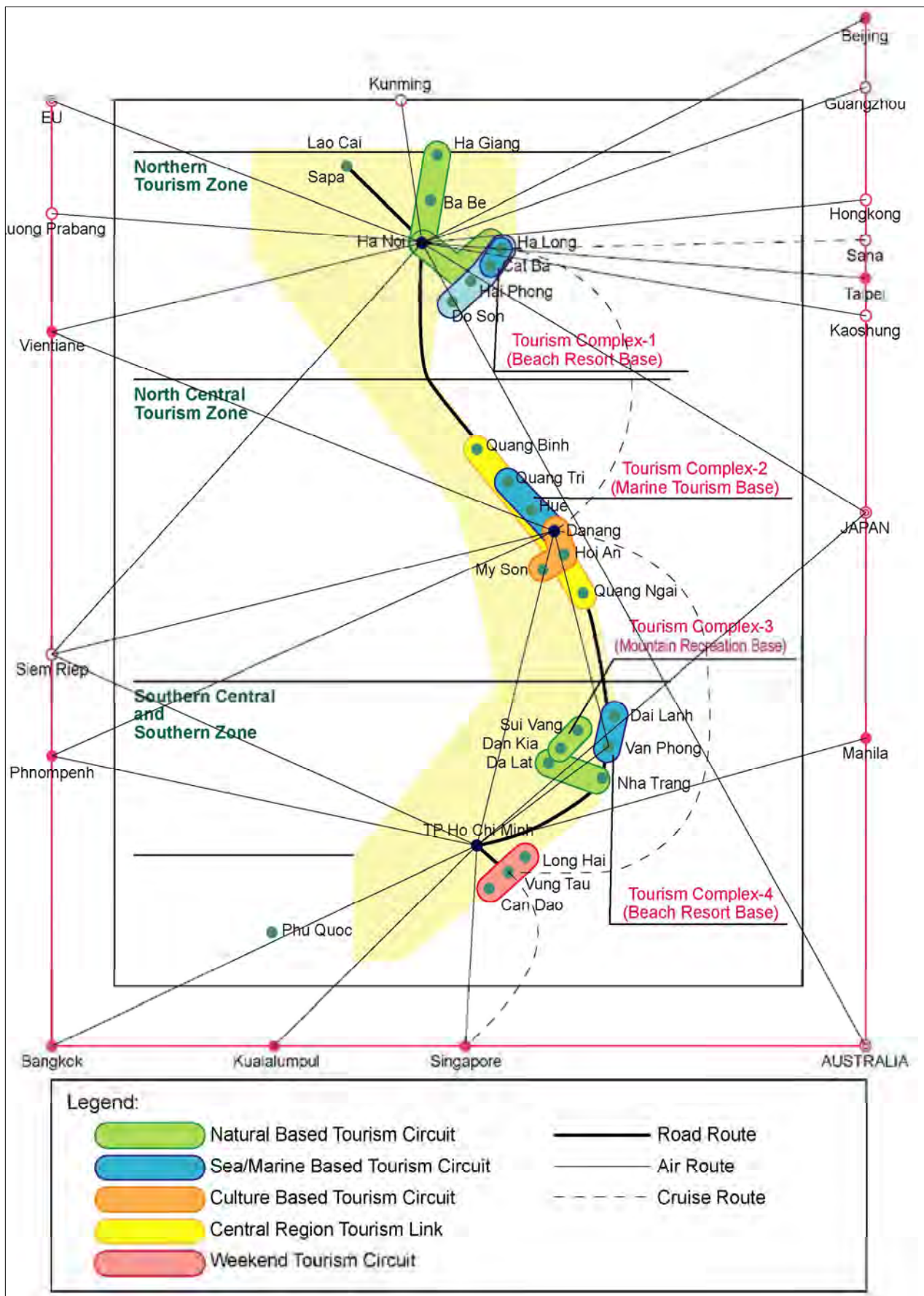
2.26 Danang has a variety of tourism resources, as identified in Table 2.3.2. Some of them have been developed and many are either under construction or under development.

Table 2.3.2 Major Tourism Destinations in Danang City

| Name of Resource | Type of Resource | Character/Activity | Note |
|------------------|------------------|----------------------------|--|
| Danang City | Cultural | • Capital city/Cham Museum | • International airport/cruise terminal |
| Hai Van Pass | Natural | • Pass/Scenic area | |
| Marble Mountains | Natural/Cultural | • Mountain/Craft village | |
| Non Nuoc Beach | Natural | • Beach resort | <ul style="list-style-type: none"> • 300ha or 7,500 rooms along Moon Beach • 120ha or 1,000 rooms on Son Tra peninsula |
| Ba Na Mountain | Natural | • Highland resort | • 5.4-km-long cable-car ride under construction |

Source: DaCRISS Study Team.

Figure 2.3.1 Tourism Zones in Vietnam



Source: DaCRISS Study Team.

2.4 Current Tourism Market of Vietnam

2.27 The annual international tourist arrival in Vietnam increased from 1.4 million in 1995 to 3.5 million in 2005 at an average annual growth rate of around 10%. In 2008, it reached 4.2 million; thus, the growth in international tourist arrivals continued at a constant 10% a year. This volume of international tourist arrivals pushed up Vietnam's ranking among Southeast Asian countries from 5th to 4th, surpassing Indonesia.

2.28 Table 2.4.1 shows the number of tourist arrivals by region. The major markets of Vietnam are East Asia, followed by Europe and the Americas. The growth of East Asia (China, Japan, Korea, Taiwan, and Hong Kong) is significant when this is compared with other markets. However, since most Chinese tourists travel by land, their destination is mostly the north tourism zone.

2.29 Table 2.4.2 shows the breakdown by country of origin, and Figure 2.4.1 shows countries whose visitors to Vietnam exceed 100,000 in 2008. The presence of China is quite strong and tourists from Korea and ASEAN countries have increased sharply. The United States still proves to be a strong market, ranking third in the region surpassing Japan in 2008. Recent growth of tourists from Europe are stagnant, however it still ranks next after Asia in the number of tourist arrivals by region (see Table 2.4.1), France taking lead.

2.30 Therefore, the target markets for this tourism zone could be Japan, Korea, and Taiwan, as well as ASEAN countries, especially Thailand, since the tourists from Thailand can reach this zone by road through the East–West Economic Corridor which passes through northeastern Thailand and whose terminal city is Danang.

Table 2.4.1 Number of Tourist Arrivals by Region

| Unit: thousand | 2000 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Americas | 125.7 | 326.3 | 394 | 459.4 | 497.8 | 501.6 |
| Asia | 1064.5 | 1863.8 | 2201.8 | 2168.6 | 2484 | 2535.3 |
| Australasia | 61.6 | 128.7 | 148.8 | 172.5 | 224.6 | 234.5 |
| Europe | 235.9 | 324.9 | 417.7 | 440 | 588.4 | 591.3 |
| Others | 652.4 | 284.2 | 315.2 | 343 | 434.5 | 373.1 |
| Total | 2140.1 | 2927.9 | 3477.5 | 3583.5 | 4229.3 | 4235.8 |

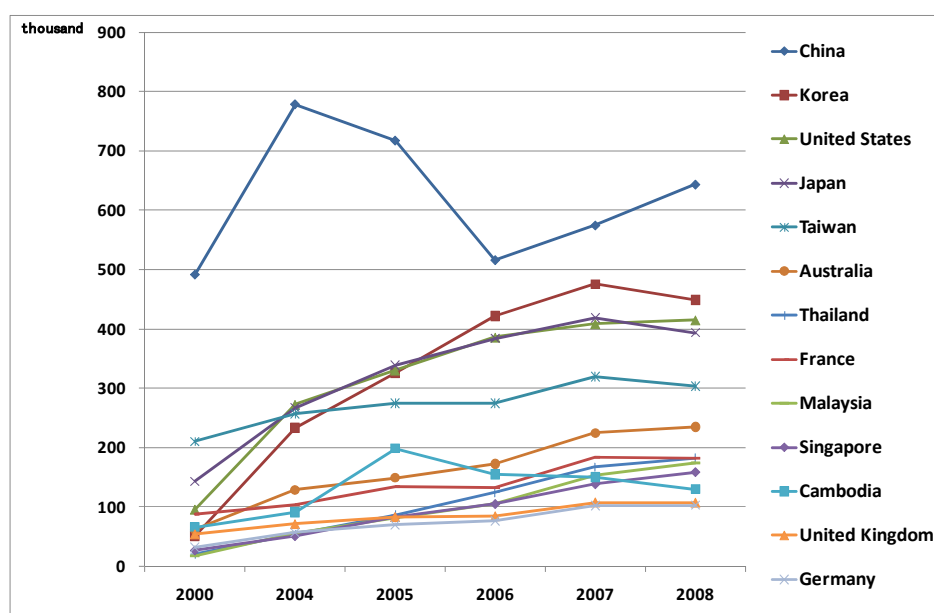
Source: General Statistics Office of Vietnam.

Table 2.4.2 Number of Tourist Arrivals by Country of Origin

| Unit: thousand | 2000 | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cambodia | 65.9 | 90.8 | 198.6 | 155 | 150.2 | 129.7 |
| Canada | 29.9 | 53.8 | 63.8 | 73.7 | 89.5 | 86.8 |
| China | 492 | 778.4 | 717.4 | 516.3 | 574.6 | 643.3 |
| Taiwan | 210 | 256.9 | 274.4 | 274.7 | 319.3 | 303.2 |
| Denmark | 9.8 | 12.2 | 15 | 18.1 | 21.3 | 20.4 |
| Germany | 31.5 | 56.6 | 69.4 | 76.7 | 101.8 | 102.8 |
| Netherlands | 12.4 | 17.7 | 22.9 | 26.5 | 36.6 | 35.4 |
| Korea | 50.7 | 233 | 325.9 | 421.7 | 475.4 | 449 |
| United States | 95.8 | 272.5 | 330.2 | 385.7 | 408.3 | 414.8 |
| Indonesia | 3.4 | 18.5 | 23.1 | 21.3 | 23.3 | 24.9 |
| Italy | 9.8 | 11.3 | 16.3 | 15.7 | 22.5 | 21.1 |
| Lao | 26.5 | 34.2 | 42.7 | 34 | 31.7 | 30.9 |
| Russia | 4 | 12.2 | 24.9 | 28.8 | 43.3 | 49 |
| Malaysia | 17.7 | 55.7 | 80.6 | 105.6 | 153.5 | 174.5 |
| Japan | 142.9 | 267.2 | 338.5 | 383.9 | 418.3 | 393.1 |
| Australia | 61.6 | 128.7 | 148.8 | 172.5 | 224.6 | 234.5 |
| France | 88.2 | 104 | 133.4 | 132.3 | 183.8 | 182.1 |
| Philippines | 7.7 | 24.5 | 31.6 | 27.4 | 32.5 | 45.8 |
| Spain | 5.5 | 11.3 | 19.6 | 22.1 | 26.9 | 24.6 |
| Thailand | 20.8 | 53.7 | 86.8 | 123.8 | 167 | 182.4 |
| Sweden | 8.6 | 15.6 | 17.9 | 18.8 | 23.5 | 29.1 |
| Switzerland | 12.2 | 13 | 15.4 | 16.7 | 21.2 | 19.7 |
| United Kingdom | 53.9 | 71 | 82.9 | 84.3 | 107.5 | 107.1 |
| Singapore | 26.9 | 50.9 | 82.2 | 104.9 | 138.2 | 158.5 |
| Others | 652.4 | 284.2 | 315.2 | 343 | 434.5 | 373.1 |
| Total | 2140.1 | 2927.9 | 3477.5 | 3583.5 | 4229.3 | 4235.8 |

Source: General Statistics Office of Vietnam.

Figure 2.4.1 Main Tourism Markets for Vietnam



Source: General Statistics Office of Vietnam.

3 SITUATION ANALYSIS OF THE STUDY AREA

3.1 General

3.1 The Project covers three provinces of Danang, Quang Nam (Hoi An) and Thua Thien Hue. These three neighboring provinces in Central region contain unique and distinct tourism resources, and are to form a more integrated cluster. This chapter intends to review and analyze the current situation of tourism sector of the study area.

3.2 Tourism Resources in CFEZ and Accommodations

1) General

3.2 The study area is gifted with a variety of rich tourism resources including, among others, world cultural heritages, beach resorts, marine and land ecosystems, craft villages, festivals and traditional customs. Marine ecosystems are composed of (i) costal areas and islands with high potentials and (ii) brackish and salty water represented by lagoons in Thua Thien Hue Province) and humid zones (Quang Nam Province in particular Nui Thanh District and Hoi An). These areas have been or are targeted by institutional protection initiatives (marine protected areas as described below). Traditional customs are represented by present practices such as coastal / lagoon fishing or seafood business as done by families along the coast. These practices are often pointed as a threat for environment protection, but identification of alternative sources of revenue from sustainable tourism may help to preserve jobs and improving the environmental situation. These practice are also represented by past historical features such as the marine trade from central Vietnam to the rest of Asia, including the Cham period - bridging river and sea trades.

2) Rich Biodiversity and Landscape

3.3 The tourism development in the central zone is mainly focusing on its cultural assets with the world heritage sites of Hue, Hoi An and My Son. Along with its cultural assets, the central region offers a great variety of geographical and ecological features from its mountainous chains to extensive coastlines with beautiful lagoons, wetlands, beaches and islands (Cham islands). The region can be described as composed of several corridors with specific geographical and environmental assets for tourism development and stakes in terms of environmental conservation.

3.4 A first corridor is composed by mountainous chains mainly composed of forests and terrestrial biodiversity areas located in the west and oriented north south. These areas are partially composed of already officially delineated or potential natural protected areas, nature reserve of national parks or eventually areas occupied by ethnic minorities with a strong cultural patrimony to be protected. Most of these areas are close to the Viet / Lao border. From this corridor flow the main water sources (such as Vu Gia–Thu Bon, Cu De, Huong rivers) benefiting downstream to the urban settlements. They also encompass most of dams useful to hydropower.

3.5 A second corridor is composed by hilly and flat areas with low human density. These areas are mostly agricultural areas (rice fields, maize fields, fish ponds, etc.) inhabited by population with relatively low revenues today, but which could benefit from new housing (residential houses built by urban residents) and from tourism (resorts) and sport activities (e.g. golf, fishing). In these areas are located many reservoirs useful to irrigation, such as Phu Ninh in Tam Ky Province.

3.6 The third corridor is composed by coastal (including lagoons) and marine areas, composed by both protected and non protected areas. This area presents a variety of ecosystems such as:

- (i) coral reefs, especially in Cu Lao Cham and Son Tra Peninsula, and also Paracels islands
- (ii) wetlands, including lagoons ecosystems found only in central Vietnam (with more than 20000 ha, Tam Giang–Cau Hai is one of the biggest lagoon in the world),

(iii) Bays such as Danang Bay or China Bay in Danang

3.7 Biodiversity in central Vietnam is specific compared with northern and southern large delta. Compared with them there are relatively less mangroves but sea grass beds are particularly abundant: According to the Haiphong Institute of Oceanography, Han and Thu Bon rivers mouths and Tam Giang–Cau Hai lagoons covered in 2002 a total of 1,800 ha (of a total of 4,850 ha in Vietnam), including 4 number of species represented in the country. Coral reefs are also abundant in particular off shore (Paracels islands).

3.8 The important number of national parks, nature reserves and protected areas in the region highlights its rich biodiversity. The following table synthesizes the sites by province and according to the three corridors detailed here before.

Table 3.2.1 Protected Areas in the Region

| Provinces | Thua Thien Hue | Danang | Quang Nam |
|---|---|--|---|
| 1 st Corridor: Mountainous areas and forest ecosystems | Bach Ma National Park (1991, 22000 ha) Phong Dien Nature reserve (2000, 41 548 ha) Sao La proposed nature reserve (A Luoi District), 10311 ha | Ba Na–Nui Chua Nature reserve (2001, 8838 ha) | Song Thanh nature reserve (2001, 93249) Phu Ninh proposed protected area Ngoc Linh proposed nature reserve (18430 ha) Sao La proposed nature reserve (A Vuong) |
| 2 nd Corridor: Hilly and flat areas | Mineral water / Hot springs (such as Thanh Tan) | | Thanh river proposed nature reserve (93000 ha) |
| 3 rd Corridor: Coastal and marine ecosystems | Hai Van pass scenery protected area (2003, 14 547 ha) Tam Giang–Cau Hai proposed marine protected area | Hai Van pass scenery protected area (2003, 10850 ha) Ban Dao Son Tra nature reserve (1992, 4370 ha) | Cu Lao Cham marine protected area (2005) 1 |

Source: MOSTE, 1999 and ICEM, 2003

3.9 The authorities are paying more and more attention to the development of nature tourism, in Quang Nam with the Cham Island, Phu Ninh Lake, etc. but also in Thua Thien Hue, where the tourism authorities are willing to develop tourism around the lagoons and in Danang (e.g. Ba Na Mountain). The authorities are promoting both culture and nature tourism. In Quang Nam for example, the authorities also want to develop ecotourism in mountainous areas in the western districts, to promote and preserve indigenous forests and ethnic minority culture. The management board of My Son is also planning to develop the concept of community based ecotourism to discover cultural assets and local fauna and flora. Biological resources can be of a key advantage for tourism development:

- (i) Aquatic resources in rivers and lakes / reservoirs for fishing (if tightly controlled) and river tourism (kayak, trekking). Importance of media opportunities
- (ii) Land and forestry biodiversity: trekking, and opportunities for media opportunities to increase the attractiveness of the region. The fact new species have been recently discovered (snake, butterflies, orchids) in regions like Thua Tien Hue, as well as re-introduction of disappeared or now rare species (tigers, sao la) should attract the Tourism safety issues must be considered in parallel regarding some species - such as poisonous snakes or insects, and tawny. In parallel invasion of new species resulting from various causes (entropic pressure, climate change etc.) should be controlled.
- (iii) Marine resources (coastal: snorkeling and diving, including off shore sport fishing for pelagic species (fishes are released).

¹ Cham Island MPA was established under the decision No. 88/2005/QD-UBND of Provincial People's Committee of Quang Nam on 20th December 2005.

- (iv) Knowledge of lagoons and wetlands protection (birds, aquatic fauna, mammals, botanic species) non motorized visits of river mouths, lagoons, humid zones in particular to discover their role in the ecosystem preservation (reproduction etc).

3) World Heritages

3.10 Vietnam registers with UNESCO 5 World Heritages (old imperial city of Hue, the ancient town of Hoi An, My Son Sanctuary, Ha Long Bay, and Phong Nha Ke Bang National Park) and 2 intangible heritages (Hue royal court music and Tay Nguyen gong culture). Of these 7 world heritages, 6 world heritage sites are situated in the Central Region and the linkage connecting these 6 world heritage sites is referred to as the World Heritage Road.

- (a) **Old Imperial City of Hue:** The old imperial city of Hue was officially registered as world heritage in 1993. It has royal tombs, palaces, religious architectural facilities dating back to the 19th century when the city was the capital of the Nguyen Dynasty (1802–1945). There are many civil architectural facilities such as ancient houses as well.
- (b) **Hoi An Ancient Town:** Hoi An was officially registered as world's heritage in 1999. It was chosen to become a model site for “tourism development and culture preservation” by UNESCO, and its tourism has developed greatly with satisfactory achievements in many fields. Hoi An was originally a port town which was a center for trading in the region. The ancient urban complex area includes houses, bridges, markets, temple, communal house, and graves.
- (c) **My Son Sanctuary:** My Son Sanctuary was officially registered as world's heritage in 1999. It is a cluster of abandoned and partially ruined Hindu temples constructed between the 4th–14th century by the kings of Champa.

Picture 3.2.1 World Heritage Sites in the Region



Old Imperial City of Hue



Hoi An Ancient Town



My Son Sanctuary

Source: Taken by the DaCRISS Study Team.

4) Beach Resorts

3.11 There are many attractive beach resorts in the region, such as Lang Co in Thua Thien Hue, My Khe and Non Nuoc in Danang, Cua Dai in Quang Nam, etc. Coastal tourism is being developed rapidly, and many beach resorts are now being constructed to exploit such tourism resources. Most beach resorts in the region are high class, usually 4 – 5 star class, with spacious rooms, relaxing amenity, and various activities for guests to enjoy. Though this region has an intense rainy season, the season is actually popular among surfers.

Picture 3.2.2 Beach Resorts in the Region



Source: Taken by the DaCRISS Study Team.

5) Mountains in the Region

3.12 The Central Region endows a long stretching coast line over 1,100 km with relatively narrow hinterland of Truong Song Mountain Range and highlands. This environment provides rich natural flora and fauna, being a remarkable feature of this region (see Figure 3.2.1).

3.13 In the above mentioned mountainous areas, rich cultures of ethnic minorities exist, holding potential for a type of tourism referred to as “eco-tourism”. Box 3.2.1 gives a definition. Though Vietnam is still at its infancy for such tourism, for many countries, eco-tourism is not simply a marginal activity to finance protection of the environment, but is a major industry of the national economy (see Box 3.2.1).

Figure 3.2.1 Truong Son Mountain Range



Source: World Wildlife Fund (WWF)

Box 3.2.1 Definition of Ecotourism

The Nature Conservancy has joined the World Conservation Union (IUCN) in adopting the following definition of ecotourism:

"Environmentally responsible travel to natural areas, in order to enjoy and appreciate nature (and accompanying cultural features, both past and present) that promote conservation, have a low visitor impact and provide for beneficially active socio-economic involvement of local peoples"

Most tourism in natural areas today is not ecotourism and is not therefore, sustainable. Ecotourism can be distinguished from nature tourism by its emphasis on conservation, education, traveller responsibility and active community participation. Specifically, ecotourism possesses the following characteristics:

- (i) Conscientious, low-impact visitor behaviour
- (ii) Sensitivity towards, and appreciation of, local cultures and biodiversity
- (iii) Support for local conservation efforts

Source: The Nature Conservancy, 2009

6) Craft Villages

3.14 Craft villages are located in various areas of the region. The three provinces all have a rich tradition in crafts, and several craft village tours exist. Table 3.2.2 describes the strong and weak points of craft villages for tourism purposes in the region.

3.15 Figure 3.2.2 shows the location of the main craft villages in the 3 provinces identified by the Study on Artisan Craft Development Plan for Rural Industrialization in Vietnam (2004). 3 main clusters (1 relatively small cluster in Thua Thien Hue Province, and 2 major clusters in Quang Nam Province) can be identified.

- (a) **Cluster 1:** This is composed of craft villages around the Old Imperial City of Hue. All craft villages in this area are within 10km from the city center, and close to the Tam Giang Lagoon as well, another popular tourism destination in the province. In fact, some villages not identified in the aforesaid study are located between the border of Thua Thien Hue and Quang Tri, and there are several more craft villages in this area. However, as it is quite distant from the city center, it is difficult for these craft villages alone to attract a sufficient number of tourists to sustain the tourism route.
- (b) **Cluster 2:** There are many craft villages around Hoi An Ancient Town, and some villages are even accessible on foot from the town. There are a great variety of craft villages, such as potter, copper molding, bamboo weaving, mat weaving, silk, etc. As most villages are located along the Vu Gia River, boat trips can be combined with visits to these craft villages.
- (c) **Cluster 3:** This cluster is accessible from Tam Ky City in Quang Nam Province. It is also near Phu Ninh Lake, and as this lake is still underdeveloped (mainly for domestic tourists), craft village development can be combined with tours to the lake as well. Since accommodation facilities in Phu Ninh Lake and the craft villages are limited, hotels in Tam Ky City can provide accommodation for tourists who visit this cluster.

3.16 Though local authorities show their interest to develop craft villages along the Ho Chi Minh Trail, craft villages along the trail are few and scattered. Though the road is in good condition, infrastructure and facilities to serve for tourists are very limited. If craft vil-

lages were to be developed along the trail, it should be considered as a livelihood creation to the inhabitants along the trail. The Study Team will further consider this aspect.

Picture 3.2.3 Craft Villages in the Region



Lantern (Hoi An, Quang Nam)



Bamboo Weaving (Bao Lao, T. T. Hue)



Mat Weaving (Pho Trach, T. T. Hue)

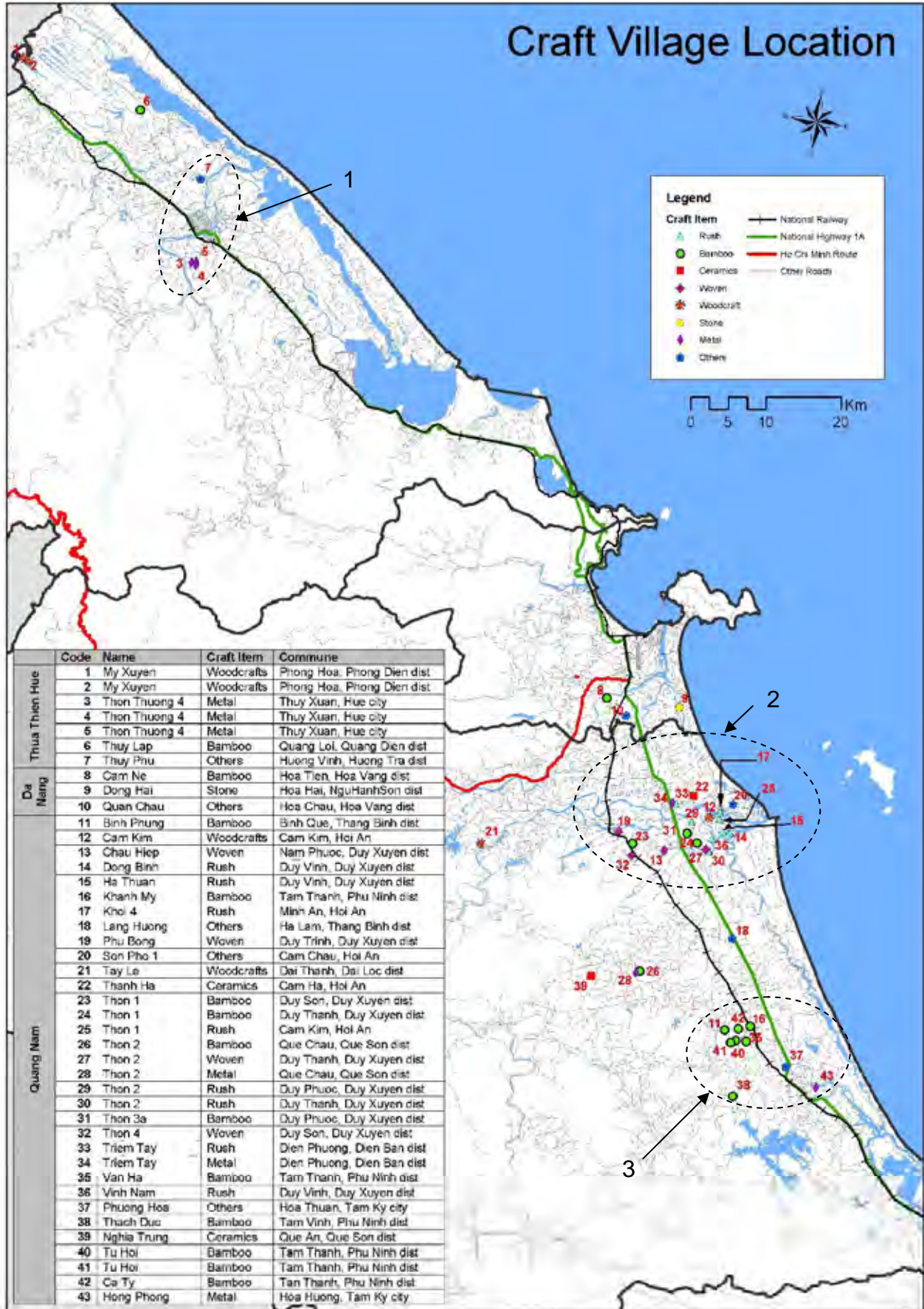
Source: Taken by the DaCRISS Study Team.

Table 3.2.2 Analysis of Strong / Weak Points of Regional Craft Items

| No. | Craft Item | Strong Points | Weak Points |
|---------------------------|-----------------------|--|---|
| 1. | Wood Carving | 1. Daily working | 1. Heavy product with poor designs for tourists |
| | | 2. Keeping tradition | 2. Usage of smuggled wood. |
| | | 3. Visible skill | 3. Noise/dust pollution |
| | | 4. Village scale production | 4. Unable do-it-yourself |
| | | 5. Reasonable price for very small items | |
| | | 6. Higher income | |
| 2. | Bronze Casting | 1. Keeping tradition | 1. Too early working time for casting work |
| | | 2. Higher income | 2. Not village scale |
| | | | 3. Unable do-it-yourself |
| | | | 4. Heavy products |
| | | | 5. Higher price |
| | | | 6. Collection of materials |
| 3. | Ceramics | 1. Keeping tradition | 1. Not village scale |
| | | 2. Various designs | |
| | | 3. Do-it-yourself ability | |
| | | 4. Daily working | |
| | | 5. Visible skill | |
| | | 6. Reasonable price | |
| | | 7. Available materials | |
| | | 8. Medium income | |
| 4. | Embroidery | 1. Keeping tradition | 1. Unable do-it-yourself |
| | | 2. Visible skill | |
| | | 3. Daily working | |
| | | 4. Village scale production | |
| | | 5. Various designs | |
| | | 6. Light product | |
| | | 7. Reasonable price | |
| | | 8. Available material | |
| | | 9. Medium income | |
| 5. | Bamboo/Rattan Weaving | 1. Keeping tradition | 1. Low income |
| | | 2. Visible skill | |
| | | 3. Daily working | |
| | | 4. Village scale production | |
| | | 5. Do-it-yourself ability | |
| | | 6. Various designs | |
| | | 7. Reasonable price | |
| | | 9. Available material | |
| | | 10. Reasonable price | |
| | | 6. | "Non" (Hat) Sewing |
| 2. Visible skill | | | |
| 3. Daily working | | | |
| 4. Do-it-yourself ability | | | |
| 5. Medium income | | | |
| 7. | Sedge Mat Weaving | 1. Keeping tradition | 1. Big product |
| | | 2. Visible skill | 2. Usage of chemical for dyeing sedge. |
| | | 3. Daily working | |
| | | 4. Village scale production | |
| | | 5. Do-it-yourself ability | |
| | | 6. Medium income | |

Source: Summarized by the DaCRISS Study Team.

Figure 3.2.2 Location of Main Craft Villages in the Region



Source: The Study on Artisan Craft Development Plan for Rural Industrialization in Vietnam, 2004.

7) Tourism Resources in Thua Thien Hue Province

3.17 Thua Thien Hue has a tropical monsoon climate as in the other 2 provinces (Danang and Quang Nam) as well. However in some areas such as A Luoi, Bach Ma, it has a temperate climate which is suitable for ecotourism. The hydrographic system is rich in the province, and it is especially famous for the Tam Giang Lagoon (220 km² of total water body).

3.18 Distinct natural tourism resources in the province include (i) marine tourism resources, boasting a coastline of 128 km with many beautiful beaches such as Lang Co Beach, Canh Duong Beach, Thuan An Beach, etc. and (ii) forest ecotourism resources such as Bach Ma national park, A Luoi mountainous areas, Phong Dien natural reserve, Bac Bien natural reserve, Nam Dong area, etc.

3.19 Tourism has been identified as the key industry for socio-economic development of the province. Thua Thien Hue is the only region which still preserves most of the ancient citadel complex and numerous monuments, temples and pagodas under the Nguyen Dynasty. For decades, Hue city has been a popular tourist destination for those who are interested in history and culture of Vietnam. The existence of the ancient capital city, the scenic landscape and royal architecture make a unique feature of Thua Thien Hue.

3.20 In addition to the World Cultural Heritages, Thua Thien Hue also preserves many National Heritages which include ancient houses, notably in Phuoc Tich ancient village, Kim Long garden village and Ngoi Bridge. Traditional craft villages, such as copper molding craft village, carpenter village, conical hat village are encouraged to rehabilitate. These areas have been recently become tourist spots attracting international visitors. As Thua Thien Hue still preserves traditional rural landscape in most suburban districts, village tourism poses great potential for attracting international tourists. Currently, there are tours taking tourists to ancient villages and traditional craft villages to visit and stay with local households, or tourists can bike from the city to the nearby villages within a distance of 6 to 10 km. Although village tourism is existing, there is a lack of coordination, investment as well as regulations for this type of tourism.

3.21 Village tourism in Thua Thien Hue is not well developed. The local government and tour operators haven't invested properly in training human resources (e.g. households who provide meals and home stay services, local villagers) and in facilities such as parking area, access roads, signs, sanitation and safety utilities and regulations. Most of tourist spots in Thua Thien Hue have one sign board at the gate of the site only; very few tourist areas have separate parking lot while the village streets are very narrow. There is no site map provided for tourists, no information counter at the sites. At the sites, there is often lack of direction signs and lack of legends in display houses, relics or vestiges, especially legends in English.

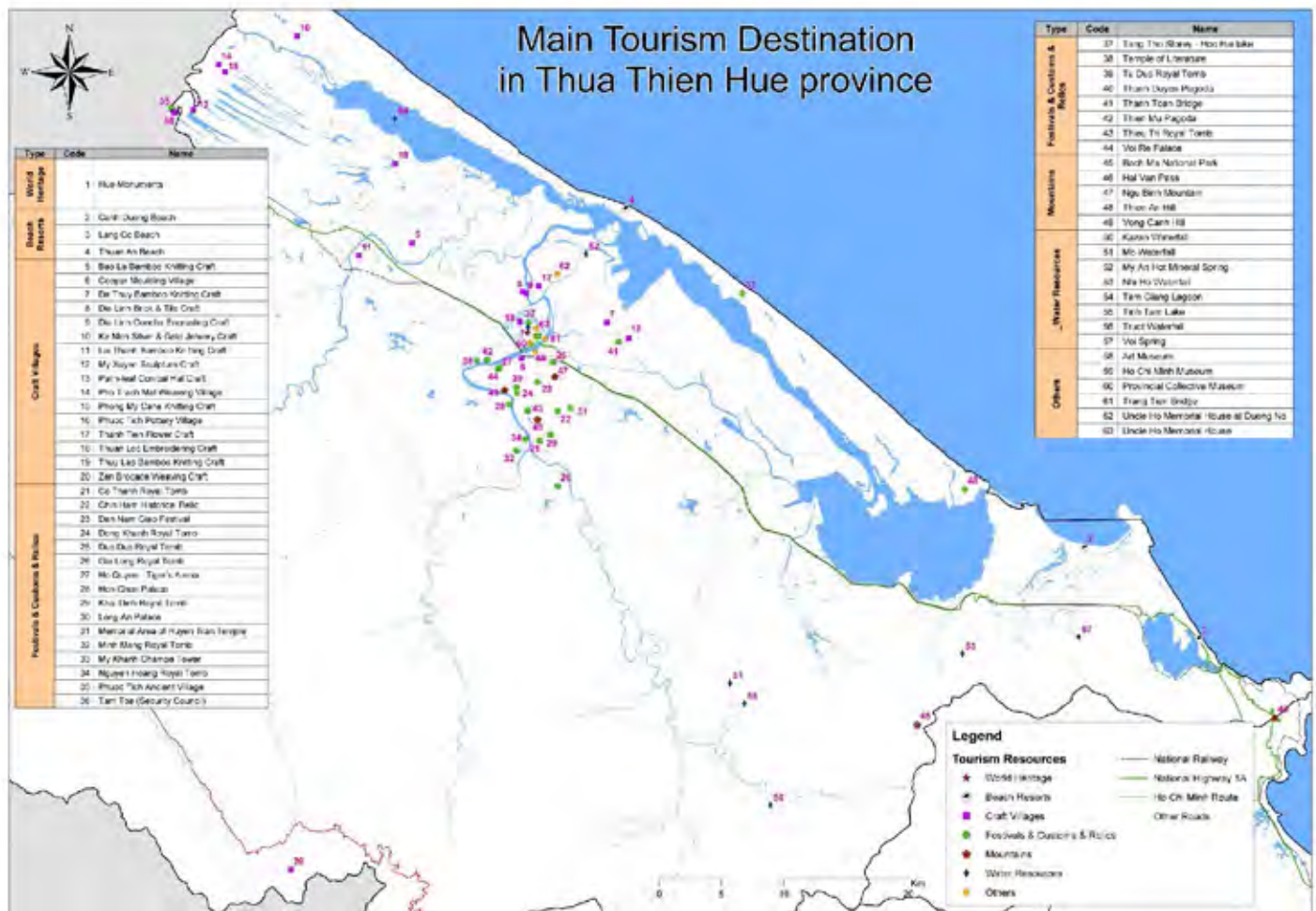
3.22 Realizing the potentials of natural tourism assets, Thua Thien Hue is planning to focus investment in lagoon and coastal areas. Thua Thien Hue has many lagoons running in parallel with the coastal line. Among those lagoons, Tam Giang is the largest in South East Asia with a total area of 22,000 ha. At present, some tourism enterprises have operated tours in this area. Tourists can join fishermen (My Thanh fishing village) to go fishing on small boats or take a cruise along the lagoon and stay with the local households and visit cultural villages. The majority of tourists are domestic ones and the most exploited activity is boating and fishing. In the near future, a large resort is going to be erected in

Phu Vang (central area of Tam Giang Lagoon). According to the Decision No.1955/QĐ-TTg by Prime Minister Approving the Proposal for “Socio-Economic Development of Tam Giang–Cau Hai Lagoons in Thua Thien Hue Province to 2020” (Thua Thien Hue, 2009), it is to develop Tam Giang–Cau Hai Lagoons for eco-tourism.

3.23 Tourism products and destinations that have high priority for development is listed as follows (based on interviews to the provincial government):

- (i) Hue Monument, Citadel, Royal Family Tomb Complex
- (ii) Beach Resorts (Canh Duong, Lang Co, Thuan An)
- (iii) Bao La Bamboo Knitting Craft Village
- (iv) Copper Molding Village
- (v) Bach Ma National Park
- (vi) Thien An Hill
- (vii) Vong Canh Hill
- (viii) Tam Giang Lagoon

Figure 3.2.3 Main Tourism Destinations in Thua Thien Hue Province



Source: DaCRISS Study Team.

8) Tourism Resources in Danang City

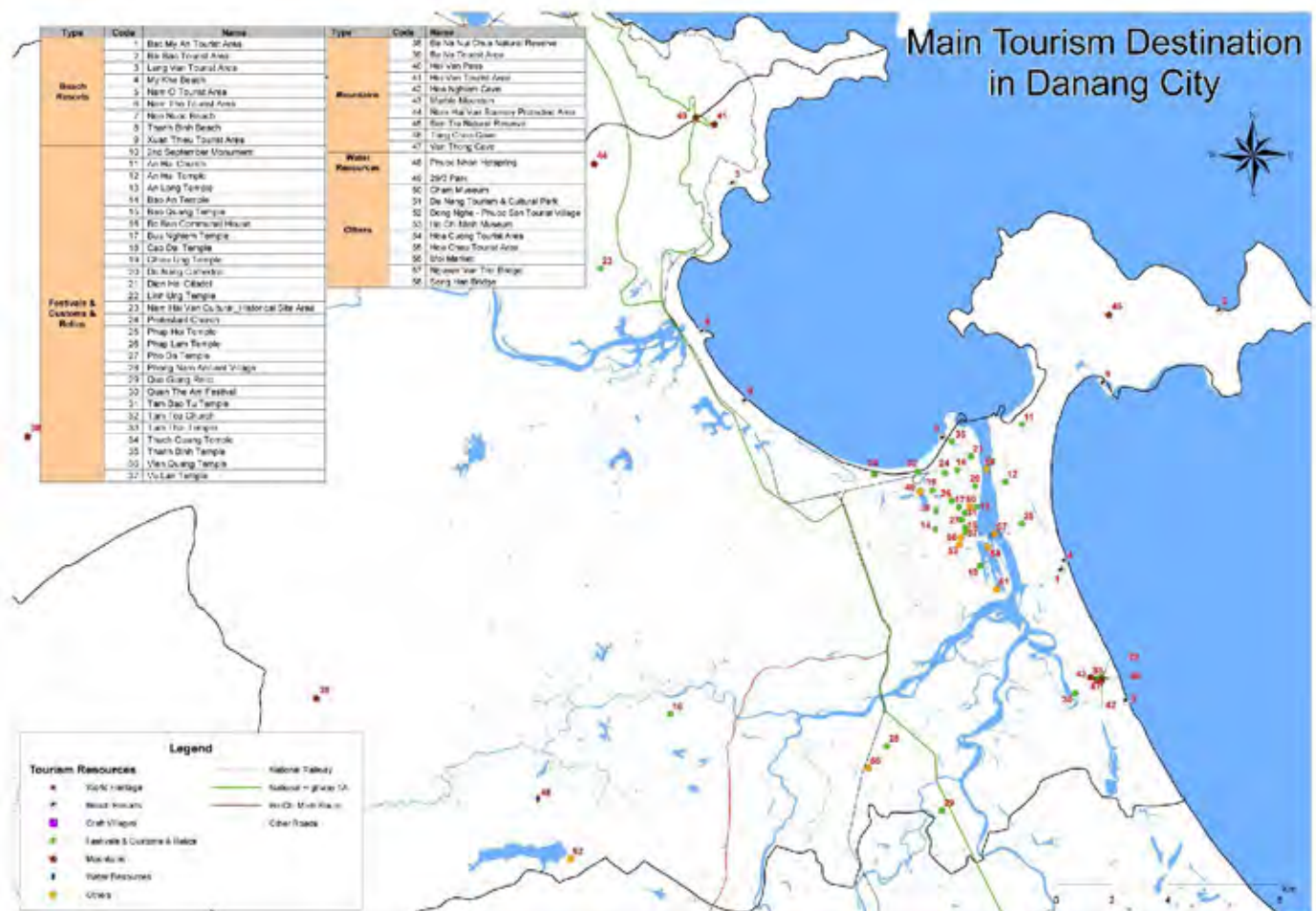
3.24 Danang City has rich natural resources from mountains, villages, streams and rivers to beautiful beaches. They include the (i) coastal area (30 km from the foot of Hai Van

Pass to the Marble Mountains, Son Tra Peninsula, Nam O Beach, Lang Van, and other famous beaches such as My Khe, Bac My An, Non Nuoc, etc.), (ii) midland area in Hoa Vang District (Ba Na and Suoi Mo, with height of 1480 m, with temperate climate and abundant flora and fauna), (iii) Dong Nghe Lake–Phuoc Nhon Hot Stream, (iv) Marble Mountains, and v) Son Tra Peninsula.

3.25 Tourism products and destinations that have high priority for development is listed as follows (based on interviews to the provincial government):

- (i) Lang Van Tourist Area
- (ii) Non Nuoc Tourist Area (Spirit–Cultural Park)
- (iii) Quan The Am Festival
- (iv) Son Tra Natural Reserve
- (v) Phuoc Nhon Hot Spring
- (vi) Waterway Development
- (vii) Bach Dang Tourism Street and Shopping Area

Figure 3.2.4 Main Tourism Destinations in Danang City



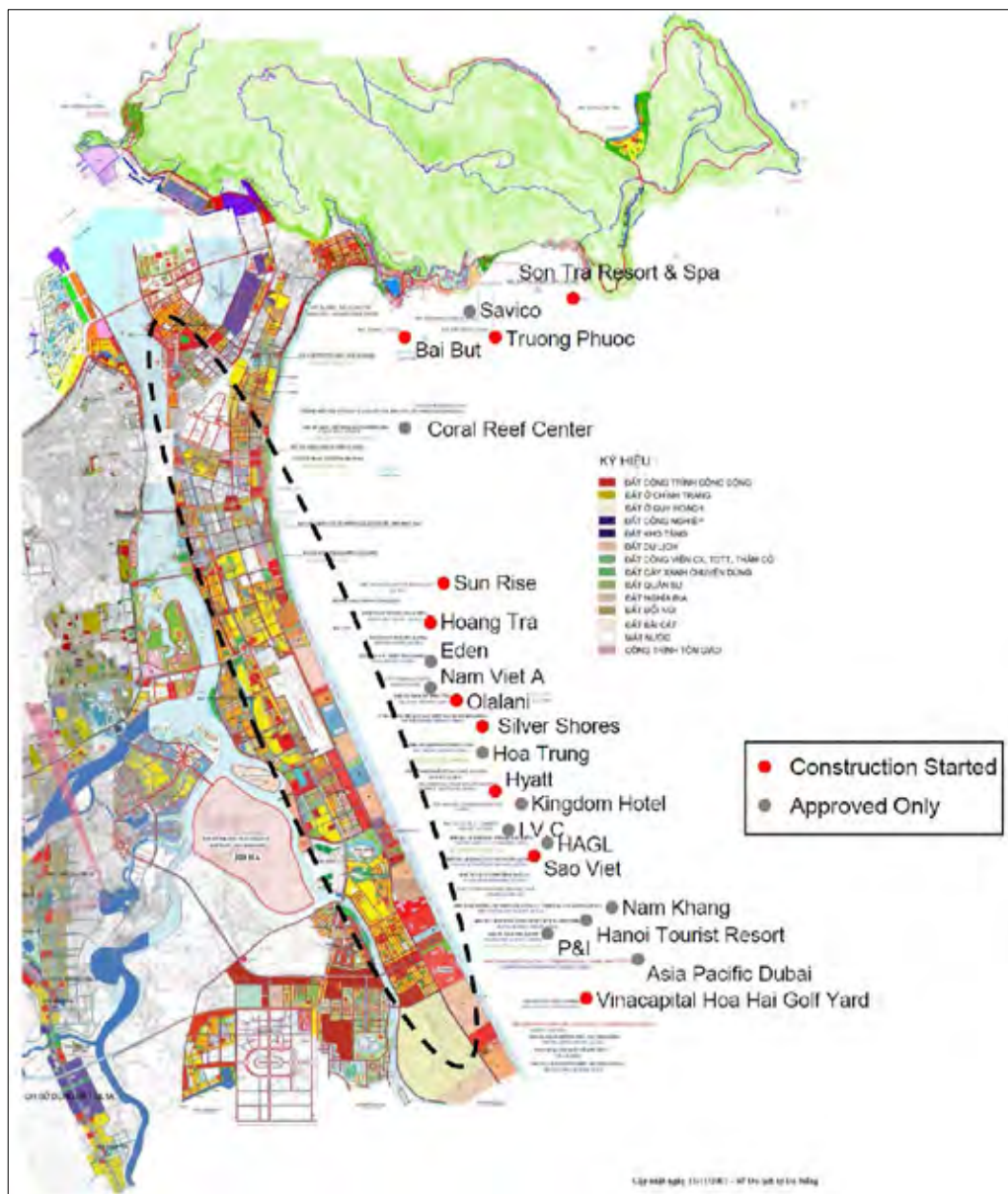
Source: DaCRISS Study Team.

3.26 Danang's coastal area (China Beach, My Khe Beach) became the focal belt of beach resorts that stretches to the northern part of Quang Nam or Hoi An. The beach resort development along the coast stretching over 10 km in Danang has been ignited by the commissioning of Furama Resort in 1997.

3.27 However, the beach resort development has progressed not in Danang quickly but in Quang Nam or along Non Nuoc Beach at a much more quick pace and significance. The number of total beach resorts has increased from almost none in the late 1990's to 14 with around 1,100 rooms at present in this area. This added the variety of tourism destination and purpose in this region on top of just a sightseeing of the World Heritage sites.

3.28 Although the beach resort development has progressed quickly in the part of Non Nuoc or Cua Dai Beach area of Quang Nam side, Danang has been fallen behind Quang Nam although the planned beach for beach resort development of Danang is connected with the same beach of Quang Nam. The total length of beach facing the East Sea is around 15 km of which around 10 km is designated for the beach resort development, and has been leased out or under negotiation with various beach resort developers. Figure 3.2.5 illustrates the beach resort development belt in Danang City. Based on interviews with the Danang DOSCT, the progress of the main projects invested in this area is indicated.

Figure 3.2.5 Map of Beach Resorts along China Beach



Source: Formulated based on information from Danang DOCST.

9) Tourism Resources in Quang Nam Province

3.29 Quang Nam has a diversity of tourism resources yet most of these resources are underdeveloped, except Hoi An Ancient Town and My Son Holy Land – the two World Cultural Heritages. The province is making plans for tourism clusters development with priority for the coastal line areas and the western mountainous areas next to the border line with Laos, where concentrate ethnic minority groups.

3.30 Hoi An is one of the main tourism destinations in the region. It is located on the northern bank of the Thu Bon River in Quang Nam province on the south central coast of Viet Nam. The town is about 50 km north of Tam Ky City (the capital of the province) and about 30 km south of Danang City. Situated on the Thu Bon estuary, a network of waterways about 34 km long, Hoi An is close to the ocean and to many beaches and fishing villages, such as An Bang beach, approximately 4 km to the north; Phuoc Trach beach, a picturesque beach lined with sheoak trees (*Allocasuarina*) and Cam Thanh village, about 3 km east at the mouth of the Thu Bon River close to the Thuan Tinh sand dunes.

3.31 Hoi An has around 70 restaurants and bars, which, through sales of food and beverages, generated 26 percent of the total revenue attributed to tourism services in 2007. Most of the restaurants and bars catering to tourists are situated in restored heritage buildings in the old quarter of Hoi An.

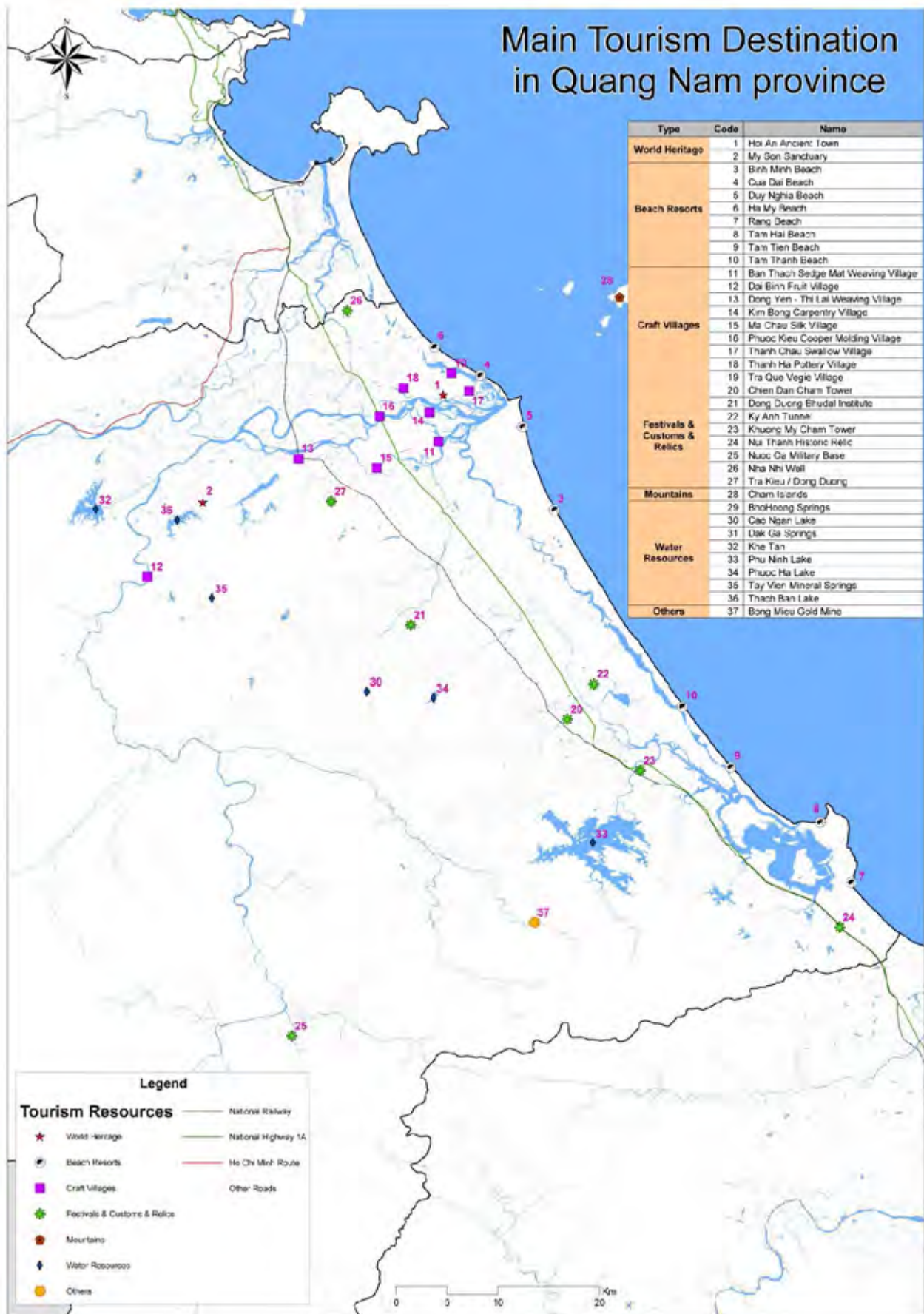
3.32 Gentrification, a common phenomenon in many cities throughout the world, is now taking place in Hoi An. Private investors, often from Danang, Ho Chi Minh City and Hanoi, have bought many of the old houses belonging to lower-income families, either to sell them later for profit or to open tourism-related businesses. In recent years, the local government has provided improved public facilities and services for local residents, but only outside of the old quarter of the town. As services and facilities intended for the residents are being moved away from the old quarter and as land prices increase, the old quarter has gradually lost many of its original residents and is being transformed for tourism purposes (cited from “Cultural Tourism and Heritage Management in the World Heritage Site of the Ancient Town of Hoi An”, UNESCO, 2008).

3.33 However, the existing craft villages are distant from the main tourism areas, and traveling to such areas is usually time - consuming for tourists. On top of that, the actual production hours are too early for the tourists to see, therefore the demonstrations are commercialized. In many cases entrance fees are not required, limiting the development of the village.

3.34 Tourism products and destinations that have high priority for development is listed as follows (based on interviews to the provincial government):

- (i) Hoi An Ancient Town
- (ii) Cua Dai Beach
- (iii) Kim Bong Carpentry Village
- (iv) Thanh Ha Pottery Village
- (v) Tra Que Vegetable Village
- (vi) Ky Anh Tunnel
- (vii) Nuoc Oa Military Base

Figure 3.2.6 Main Tourism Destinations in Quang Nam Province



Source: DaCRISS Study Team.

10) Accommodations

3.35 The hotel room stock in Danang, Quang Nam, and Thua Thien Hue is around 6,400 rooms of various types and classes. Of this number, Danang has accounts for around 1,800 rooms (28%), Quang Nam 2,000 rooms (31%), and Thua Thien Hue 2,600 rooms (41%). Table 3.2.3 shows the number of hotels and rooms in these provinces (or north central tourism zone) in 2007.

3.36 Figure 3.2.7 shows the distribution of hotels and hotel rooms in Vietnam. The total number of hotel rooms in the north central tourism zone accounts for around 20% of the total number of hotel rooms in Vietnam (northern region=30%, southern region=50%).

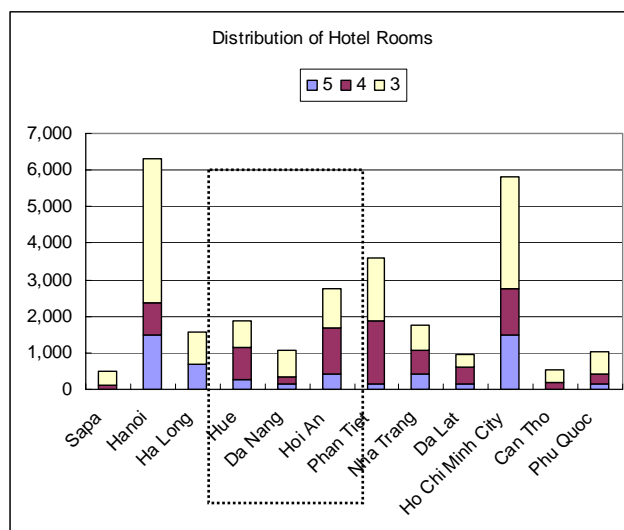
3.37 Figure 3.2.8 illustrates the distribution of hotel rooms (3 to 5 star hotels) and beach resorts in the three provinces. Although the number of hotel rooms in each province is almost evenly distributed, the room stock in Quang Nam beach resorts dominates the total room stock in the region at present.

Table 3.2.3 Number of Hotels and Rooms in the North Central Tourism Zone

| Classification | | | Danang | Quang Nam | T.T. Hue | Total |
|----------------|-----------------|-------|--------|-----------|----------|-------|
| Class | 5 Stars | Hotel | 1 | 4 | 2 | 7 |
| | | Room | 200 | 322 | 426 | 948 |
| | 4 Stars | Hotel | 2 | 12 | 10 | 24 |
| | | Room | 295 | 884 | 1,142 | 2,321 |
| | 3 Stars | Hotel | 10 | 12 | 11 | 33 |
| | | Room | 782 | 725 | 735 | 2,242 |
| | 2 Stars | Hotel | 8 | 2 | 10 | 20 |
| | | Room | 294 | 60 | 330 | 684 |
| | Total 5 3 Stars | Hotel | 23 | 30 | 33 | 86 |
| | | Room | 1,791 | 1,991 | 2,633 | 6,415 |
| By Province | | % | 28 | 31 | 41 | 100 |
| Beach Resort | | Hotel | 2 | 14 | 1 | 16 |
| | | Room | 350 | 1,106 | 80 | 1,536 |
| By Province | | % | 23 | 72 | 5 | 100 |

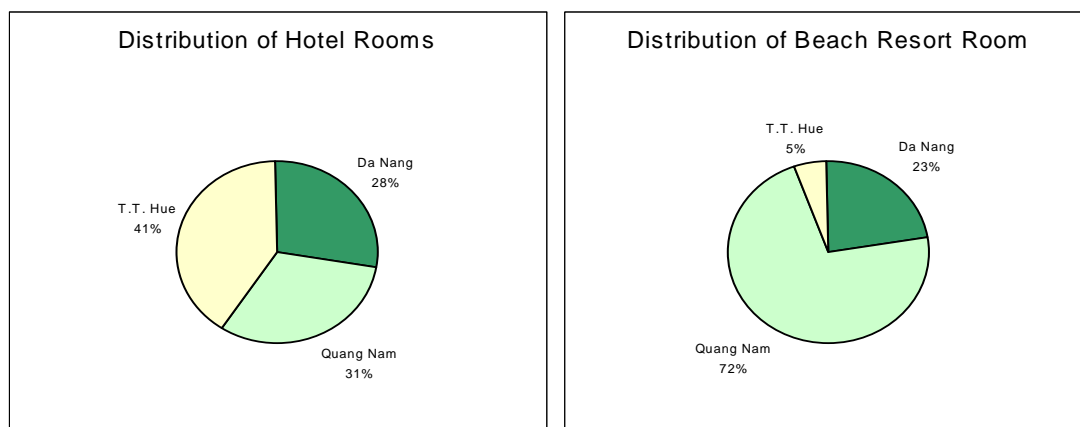
Note: DaCRISS Study Team based on the websites of Vietnamese hotels.

Figure 3.2.7 Distribution of Hotel and Hotel Rooms in Vietnam



Source: DaCRISS Study Team.

Figure 3.2.8 Distribution of Guest Rooms in the North Central Tourism Zone



Source: DaCRISS Study Team.

Table 3.2.4 Number of Hotel Establishment

| | 2005 | 2006 | 2007 | 2008 |
|--------------------------|--------|--------|--------|--------|
| Danang | | | | |
| Number of Accommodations | 69 | 64 | 82 | 96 |
| Number of Rooms | 2,348 | 2,480 | 2,534 | 2,870 |
| Number of Beds | 4,316 | 4,590 | 4,356 | 4,698 |
| Hue | | | | |
| Number of Accommodations | 126 | 118 | 123 | 148 |
| Number of Rooms | 3,123 | 3,071 | 4,390 | 4,981 |
| Number of Beds | 6,032 | 5,730 | 8,436 | 9,518 |
| Quang Nam | | | | |
| Number of Accommodations | 73 | 85 | 94 | |
| Number of Rooms | 2,612 | 3,176 | 3,377 | |
| Number of Beds | 4,571 | 5,864 | 6,194 | |
| HCMC | | | | |
| Number of Accommodations | 1,400 | 1,432 | 1,432 | 1,668 |
| Number of Rooms | 24,726 | 26,284 | 30,451 | 31,389 |
| Number of Beds | 34,124 | 36,470 | 41,646 | 43,053 |

Source: Statistical Yearbook of Vietnam 2008. Statistical Yearbook of Thua Thien Hue 2008, Statistical Yearbook of Quang Nam 2007. Statistical Yearbook of Danang 2008

3.3 Tourism Market

1) Tourist Arrivals and Characteristics

(a) **Overview:** Table 3.3.1 and 3.3.2 show the number of tourist arrivals. For Danang, Quang Nam, and Thua Thien Hue, many international tourists arrive in this tourism zone through scheduled flights to the Danang International Airport, though a great number travel via waterway (e.g. United Kingdom, United States, Germany, etc.) and roads (Thailand, Laos, China, etc.) as well. Data from the Department of Culture, Sports and Tourism of Danang City state that the share of international tourist arrivals to these three provinces is increasing by year. The growth of domestic visitors in Quang Nam Province is also distinct.

Table 3.3.1 Arrival of Tourists to the Region

| | | | 2005 | 2007 | 07 / 05 |
|---------------|-------------------------|---------|--------|--------|---------|
| International | No. (000) | Vietnam | 3,478 | 4,229 | 1.2 |
| | | HDQ | 1,310 | 1,937 | 1.5 |
| | Share of HDQ to Vietnam | | 37.7% | 45.8% | - |
| Domestic | No. (000) | Vietnam | 15,000 | 19,000 | 1.3 |
| | | HDQ | 1,763 | 2,928 | 1.7 |
| | Share of HDQ to Vietnam | | 11.8% | 15.4% | - |
| Total | No. (000) | Vietnam | 18,478 | 23,229 | 1.3 |
| | | HDQ | 3,073 | 4,865 | 1.6 |
| | Share of HDQ to Vietnam | | 16.6% | 20.9% | - |

Source: Statistical Yearbook, Department of Culture, Sports, and Tourism (DOSCT) of each Province.

Table 3.3.2 Arrival of Tourists to the Region

| | | Number of Tourists (000) | | | Growth Rate (%/year) | |
|----------|----------------|--------------------------|-------------|-------------|----------------------|-------|
| | | 2000 | 2005 | 2007 | 00-05 | 05-07 |
| | | (000 (%)) | (000 (%)) | (000 (%)) | | |
| Foreign | Thua Thien Hue | 195 | 369 (28) | 601 (31) | 13.6 | 27.6 |
| | Danang | 185 | 228 (17) | 350 (18) | 4.3 | 23.9 |
| | Quang Nam | n.a. | 713 (55) | 1,006 (51) | n.a. | 18.8 |
| | Total | n.a. | 1,310 (100) | 1,957 (100) | n.a. | 21.6 |
| Domestic | Thua Thien Hue | 275 | 681 (39) | 829 (28) | 19.9 | 10.3 |
| | Danang | 209 | 432 (24) | 1,000 (34) | 15.6 | 52.1 |
| | Quang Nam | n.a. | 650 (37) | 1,099 (38) | n.a. | 30 |
| | Total | n.a. | 1,763 (100) | 2,928 (100) | n.a. | 28.9 |
| Total | Thua Thien Hue | 470 | 1,050 (34) | 1,430 (29) | 17.4 | 16.7 |
| | Danang | 394 | 660 (22) | 1,350 (28) | 10.9 | 43.0 |
| | Quang Nam | n.a. | 1,363 (44) | 2,105 (43) | n.a. | 24.3 |
| | Total | n.a. | 3,073 (100) | 4,885 (100) | n.a. | 26.1 |

Source: Department of Culture, Sports, and Tourism (DOSCT) of each Province.

(b) **Growth in Domestic Tourism:** In recent years, domestic tourism has been booming, and an article by VIETNAMNET indicated that more than 50% of Vietnam's urban residents visited scenic spots or travelled to sea and mountain resorts at least twice a year. Other findings stated are as follows:

- (i) Those travelling four or five times per year accounted for 22% of 2,000 people in Hanoi and Ho Chi Minh City;
- (ii) Over 68% of travelers chose to book four-day tours organized on holidays; and

(iii) Residents in Hanoi and Ho Chi Minh City spend between VND 2 million to 5 million (USD 110–280) on tourist travel.

3.38 The recent growth in domestic tourism is conspicuous during holiday seasons of the year, and this increase of domestic tourists (19% increases from 2008 to 2009) has helped supplement the decrease in international tourists (11.5% decrease from 2008 to 2009). These trends are likely to continue in the future as well. Movement was particularly marked from north to south, with the majority of domestic tourists either heading to the Mekong Delta or to the Central Region. Domestic tourism was boosted by regional efforts to attract tourists, particularly in the form of officially organized festivals. This includes the Hue Festival, Danang International Fireworks Festival, Hoi An Festival, etc. in the study region. This trend is also supported by the efforts from the private sector as well, as seen in the case with Vietnam Airlines, offering preferential prices for travel agencies that are participating in the domestic tourist stimulation program.

(c) **Thua Thien Hue Province:** Tourist arrivals to Thua Thien Hue province is shown in Table 3.3.3. The tourist arrivals from 1995–2005 were not over 50% of the target plan in 1995. Tourist growth rate for this period for foreign tourists were 10.7%/year for foreign tourists, and 16.9%/year for domestic tourists, whereas the target set in 1995 was 21.3%/year in the former and 27.5%/year for the latter.

Table 3.3.3 Arrival of Tourists to Thua Thien Hue Province

| Number of Tourists (000) | 1995 | 2000 | 2005 | 2007 |
|--------------------------|------|------|-------|-------|
| Foreign | 134 | 195 | 369 | 601 |
| Domestic | 143 | 275 | 681 | 829 |
| Total | 277 | 470 | 1,050 | 1,430 |

Source: Thua Thien Hue DOSCT.

3.39 From 1995 to 2005, markets for international tourists have the following characteristics: (i) ratio of French tourists is fairly large, 48.3% in 1995, 28.0% in 2000, 20.0% in 2005, and 15.6% in 2007, (ii) ratio of Chinese tourists is lowest, 0.2% in 1995, 0.8% in 2000, 1.0% in 2005, and 1.3% in 2006. However, the growth rate of Chinese tourists is the largest in the province (excluding overseas Chinese). Overseas Vietnamese market is ranked second after the French market (9.4% in 2005 and 7.9% in 2006), however growth rate of overseas Vietnamese tourists is the highest—47.5% for the period of 1995–2005. This result is due to the return of overseas Vietnamese to their birthplace (or that of their parents) following the open-door policy of the central government. For recent years, the ratio of Thai tourists is the highest, 24.8% in 2006 and 19.5% in 2007 of the international tourist market share.

(d) **Danang City:** Of the total number of international tourists in 2007 who went to Danang, around 80% came for leisure, holiday and sightseeing. Meanwhile, the number of those who visited Vietnam for these same purposes² accounted for around 50% of total tourist numbers. Therefore, this region captured around 40% of the total number of tourists visiting Vietnam for leisure, holiday, and sightseeing. The average annual growth rate of international tourist arrivals in this region between 2005 and 2007 was around 24%, while the same for Vietnam was around 10%. This implies that this re-

² Other purposes of tourists in Vietnam are entertainment and MICE.

gion leads the international tourist arrivals in the country.

Table 3.3.4 Arrival of Tourists to Danang City

| Number of Tourists (000) | 2005 | 2006 | 2007 |
|--------------------------|------|------|-------|
| Foreign | 228 | 235 | 350 |
| Domestic | 432 | 593 | 1,000 |
| Total | 660 | 828 | 1,350 |

Source: Danang DOSCT.

3.40 The Tourism Development Program of Da Nang PC (2005–2010) clearly states that the average length of stay (LoS) of international tourists in Danang is 2.02 days, while the average LoS in Vietnam is around 1.5 to 2.5 days, based on GSO data. This implies that Danang functions just as a transportation hub for tourists visiting neighboring provinces where the World Heritage sites and beach resorts are located. Under such a situation, the target of the Tourism Department of Danang is to increase the number of tourist arrivals and, at the same time, encourage tourists to stay in Danang for as long as possible or at least the average of Vietnam stay 10 days.

3.41 For the North Central Tourism Zone (Danang, Quang Nam, Thua Thien Hue, and Quang Binh), majority of international tourists arrive in this tourism zone through scheduled flights to the Da Nang International Airport. Data from the Da Nang Tourism Department state that the total number of international tourist arrivals in Danang in 2007 was about 300,000 (or nearly 7% of the country's total), while domestic tourist arrivals reached 700,000, bringing to at least a million the tourists visiting this zone. Total tourist arrival estimate for 2008 is 1.2 million.

- (e) **Quang Nam Province:** Quang Nam has attracted 2.3 million tourists in 2009 (international and domestic added, see Table 3.3.5). Even during the recent financial crises, the number of tourists did not decrease. Tour operators are very creative in designing tours to provide tourists with various tour options, such as visiting traditional craft villages tours, cycling tours, motor-biking tours, boating and cruise tours. Thanks to the initiatives of tour operators, some villages could maintain their traditional crafts, creating job opportunities for local people. Despite some remaining issues, the participation of local people in doing tourism business is the key for sustainable tourism development in Quang Nam.

3.42 The number of tourists including both domestic and international tourists is constantly increasing since 2001, much higher than the forecast. For staying tourists, the number of international tourists exceeds the number of domestic tourists and vice versa for visiting tourists. The average growth during 2005–2009 increases by 13.08% for international tourists and 11.05% for domestic tourists. Among international tourists, French tourists, particularly elderly tourists, account for the highest proportions. From 2010 to 2020, Quang Nam continues to focus on Western Europe market, Asia-Pacific market and ASEAN market, Japanese market and Hong Kong market.

3.43 The majority of tourists stay in Hoi An for an average of 2.4 nights. Thus, revenue from accommodation and other services contribute significantly to the province's budget. Aimed at attracting staying visitors and lengthening their stay in Quang Nam in general and My Son in particular, Quang Nam Province has made plan to develop My Son–Thach Ban to become a tourist complex which offers various tourism services (sightseeing, mountain climbing, hot spring, visiting traditional craft villages, ethnic vil-

lages). This development is expected to help boost the socio-economic conditions for the local area.

3.44 In addition to Hoi An Ancient Town, My Son Holy Land and Cham Island, the province encourages enterprises to invest in developing ecotourism, taking advantage of topographical conditions including lakes, caves, forests and scenic landscape. The master-plan for the development of Phu Ninh Ecotourism Complex has been approved by the provincial authorities. A detailed plan is prepared by the Hung Cuong Tourism Joint Stock Company which is based in Ho Chi Minh City. The transfer between Quang Nam Food Joint Stock Company and Hung Cuong Tourism Joint Stock Company will commence in late January 2010. Phu Ninh has become known to people in Quang Nam and Danang for the last years but not among international tourists due to poor infrastructure and utilities, poor services and lack of qualified human resources.

Table 3.3.5 Arrival of Tourists to Quang Nam Province

| Number of Tourists (000) | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------|------|------|------|-------|-------|-------|-------|-------|-------|
| Foreign | 314 | 400 | 402 | 493 | 713 | 798 | 1,006 | 1,165 | 1,140 |
| Domestic | 229 | 259 | 424 | 531 | 650 | 881 | 1,099 | 988 | 1,180 |
| Total | 543 | 659 | 826 | 1,024 | 1,363 | 1,679 | 2,105 | 2,153 | 2,320 |

Source: Quang Nam DOSCT.

2) Tourism Expenditure

3.45 As data for detailed expenditure structures of tourists by province are limited, the national data provided by the Vietnam National Administration of Tourism (VNAT) was used to grasp the trend of expenditure for international tourists (see Table 3.3.6).

3.46 In most countries of origin, people spend the most money for accommodation. This trend is especially seen for Chinese, Japanese, and English tourists. In average, about one third of tourists' money is spent for hotels. This implies that it is essential not only to promote and upgrade tourism destinations, but to invest in and provide good quality hotels for various kinds of tourists. However, as high-end accommodations are normally operated by international corporations, the contribution to the local market is very limited.

3.47 An interview by the Study Team to the General Manager of Palm Garden Beach Resort & Spa revealed that the only local products the resort buys from the local market are vegetables and fruits, all other supplies such as other food, toiletry, etc. are obtained by an original supply chain established by the resort, and this is normally the case for other high-end resorts.

3.48 On the contrary, not much is spent for sightseeing. This is partly due to the fact that price of entrance tickets for many tourism facilities are still low, and in some cases entrance fees are not required at all. However this is changing, and in 2007, revenue captured from the sale of entry tickets in Hoi An accounted for 5 percent of the total revenue generated from tourism services. This revenue was reinvested into Hoi An's heritage conservation and tourism promotion program.

Table 3.3.6 Expenditure Structure of International Tourists (by air) to Markets (%)

| | Accommodation | Food | Transport in VN | Sightseeing | Shopping | Others |
|-------------|---------------|------|-----------------|-------------|----------|--------|
| China | 42.7 | 16.3 | 13.2 | 7.9 | 15.7 | 4.2 |
| Japan | 41.3 | 20.2 | 10.7 | 1.2 | 17.3 | 9.3 |
| Taiwan | 30.9 | 17.4 | 13.3 | 12.8 | 16.9 | 8.7 |
| Hong Kong | 14.5 | 33.2 | 6.4 | 5.0 | 18.6 | 22.3 |
| Korea | 37.8 | 20.1 | 9.1 | 9.7 | 15.2 | 8.1 |
| ASEAN | 40.3 | 19.0 | 7.9 | 10.2 | 17.2 | 5.4 |
| France | 25.0 | 19.3 | 13.6 | 11.0 | 23.9 | 7.2 |
| England | 41.7 | 19.8 | 8.9 | 5.0 | 17.3 | 7.3 |
| Germany | 29.4 | 19.5 | 12.6 | 9.5 | 18.2 | 10.8 |
| Netherlands | 33.6 | 20.4 | 17.1 | 9.7 | 11.3 | 7.9 |
| Sweden | 22.1 | 20.2 | 15.3 | 4.9 | 35.3 | 2.2 |
| Switzerland | 31.0 | 19.7 | 16.1 | 3.9 | 15.7 | 13.6 |
| Belgium | 38.2 | 18.8 | 13.6 | 6.3 | 14.4 | 8.7 |
| Australia | 23.4 | 19.2 | 11.7 | 7.4 | 21.8 | 16.5 |
| New Zealand | 36.7 | 17.9 | 10.5 | 6.6 | 19.4 | 8.9 |
| USA | 19.7 | 21.2 | 10.5 | 10.7 | 18.8 | 19.1 |
| Canada | 16.5 | 16.7 | 12.2 | 19.7 | 19.7 | 15.2 |
| Others | 31.4 | 17.1 | 12.3 | 8.3 | 21.3 | 9.6 |
| Average | 29.5 | 19.5 | 10.8 | 10.0 | 19.1 | 11.1 |

Source: Vietnam National Administration of Tourism, Tourism Information Center, 2007-2008.

3.4 Transportation and Services

1) Transportation at Regional Level

3.49 The region is connected through two main north-south axis, i.e. National Highway 1A and Ho Chi Minh Highway. In addition, the region is connected through the national railway as well as by air. National transportation development by the North-South High-speed Railway from Hanoi City to Ho Chi Minh City will stimulate the connection among tourism destinations.

2) Road

(1) North-South Axis

- (a) **National Highway 1A** is the most important axis from North to South, the section passing five provinces of the Central Focal Economic Zone is 426 km in length, it was invested and improved with 12 m embankment, 11 m asphalt concrete pavement. Some sections passing urban areas were constructed in compliance with the approved urban plans. On average, they are III graded roads on plain. Some sections passing districts have 26 m-wide embankment. Pavement is in fair to good condition. Traffic is close to road capacity. Issues include over travel speed and traffic safety.
- (b) **Ho Chi Minh Highway (west branch)** is the section passing the Central Focal Economic Zone is 189 km in length and improved from NH. 14 conforming to IV graded roads for mountainous areas with 7.5 m embankment and 5.5 m asphalt concrete pavement or cement concrete pavement. The section passing urban areas must be widened in compliance with urban plans. Pavement is in good condition. There is very limited traffic. Issues include slope stability and safety, fog on Hue section, traffic behavior, and limited service facilities on road.
- (c) **North-South Expressway** connects the north and south via high standard expressway is an important national project which has been undertaken by MOT. While sections near Hanoi and HCMC are currently being implemented, other remaining sections are also being studied for implementation. Danang–Quang Ngai section is also in the pipeline for possible commitment of donors. As the expressway is in place, mobility in the region will be dramatically improved and significant impact will be brought about on tourism.

Figure 3.4.1 Main Road Network and Infrastructure in the Region



Source: DaCRISS Study Team.

(2) East-West Axis

- (a) **East-West Highway** is a 1,450 km road that connects Vietnam with other regions in the Indochina peninsula, with the west end at the port city of Mawlamyine (Myanmar) and east end at Danang City (see Figure 3.4.2). It is a large transportation initiative project of the Greater Mekong Subregion, headed by ADB.
- (b) **National Highway 49A** runs from Thuan An sea gate to A Luoi District, the section passing the studied area is 60km in length and meet the required standard for V-graded road in mountainous areas, the width of its embankment is of 6.5 m and the width of its bituminous pavement is of 3.5 m, the quality of this section is relatively poor.
- (c) **National Highway 49B** is of 73 km in length and managed by provincial authority from Con Tau to Hien An (Provincial Roads No. 9 and old No. 68A connecting together). The embankment width of this section is 5–7 m. Its pavement width is of 3.5–5 m.
- (d) **National Highway 14B** runs from Son Tra Peninsula to Ho Chi Minh Highway (Thach My District), the section passing Danang is 33 km in length, its cross section is from 33 m to 48 m.
- (e) **National Highway 14D** connects Ho Chi Minh Highway to Viet Laos Border, quality of road is poor.
- (f) **National Highway 14E** connects National Highway 1 (Ha Lam) to Kham Duc, 17 km in length, medium quality.

Figure 3.4.2 East-West Highway



Source: GMS North south Economic Corridor, Flagship initiative.

(3) Local Road Conditions

(a) **Overall Evaluation:** In Thua Thien Hue, roads are in poor to fair condition, and most of roads need to be improved because of low capacity and unsafe. Especially, HCM Road is very dangerous in Hue area since fog and slope slide are outstanding issues. In addition, traffic safety would be the issue in Hue city as very high mixed traffic volume. In Danang, road conditions are in good situation except for Son Tra Island road which is very narrow and not safe. In addition, traffic safety would be the issue in Danang City as very high mixed traffic volume and over travel speed. In Quang Nam, transport condition is in fair to good situation in most roads except TL 616 and HCM which are in poor condition and not safe respectively. Detailed evaluation is made in Table 3.4.1.

Table 3.4.1 Evaluation of Local Roads

| Road Name | Length (km) | Preliminary Evaluation | Improvement Option |
|---|-------------|--|--|
| Quang Nam Province | | | |
| <ul style="list-style-type: none"> TL No.616 connecting to Phu Ninh Lake | 9 | <ul style="list-style-type: none"> Poor to fair pavement condition. Too much accessibility on road as many houses locating close to the road. Road is narrow - Class VI (TCVN 4054-2005). 2 km ending mountain section is dangerous since there is no safety facility provided. Very poor road maintenance. | <ul style="list-style-type: none"> Improvement of road to Class IV (TCVN 1054-2005). Provision of safety facility on 2 km-ending mountainous section (E.g. safety mirror, guard rail, profile painting strip). |
| <ul style="list-style-type: none"> TL No.610 connecting to My Son | 30 | <ul style="list-style-type: none"> Pavement is in fair to good condition. Some sections have too much accessibility. Some constraint sections are not safety. Over speed by truck. Poor routine maintenance. | <ul style="list-style-type: none"> Traffic calming should be applied in some constraint sections (E.g. more profile painting strip to reduce travel speed). Road maintenance shall be done properly. |
| <ul style="list-style-type: none"> TL No.608: Vinh Dien–Hoi An | 8 | <ul style="list-style-type: none"> Fair to good pavement condition. Road Class V (TCVN 4054-2005). | <ul style="list-style-type: none"> Planned improvement option to be urban road Class I. |
| <ul style="list-style-type: none"> Hoi An Ancient Town Streets and Roads of neighboring areas. | Network | <ul style="list-style-type: none"> Roads and streets are in good condition. Mixed traffic is common. Drainage facility in old streets has been improved. | <ul style="list-style-type: none"> Planned improvement for drainage facility in neighboring areas. Planned new construction of Cam Kim II and Cam Nam II Bridges. |
| <ul style="list-style-type: none"> NHW No.14B connecting to Ho Chi Minh Highway. | 50 | <ul style="list-style-type: none"> Road is in good condition (Class IV, TCVN 4054-2005). Slope stability and safety are the issues. | <ul style="list-style-type: none"> Slope stability and safety facility shall be strengthened (e.g. safety mirror, guard rail, profile painting strip). |
| Danang City | | | |
| <ul style="list-style-type: none"> Son Tra–Dien Ngoc Coastal Highway | 33 | <ul style="list-style-type: none"> Road is in very good condition. Slope stability is the issue for 10 Km mountainous section at the beginning. | <ul style="list-style-type: none"> More drainage facility shall be applied in mountainous section. Slope stability measures shall be strengthened. |
| <ul style="list-style-type: none"> TL No.607A - 603 - Le Van Hien–Ngu Hanh Son–Ngo Quyen | 30 | <ul style="list-style-type: none"> Some sections are under construction. Almost new sections are in good condition. | <ul style="list-style-type: none"> Improvement is underway. |
| <ul style="list-style-type: none"> Tuyen Son (Da Nang)–Ba Na Nui Chua–Tuy Loan Bypass | 40 | <ul style="list-style-type: none"> Road is in good condition. Slope stability and safety are issue in some mountainous sections. | <ul style="list-style-type: none"> Slope stability should be strengthened. Safety facility shall be applied in some sections (e.g. safety mirror, guard rail, profile painting strip). |
| <ul style="list-style-type: none"> Hai Van Pass | 22 | <ul style="list-style-type: none"> Road is in fair to good condition. Safety is the issue in some sections. | <ul style="list-style-type: none"> Safety facility shall be applied in some sections (e.g. safety mirror, guard rail, profile painting strip). |
| <ul style="list-style-type: none"> Nguyen Tat Thanh Coastal Urban Street | 11 | <ul style="list-style-type: none"> Road is in good condition. Mixed traffic and over travel speed are the issues. | <ul style="list-style-type: none"> Separate lane for motorcycle should be considered. |
| <ul style="list-style-type: none"> Ban Dao Son Tra Road | 16 | <ul style="list-style-type: none"> Poor condition for DBST road section. PCCP section is in good condition. Road is narrow (Class V, TCVN 4054 -2005). Safety is an issue. | <ul style="list-style-type: none"> Improvement of road to Class IV (TCVN 4054-2005). Safety facility shall be applied (E.g. safety mirror, guard rail, profile paint- |

| Road Name | Length (km) | Preliminary Evaluation | Improvement Option |
|---|-------------|--|--|
| <ul style="list-style-type: none"> QL1 - Nguyen Van Cu–Nguyen Luong Bang–Ton Duc Thang–Dien Bien Phu –Ly Thai To - Hung Vuong. | 18 | <ul style="list-style-type: none"> Poor routine maintenance. Road is in good condition. Mixed traffic and over travel speed are the issues. | <ul style="list-style-type: none"> ing strip). Separate lane for motorcycle should be considered. |
| Thua Thien Hue Province | | | |
| <ul style="list-style-type: none"> NHW No.49 and NHW No.49B (Hue City–Thuan An town). | 22 | <ul style="list-style-type: none"> NHW No.49 is in fair to good condition. NHW No.49B is very narrow (Class VI, TCVN 4054 - 2005). Too much accessibility on NHW No.49B as it goes via Thuan An town. | <ul style="list-style-type: none"> Improvement of NHW No.49B |
| <ul style="list-style-type: none"> TL No.4 (Nguyen Chi Thanh) connecting to Tam Giang Lagoon | 12 | <ul style="list-style-type: none"> Road is in fair to good condition. Road is too narrow and low capacity (Class VI, TCVN 4054-2005) | <ul style="list-style-type: none"> Improvement of road to Class V or IV shall be made. |
| <ul style="list-style-type: none"> NHW No.49 from Ho Chi Minh Highway to Hue city. | 60 | <ul style="list-style-type: none"> Road is in poor condition. Road is narrow (Class VI, TCVN 4054-2005) | <ul style="list-style-type: none"> Improvement shall be started soon. |
| <ul style="list-style-type: none"> Hue City Streets and Roads of neighboring areas. | Network | <ul style="list-style-type: none"> Roads and streets are in good condition. Mixed traffic is common. Drainage facilities have been being improved in neighboring areas. | <ul style="list-style-type: none"> Separate lane for motorcycle should be considered. Planned improvement of drainage facility in old streets. |

Source: DaCRISS Study Team.

(b) **Results from HIS Survey:** Tables 3.4.2 to 3.4.5 show the results of people's assessment on road conditions based on the Commune Survey conducted by the Study Team in 2008. This shows that road conditions are fairly good in all the provinces. Some roads have seasonal disruption, mainly in coastal communes in Thua Thien Hue, mountainous areas in Danang City, inland areas in Quang Nam. Vehicle travel time from the commune center to the provincial center is conspicuously high in inland areas in Quang Nam.

Table 3.4.2 People's Assessment on Road Conditions (3 Provinces)

| | | Thua Thien Hue | Danang City | Quang Nam |
|--|-------------------------------|----------------|-------------|-----------|
| From Commune Center to District Center | Average Distance (km) | 15 | 5 | 17 |
| | Road Conditions ¹⁾ | 0 | 0 | 10 |
| | Seasonal Disruption (%) | 36 | 16 | 33 |
| | Average Travel Time (min) | 27 | 12 | 33 |
| From Commune Center to Provincial Center | Average Distance (km) | 40 | 8 | 75 |
| | Road Conditions ¹⁾ | 0 | 2 | 9 |
| | Seasonal Disruption (%) | 39 | 11 | 25 |
| | Average Travel Time (min) | 58 | 22 | 116 |

Source: Results from Commune Survey (2008), DaCRISS Study Team.

¹⁾ Percentage of respondents who answered "bad".

Table 3.4.3 People's Assessment on Road Conditions (Thua Thien Hue)

| | | Hue City | Coastal ²⁾ | Inland ³⁾ |
|--|-------------------------------|----------|-----------------------|----------------------|
| From Commune Center to District Center | Average Distance (km) | 5 | 15 | 16 |
| | Road Conditions ¹⁾ | 0 | 0 | 0 |
| | Seasonal Disruption (%) | 4 | 58 | 26 |
| | Average Travel Time (min) | 12 | 29 | 28 |
| From Commune Center to Provincial Center | Average Distance (km) | 5 | 33 | 51 |
| | Road Conditions ¹⁾ | 0 | 0 | 0 |
| | Seasonal Disruption (%) | 4 | 63 | 30 |
| | Average Travel Time (min) | 12 | 54 | 70 |

Source: Results from Commune Survey (2008), DaCRISS Study Team.

¹⁾ Percentage of respondents who answered "bad", ²⁾ Coastal : Quang Dien, Phu Vang, Phu Loc, ³⁾ Inland : Phong Dien, Huong Thuy, Huong Tra, A Luoi, Nam Dong

Table 3.4.4 People's Assessment on Road Conditions (Danang City)

| | | Hai Chau | Thanh Khe | Lien Chieu | Son Tra | Ngu Hanh Son | Cam Le | Hoa Vang |
|--|-------------------------------|----------|-----------|------------|---------|--------------|--------|----------|
| From Commune Center to District Center | Average Distance (km) | 2 | 3 | 3 | 2 | 3 | 4 | 14 |
| | Road Conditions ¹⁾ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Seasonal Disruption (%) | 0 | 10 | 0 | 0 | 25 | 17 | 55 |
| | Average Travel Time (min) | 9 | 15 | 11 | 6 | 10 | 11 | 23 |
| From Commune Center to Provincial Center | Average Distance (km) | 2 | 4 | 11 | 4 | 8 | 9 | 21 |
| | Road Conditions ¹⁾ | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| | Seasonal Disruption (%) | 0 | 0 | 0 | 0 | 25 | 0 | 45 |
| | Average Travel Time (min) | 10 | 21 | 21 | 12 | 26 | 24 | 39 |

Source: Results from Commune Survey, DaCRISS Study Team.

¹⁾ Percentage of respondents who answered "bad".

Table 3.4.5 People's Assessment on Road Conditions (Quang Nam)

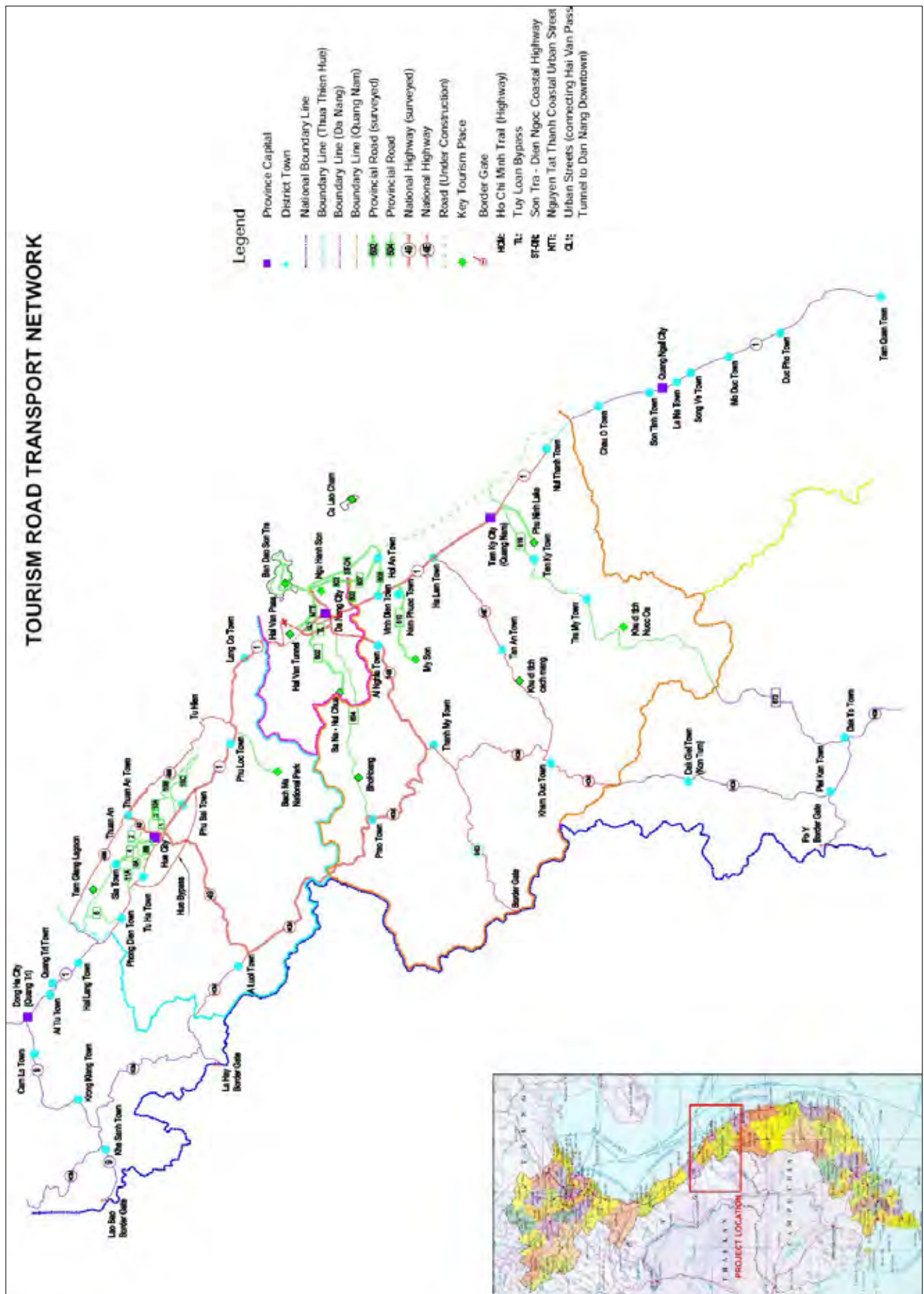
| | | Tam Ky | Hoi An | Coastal ²⁾ | Northern Inland ³⁾ | Southern Inland ⁴⁾ |
|--|-------------------------------|--------|--------|-----------------------|-------------------------------|-------------------------------|
| From Commune Center to District Center | Average Distance (km) | 4 | 6 | 11 | 23 | 17 |
| | Road Conditions ¹⁾ | 0 | 0 | 0 | 15 | 20 |
| | Seasonal Disruption (%) | 0 | 0 | 14 | 44 | 54 |
| | Average Travel Time (min) | 8 | 18 | 17 | 43 | 36 |
| From Commune Center to Provincial Center | Average Distance (km) | 4 | 74 | 36 | 101 | 76 |
| | Road Conditions ¹⁾ | 0 | 0 | 0 | 13 | 18 |
| | Seasonal Disruption (%) | 0 | 0 | 12 | 26 | 45 |
| | Average Travel Time (min) | 8 | 91 | 44 | 161 | 121 |

Source: Results from Commune Survey (2008), DaCRISS Study Team.

¹⁾ Percentage of respondents who answered "bad", ²⁾ Coastal : Dien Ban, Thang Binh, Nui Thanh, ³⁾ Northern Inland: Tay Giang, Dong Giang, Dai Loc, Duy Xuyen, Que Son, Nam Giang, Nam Son, ⁴⁾ Southern Inland: Phuoc Son, Hiep Duc, Tien Phuoc, Bac Tra My, Nam Tra My, Phu Ninh.

- (c) **Traffic Safety:** In general, traffic safety is a common issue in all provinces/ city. However, more attention should be paid to Danang and Thua Thien Hue as mixed traffic is very high in the urban areas. The potential problems are: (i) poor traffic behavior, (ii) mixed traffic in most streets and rural roads, (iii) high-risk accident section with very limited counter-measures, (iv) too much accessibility to road as house locating very close to the road, (v) limited traffic safety facilities on the constraint section especially in mountainous section, (vi) over speed in street and rural roads, and (vii) limited service facility in HCM Trail.

Figure 3.4.3 Tourism Road Network



Source: DaCRISST Study Team.

3) Airport

- (a) **Danang Airport** is one of the largest airports nationwide, 4E graded in compliance with ICAO standard. The total area is 1100 ha, in which civil aviation is 150 ha. Da Nang Airport was constructed in 1940, there are three runways: 3046m x 45m; 1800m x 43m and 1600m x 43m. It is modernly equipped for medium aircrafts to land and take-off in all-weather conditions such as B747, B767 and A320.

3.50 A new terminal building is under construction which is due for open by 2010–2011 to accommodate 4 million passengers an year. The impact of airport improvement is also significant on the tourism sector. It is also expected that new international air routes will be opened in the near future. Direct connections between the region and main cities in Asia will promote increase in the international tourists and facilitate diversion of entry points from HCMC and Hanoi to Danang. The capacity expansion of the airport will also attract more arrivals of domestic tourists.

3.51 The ascendancy over other provinces in tourism development for the city is the presence of the Danang International Airport with modern facilities links 8 cities over the country (Hanoi, Ho Chi Minh City, Buon Ma Thuot, Quy Nhon, Nha Trang, Da Lat, Pleiku) and 3 cities overseas³ (Siem Reap, Singapore, Taipei). The airport is located in the inner city, enabling easy access to various destinations within the city. It is currently being up-graded to increase its capacity to receive 4 million passengers per year.

- (b) **Phu Bai Airport** is also an international airport since 2005, with flights to Hanoi and Ho Chi Minh City. It has a 2800m x 45m runway with lighting for night-time flights. It is used for aircrafts of A320/A321 and B747. Its capacity is 0.4 million passengers/year, and links to Hanoi and Ho Chi Minh City. According to the SEDP of Thua Thien Hue Province, Phu Bai Airport will be upgraded to meet demand for carrying 2 million passengers and 100 thousand tons of cargo per year.
- (c) **Chu Lai Airport** was constructed in March 2005 and welcomed the first flight in March 2005. Chu Lai Airport used for serving Dung Quat Economic Zone and Chu Lai Open Economic Zone. Its area is of 2300 ha, including two runways: 2650 x 45m and 3040 x 45m. It links to Ho Chi Minh City, and is planned to be upgraded with a target year 2025 to meet demand for 4 million passengers.

4) Railway

- (a) **North-South Existing Railway** runs through the region, the section inside the Central Focal Economic Zone is of 450 km in length with 51 stations, in which there are 3 big ones: Hue, Da Nang and Dieu Tri. This is a single railway with narrow width (1,000 mm), and constructed since French domination period; it lacks branches connecting to seaports, industrial parks and economic zones.
- (b) **North-South High Speed Railway:** An ambitious national project to connect Hanoi and HCMC by high-speed railway is being planned. The project intends to connect Hanoi and HCMC in about 6 hours via Danang City and other main urban areas along the coastline, providing better access for tourists from the north as well as the south.

³ China Southern Airlines has also started operating regular direct flights between Guang Zhou in January 2010 due to the newly opened Crown International Casino along the coast.

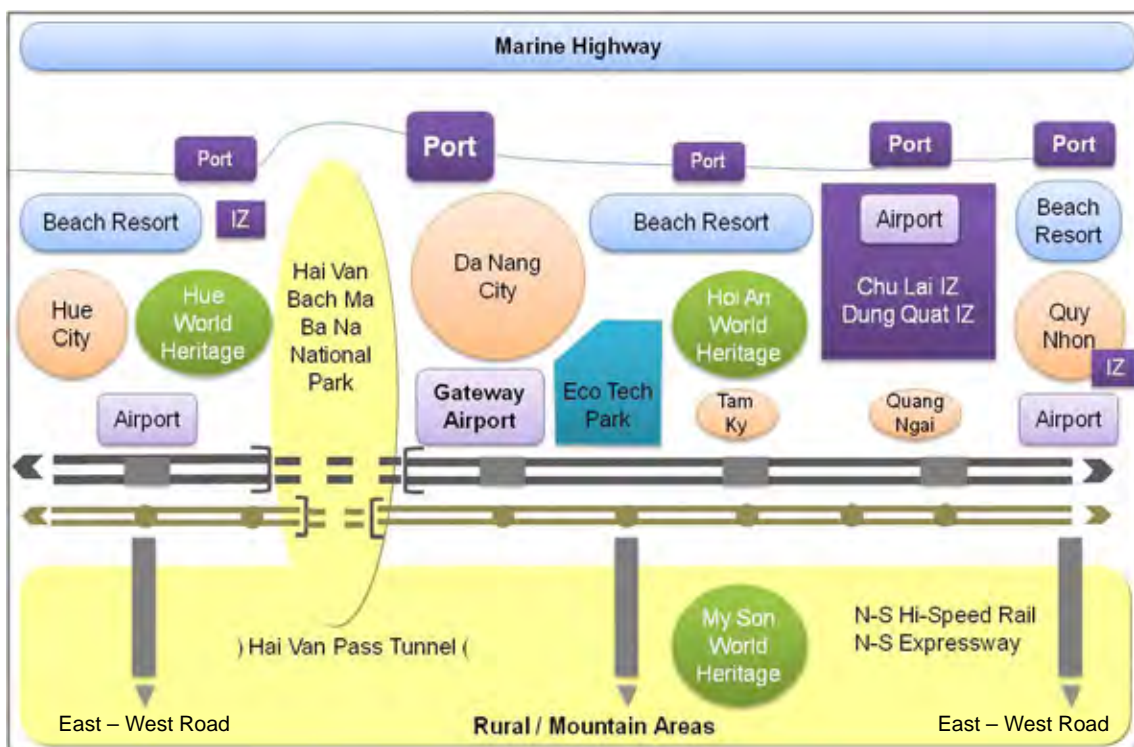
5) Port

- (a) **Danang Port** is the only one gateway sea port in the City and composed of two terminals: Tien Sa and Song Han. Tien Sa Terminal is located at cove of Son Tra Peninsula and Song Han Terminal in the center of the City along Han River. Capacity of Tien Sa Terminal can accommodate general ship up to 45,000 DWT, 2,000 TEU containership and passenger ship up to 75,000 GRT and its cargo handling capacity is 4.5 million MT/year together with its freight yards and warehouse nearby and that of Song Han Terminal is 1 million MT/year. Tien Sa Terminal is also an international cruise terminal, in which it received 38 cruise ships with 17,000 international tourists in 2007.
- (b) **Lien Chieu Port** is being constructed, mainly serving for Hai Van Cement Plant and Line Chieu industrial zone and others.
- (c) **Chan May Port** is a general port as well as an international tourism port, and the first wharf has just been constructed: Line depth: -12 m; Harbour depth: -12.5 m, the largest vessels being accepted here is 30,000 DWT ones. The port received 20,000, 23,000, and 22,851 in 2006, 2007, 2008 respectively.
- (d) **Ky Ha Port** is close to Ky Ha headland and in the north of Dung Quat Bay. This is the commercial and general port serving Chu Lai open economic zone and Quang Nam Province. Capacity is 0.3 million ton/year. 5,000 DWT ships are accepted.

6) Regional Integration through Transportation Development

3.52 Development of transportation system in the region is expected to contribute to integrate socio-economic activities in the region significantly in the future (see Figure 3.4.4).

Figure 3.4.4 Main Transportation Facilities and Tourism Destinations in the Region



Source: DaCRISS Study Team.

7) Local Transportation Services

(1) Thua Thien Province

3.53 Thua Thien Hue has a coastal line of 120 km, national highway No.1A, national railway and provincial road system, rivers, lakes, lagoons, deep water seaport Chan May. Although most main roads in Hue are asphalted, they are narrow and require regular maintenance. The government should invest in upgrading the road system to tourist areas to facilitate smooth transportation and safety. There is also a lack of signboards on the way to most tourist areas.

3.54 Thua Thien Hue has beautiful rivers which can be utilized for river tourism. However, river pollution, lack of landscape organization limits the potential of this type of tourism. Similarly, since Thua Thien Hue targets on promoting lagoon tourism, studies about improving infrastructure in the surrounding areas of lagoon without damaging the eco system and worsening the livelihood of the local residents are recommended.

3.55 Chan May is a cargo port but it also receive international tourists from international tourist ships since recently. The infrastructure of Chan May port is still under construction. There is no separate pathway for tourists. According to the staff of Hue DCST, most ship tourists do not stay overnight in Hue but have day-tour in Hue city and get back to the ships.

(2) Danang City

3.56 Urban transportation in Danang City is primarily composed of roads and road transportation. The road network in Danang City is composed of national highways, provincial roads, and urban roads with a total length of 480 km. National Highway (NH) No, 1A and 14B were developed for interprovincial/city linkage. Provincial roads connect mainly urban districts and mountainous areas in Hoa Van District and Quang Nam Province. A dense network of urban roads is developed in the center of the city such as in Hai Chau and Thanh Khe districts.

3.57 Urban road transportation services are mostly carried out using private transportation. Current conditions are characterized by the dominant presence of motorcycles, a fast-growing number of cars, and decreasing number of bicycles. Public transportation services are provided by bus, taxi, and xe om (motorcycle taxi). However, their share in urban transportation is low.

(3) Quang Nam Province

3.58 Although Quang Nam has invested in improving road infrastructure, provincial roads are fairly narrow. Weak bridges remain on the main routes connecting Hoi An Town with Tam Ky and other districts.

3.59 From the 15th to 17th century, Hoi An Port attracted many trade ships from foreign countries such as Portugal, Netherland, France, Japan, and China. At the end of the 19th century, Cua Dai Sea was gradually sediment, becoming difficult for large ships to access. Therefore, the Nguyen dynasty directed foreign trade ships to port at Han River Port in Danang, resulting the golden age of Hoi An commercial port to come to an end. Today, Hoi An is a small ship yard, serving for Hoi An Town and surrounding areas. Hoi An ship yard is 230 m² in area, consisting of nearly 20 passenger ships with 150 seats, 30 small cargo ships with capacity of 1–5 tons. Hoi An has no seaport, but only 2 fish ports in Cua Dai and Cam Nam, fish ships arrives here to supply the Hoi An Market.

3.5 Regional Linkage

3.60 Thua Thien Hue, Danang, and Quang Nam is connected in both spatial and transportation context. Table 3.5.1 shows the spatial and transportation linkage of the HDQ region.

3.61 The north – south connection of the HDQ region is currently mainly via National Highway No.1, however a high – speed expressway is expected to be completed, and the high – speed railway is also planned further in the future. Hai Van Pass was an obstacle for access between Thua Thien Hue and Danang City in the past, however this is solved due to the completion of the Hai Van Tunnel, connecting Hue City and Danang City at approximately 2 hours via road. Not only the access time is shortened, traffic safety has been improved greatly, especially in the nighttime.

3.62 There are national highways connecting to the Ho Chi Minh Trail in the western mountainous region. Overall, these roads are in good condition, however tourism is underdeveloped, limiting the number of tourists which access to these areas.

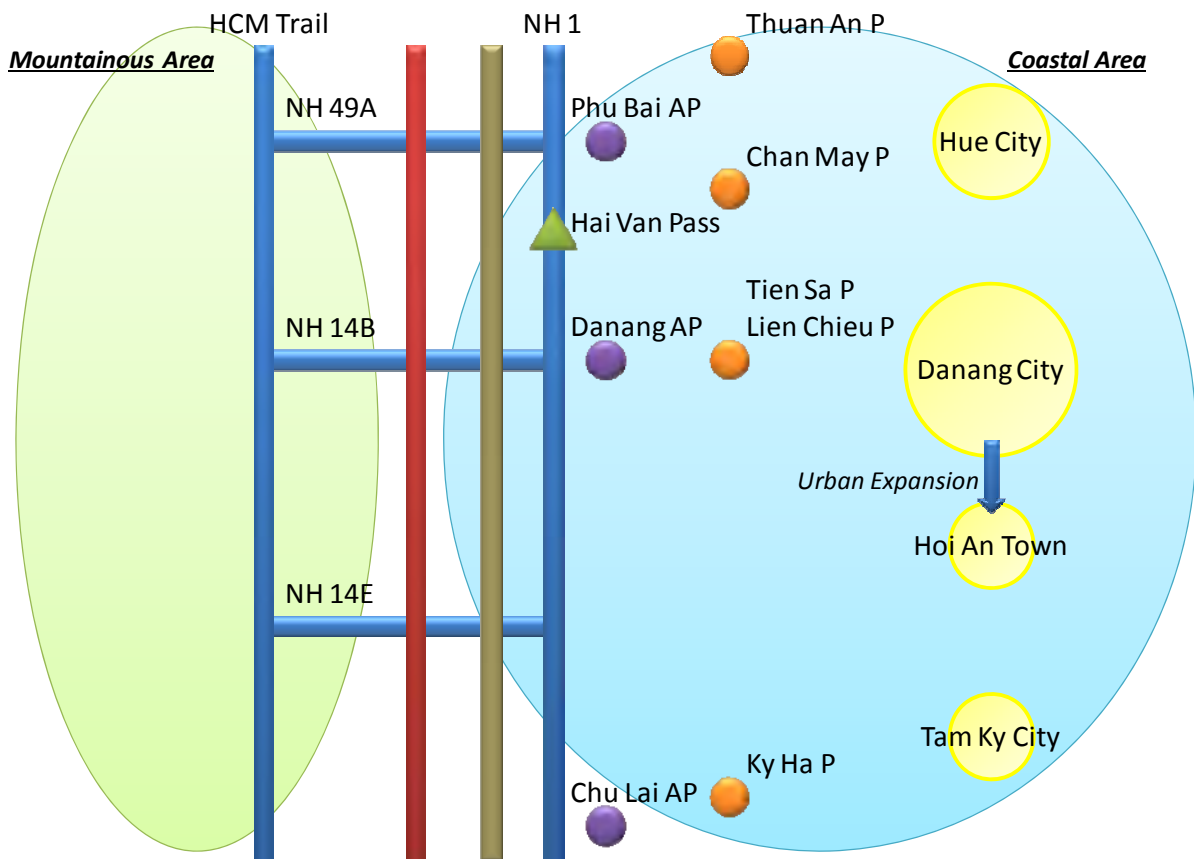
3.63 The region each has an airport, however flights connect to and / or Hanoi and Ho Chi Minh City, therefore regional access is made via road. Since both Chan May and Tien Sa are passenger ports, these areas could be connected by sea transport as well.

3.64 Urban expansion from Danang City to the south is expected as well, and this could enable Danang and Hoi An Town to develop in an integrated manner.

3.65 East-west linkages for the CFEZ and Danang City are important due to the following reasons:

- (i) Internationally, the importance has been increasing for GMS to connect coastal areas in CFEZ with Laos and Thailand along the East-West corridor. In fact, there is an increasing traffic for both freight and passengers. A number of companies operate transport services between Thailand-Laos and Vietnam, and tourists demand between Thailand-Laos and CFEZ has been increasing.
- (ii) While coastal areas in CFEZ have been growing, developments in the inner and mountain areas are still slow due to lack of physical and economic integration between the two areas. It is therefore recommended in DaCRISS to develop HCM route and east-west roads in each province to strengthen connectivity between growth centres and rural/mountain areas. It is expected the improvement of east-west roads and transportation services will encourage diversification of tourism activities in the region and benefit villages located in rural and mountain regions.
- (iii) In Danang City, strengthening transportation connectivity among Son Tra, Hai Van and west of Ba Na mountain range is in line with the above strategy.

Table 3.5.1 Spatial and Transportation Linkage of HDQ Region



Source: Worked out by DaCRISS Study Team.
 Note: P = port, AP = airport

3.6 Utilities Services

1) Regional Context

3.66 Table 3.6.1 to 3.6.4 shows the coverage of basic infrastructure needs in the province. Electricity connection is high in all provinces except for some inland areas in Thua Thien Hue and Quang Nam. Basic health care and education are provided well, however on the other hand, telephone and drainage services are ill provided. The situation is much better in Danang City compared to the other 2 provinces, and the existing residential are in Danang City (Hai Chau and Thanh Khe districts) outstand of having high connection rates in all aspects.

Table 3.6.1 Coverage of Basic Infrastructure Needs (3 Provinces)

| | | Thua Thien Hue | Danang City | Quang Nam |
|--------------------------|-----------|----------------|-------------|-----------|
| Primary Health Care (%) | | 94 | 97 | 96 |
| Education (%) | Primary | 92 | 98 | 95 |
| | Secondary | 83 | 98 | 91 |
| Piped Drinking Water (%) | | 62 | 72 | 65 |
| Electricity (%) | | 85 | 100 | 89 |
| Telephone (%) | | 48 | 73 | 32 |
| Drainage (%) | | 51 | 75 | 46 |

Source: Results from Commune Survey (2008), DaCRISS Study Team.

Note: Percentage of households with access.

Table 3.6.2 Coverage of Basic Infrastructure Needs (Thua Thien Hue)

| | | Hue City | Coastal ¹⁾ | Inland ²⁾ |
|--------------------------|-----------|----------|-----------------------|----------------------|
| Primary Health Care (%) | | 100 | 99 | 91 |
| Education (%) | Primary | 100 | 99 | 87 |
| | Secondary | 95 | 92 | 76 |
| Piped Drinking Water (%) | | 67 | 49 | 62 |
| Electricity (%) | | 97 | 96 | 77 |
| Telephone (%) | | 69 | 48 | 41 |
| Drainage (%) | | 59 | 37 | 60 |

Source: Results from Commune Survey (2008), DaCRISS Study Team.

¹⁾ Coastal : Quang Dien, Phu Vang, Phu Loc, ²⁾ Inland : Phong Dien, Huong Thuy, Huong Tra, A Luoi, Nam Dong

Table 3.6.3 Coverage of Basic Infrastructure Needs (Danang City)

| | | Hai Chau | Thanh Khe | Lien Chieu | Son Tra | Ngu Hanh Son | Cam Le | Hoa Vang |
|--------------------------|-----------|----------|-----------|------------|---------|--------------|--------|----------|
| Primary Health Care (%) | | 98 | 99 | 94 | 97 | 100 | 98 | 93 |
| Education (%) | Primary | 100 | 100 | 99 | 100 | 100 | 85 | 97 |
| | Secondary | 100 | 100 | 97 | 99 | 100 | 84 | 99 |
| Piped Drinking Water (%) | | 96 | 92 | 58 | 87 | 35 | 47 | 30 |
| Electricity (%) | | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Telephone (%) | | 92 | 83 | 45 | 85 | 39 | 55 | 68 |
| Drainage (%) | | 96 | 91 | 40 | 79 | 39 | 32 | - |

Source: Results from Commune Survey, DaCRISS Study Team.

Table 3.6.4 Coverage of Basic Infrastructure Needs (Quang Nam)

| | Tam Ky | Hoi An | Coastal ¹⁾ | Northern Inland ²⁾ | Southern Inland ³⁾ |
|--------------------------|-----------|--------|-----------------------|-------------------------------|-------------------------------|
| Primary Health Care (%) | 100 | 99 | 100 | 94 | 94 |
| Education (%) | Primary | 100 | 99 | 93 | 90 |
| | Secondary | 100 | 96 | 98 | 86 |
| Piped Drinking Water (%) | 83 | 88 | 42 | 23 | - |
| Electricity (%) | 91 | 95 | 95 | 90 | 77 |
| Telephone (%) | 73 | 74 | 32 | 25 | 25 |
| Drainage (%) | - | - | 46 | - | - |

Source: Results from Commune Survey (2008), DaCRISS Study Team.

¹⁾ Coastal : Dien Ban, Thang Binh, Nui Thanh, ²⁾ Northern Inland: Tay Giang, Dong Giang, Dai Loc, Duy Xuyen, Que Son, Nam Giang, Nam Son, ³⁾ Southern Inland: Phuoc Son, Hiep Duc, Tien Phuoc, Bac Tra My, Nam Tra My, Phu Ninh.

2) Thua Thien Hue Province

(1) Water Supply

3.67 Thua Thien Hue construction company (COWASU) is responsible for water supply in Thua Thien Hue Province. Access to the centralized system is comparatively high in the central city but low in the rural areas. More than 95% of the population had access in Hue city, while 40 to 50% of the population had access in the rural area. Currently about 100,000 m³/day is supplied by the supply network. COWASU has targeted an increased capacity of 240,000 m³/ day in 2015. The main operational challenges (reported in 2006) are to increase access to water, decrease of non revenue water and stabilize supply and increase safe water. JICA had supported the COWASU from 2007 to 2009 as a technical assistance for human resource development in cooperation with Yokohama Waterworks Bureau. The summary of the project is shown on following table.

3.68 The project was successfully completed. After the project, further assistance was agreed among Yokohama Waterworks Bureau, COWASU, SAWACO (Saigon Water Corporation) and Ministry of Construction, College of Construction No.2. This is mainly conducting technical assistance through C/P trainee received.

3.69 In addition, ADB started technical assistance which includes the following three components from 2008.

- (i) Feasibility study for adding water production capacity 125,000 m³/day;
- (ii) Feasibility study for transmission and distribution network; and
- (iii) Institutional strengthening includes Private Public Partnerships.

3.70 ⁴Once those projects realized, the current problems would be relieved and objective of the governmental plan would be achieved.

3.71 Water supply conditions may differ in the rural area, where village tourism or eco tourism is planned to promote. A careful study shall be required after identifying site in association with COWASU. According to the site condition, selection shall be made between expansion of the existing water supply system or construction of the independent supply system.

⁴ Source: Preparing the Hue Water Supply Project, ADB

Table 3.6.5 Summary of the Project of Human Resources Development for Water Sector

| Item | Description |
|------------------------------|---|
| Project Title | Project of Human resources development for water sector in the middle region of Vietnam |
| Project Area / Beneficiaries | Direct :about 200 staffs in the COWASU Indirect citizens in Thua Thien Hue Province |
| Project Input | Japanese side Placement of Experts: 19 experts (61MM) Provision of Equipment: JPY 22.1 million C/P trainees received: 29 C/Ps Local Cost (at the time of evaluation study): JPY 3.8 million Total Cost: JPY 150 million Vietnamese side Counterpart allocation: 9 C/Ps Buildings and Facilities: Office space in COWASU Local Budget: USD 101 thousand/ in addition, USD 1,346 thousand for project related activities (e.g. construction of pipelines) |
| Project Period | 2007–2009.2 |
| Outputs | (i) COWASU obtained ISO/IEC17025 for the water quality test. Water quality test was conducted in concord with MOH regulation. Water safety programme, Operation Manual and maintenance handbooks were prepared, (ii) Water pressure was monitored in the 94 points of the distribution network. Residual chlorine was also monitored at 126 points. (iii) 229 staff had examinations for promotion. Procedures for hiring and employment regulations were revised. (iv) The questionnaires survey results for customer proved that customer relation was improved. These are attained through COWASU preparation for the document for advocacy and Customer relation's manuals |
| Implementation Agency | JICA / Yokohama waterworks bureau |

Source: JICA Website, Yokohama Waterworks Bureau website.

(2) Waste Water Treatment and Drainage⁵

3.72 Waste water is not treated well in the Hue City. Some houses have soaking pits which may pollute the groundwater and others directly discharge into the river through open channels. The situation concerning industrial waste water is similar and also a reason for concern

3.73 Flooding in late 1999 has been recorded as the worst flooding event the country had experienced in a century. The floods were caused by a series of storms that brought heavy rain to the central part including Hue in October and November. Serious floods were also recorded in 2008 and 2009. The causes of the flood were listed as below.

- (i) The fact that Vietnam is affected by typhoons and tropical storms every year, mostly along the coast.
- (ii) Unprecedented occurrences of rainfall events linked with climate change; and
- (iii) Improper maintenance of existing drainage channel

3.74 Presently, Japanese government funded a loan program for drainage and waste water treatment. At the end of the project, more than half of the area in central city will be covered. The project also is going to prepare basic guidelines for development for the rest of the area including the forbidden purple city in collaboration with UNESCO. A Summary of this project is summarized below.

⁵ Source: JETRO Report, and JICA initial evaluation report for the project.

Table 3.6.6 Summary of the Hue Water Environment Improvement Project

| Item | Description |
|---|---|
| Project Title | Hue Water Environment Improvement Project |
| Project Area | South side of Huong River (Existing urban area), population 145,000 |
| Project Cost | 24,008 million JPY (20,883million JPY for Loan) |
| Project Period | 2008.4-2016.12 |
| Activity | Construction of waste water treatment(20,000m3/day) Pumping stations and sewer pipe Procurement of maintenance equipment Dredging, Drainage channel and river, embankment, Consulting service |
| Main Target Indicator (Target year 2018) | Population coverage,0 to 95,000 Coverage in the project area 0 to 65 % Coverage in the planning area 0 to 25% Flooding area for two year probability precipitation 177 ha →0 ha |
| Implementation Agency | HEPCO |

Source: JICA Website

3.75 Once the tourism site was identified, independent small scale waste water treatment together with sanitary toilet shall be developed, accordingly. A sludge collection system also planned and operated at the same time.

3.76 Public latrines are also one of the major issues of tourism destinations in the province. It has been reported that this is especially an issue along historical relics along Huong River and near Vong Canh Hill. Though some latrines are set up by local authorities, cleaning and management is not well done, resulting in bad odor and unsanitary conditions.

(3) Solid Waste Management⁶

3.77 Hue Urban Environment and Public Works Company is in charge of domestic solid waste management. An estimated 150 tons of waste was generated in the Hue city in 2006. Road side collection is done by tricycles and dumpers, and delivered to the treatment plants. There is no source separation. Waste collection fee ranges from 6,000 to 20,000 VND, subject to area (urban or rural) and household (normal or business). 40% of waste becomes compost, and 8% plastic after recycling.

3.78 The establishment of a treatment plant named “Thuy Phuong” with a capacity of treating 200 tons/day was supported in 1995 by Switzerland. This plant was the first one to meet the qualified sanitary standards in Vietnam. This treatment plant is operated well for producing compost and plastics. However, the city government is planning to remove this plant as it is almost full, and Huong Thuy commune where it is currently located will be upgraded to become a town. Therefore, the city is planning to remove this to another location in the North.

3.79 There is a project following the aforesaid treatment plant. This project is funded by the World Bank, and will be conducted in 2010 by LEMA (American contractor). The new treatment plant will have the capacity to treat 600 tons/day. CDM (Clean Development Mechanism) will be applied, and the project will be implemented under the BOO (Build-Own-Operate, a type of Private Finance Initiative) scheme.

⁶ Source: JICA website, Tam Sinh Nghia Website,

3.80 Industrial waste treatment is put into the key program by the City Government. Medical waste treatment is also in focus of the government, and a project (8–9 billion VND) for constructing hospital incinerators is planned. Construction will start in April 2010.

3) Quang Nam Province

3.81 Basic utility development including access to water and power supply has been considerably improved during the past years and is more or less adequate for the present level of tourism development. The Coastal Road between Danang and Hoi An was completed before 2008. Four star hotels along the coast have their own standby generators, and independent water supply and waste water treatment facilities by themselves. For the Hoi An Town, power and water is adequately available even though supply might be unstable. The following paragraphs provide a summary of the current status of the utilities services.

(1) Water Supply

3.82 Currently, Water supply in the province is managed by the Quang Nam Water Supply Company. In the Hoi An Town, Norwegian government is conducting water supply project which is scheduled to finish on 2011. Activities of the project include construction of water intake, a purification plant and development of the distribution network. The capacity of a new treatment plant is 15,000 m³/ day. The total capacity will be 21,000 m³/day after the completion of the project. This was enough volume to supply all the population and tourist in the Hoi An Town including four star hotels. However, currently only twenty percent of the houses in the supply area seemed to be connected to the distribution network due to high connection cost (10,000,000 VND).

3.83 Water supply conditions may differ in the rural area, where village tourism or eco tourism is planned to promote. A careful study shall be required after identifying site in association with the Quang Nam Water Supply Company. According to the site condition, selection shall be made between expansion of the existing water supply system or construction of the independent supply system.

(2) Waste Water Treatment

3.84 There is no centralized waste water treatment system in Hoi An. Therefore, raw sewage and other wastewater flow into rivers and other waterways. The Hoi An public company estimated that about 8,300 m³ of domestic waste water per day is discharged to the Hoai River. As the numbers of tourists grow, facilities such as hotels and restaurants generate increasing amounts of wastewater, contributing to increasing pollution in local waterways. Bad odor and poor water quality were also reported by several tourists.

3.85 The French government also assisted construction of the waste water treatment system by constructing a separated sewer network and waste water treatment plant with a capacity of about 6,800 m³ per day. Target area is west part of the Hoi An old town and there is no plan to expand to service to the whole town. This construction is scheduled to finish in 2011.

3.86 Once the tourism site was identified, independent small scale waste water treatment together with sanitary toilet shall be developed, accordingly. A sludge collection system also planned and operated at the same time.

3.87 Public latrines are lacking in tourism destinations in the province. Even in Hoi An Old Town, it is difficult to find latrines, and most tourists rely on restaurants and hotels.

The situation is even more serious in distant tourism locations and roadsides.

(3) Solid Waste Management

3.88 At the moment, solid waste is disposed in Hoi An District through simple land-filling. Domestic waste and waste from hotels are jointly collected and disposed into the dumping site, which is located about 40 km west of the central town. The site is almost filled up and a new site is required. The French government and ADB also assisted with the construction of a biomass plant as an intermediate treatment. According to the project it is anticipated that this will decrease the volume of disposed of in the landfill. The plant is planned to start operating in August 2010. However, sanitary landfill and source separation, those are required to operate biomass plant effectively, was not well planned in the project, resulting in environmental pollution around the current landfill site.⁷

3.89 The significant increase in tourism in Hoi An since 2001 resulted in the establishment of a formal waste collection service in 2003. Today, the town of Hoi An and peripheral areas are serviced by modern garbage trucks, with daily garbage collection in the downtown area and collection twice a week in outer areas of the town.

3.90 Solid waste collection is currently effective, but the system is gradually being stretched to its limit. With the growing numbers of tourists, increasing incomes and increasing consumption of packaged products, the amount of solid waste collected in Hoi An is rapidly rising, putting pressure on waste management capacity and on financial and other resources available for waste management.

3.91 The number of waste collection trucks and employees are limited and the roads in the surrounding areas are poor, therefore, surrounding areas are unlikely to receive adequate collection services in the near future. Unfortunately, in the surrounding villages where solid waste collection is not available, waste is burned or dumped in waterways (the ocean and rivers). It is clear that without a suitably funded and effective solid waste management system, the situation could have serious aesthetic and ecological impacts (cited from "Cultural Tourism and Heritage Management in the World Heritage Site of the Ancient Town of Hoi An", UNESCO, 2008).

4) Danang City

(1) Water Supply

3.92 Currently the DWSC (Danang Water Supply Company) is operating a centralized water supply system. The supply area of DWSC is mainly the urban area, while independent well was used as a main source in the rural area. Almost 70% of household have access to the centralized system. Water sources are Cau Do River and streams in Son Tra Peninsula.

3.93 Non-revenue water was accounted for around 40 percent in the 2006. This was mainly caused by leakage from the distribution network. To prevent further water loss, water supply pressure was set low. Thus, the end-users encountered problems of limited volume and time of supply. The Netherlands has been supporting to improve the operation and administration of DWSC since 2007. The project achieved remarkable improvement. Water loss in 2008 became less than 30 percent which was lower than the target. Customer service improved, and as a result, the number of the households connecting water

⁷ Source: Hoi An Public Company.

supply system is rapidly increasing since 2008.

3.94 ADB is conducting a feasibility study to exploit new water sources from the Cu De River for the western parts of the city in order to cope with future increase of demands and limited supply conditions.

3.95 Hotels and resorts in the coastal area have an access to ground water and own and operate facilities by themselves.

(2) Waste Water Treatment

3.96 World Bank supported the rehabilitation of sewer systems in Danang City through the “Three City Sanitation Project”. Four waste water treatment plants and a combined sewer system were constructed and started operating in 2007. The system did not operate efficiently because the connection rate from households was low, and the quality of waste water inflow to the treatment plant was different from what was planned. In addition, leakage from the pipe constructed prior to the project was suspected, which also affected the quality of waste water inflow to the treatment plant. Further and careful surveys are required to identify effective countermeasures. Enforcement for connecting to the centralized sewer and phasing out of conventional septic tanks is also important for preventing further ground water pollution.

3.97 Following the previous project, World Bank is supporting waste water treatment through “Priority Infrastructure Investment Project (PIIP)”. This project was aiming at improving such conditions and expanding the service area in the city. The master plan study for waste water was completed in 2009.

3.98 Industrial waste water has been causing serious pollution around the industrial zones in the Danang City. DONRE is aware of this problem and currently looking for a solution and funds for countermeasures. Furthermore, leachate from Khanh Son old landfill site is also causing soil pollution.

3.99 Hotels and resorts in the coastal area own and operate independent treatment facilities.

3.100 Public latrines are an issue in the city as well, especially in the beach areas. Though efforts have been made by URENCO to set up latrines for tourists (Man Thai, Tho Quang, Pham Van Dong, My Khe, T18, T20, Sao Bien, Non Nuoc, etc.), most of these latrines have been out of order due to ill management. In addition, it has been reported that some latrines are being used for other purposes, such as offices or coffee shops.

3.101 The city plans to construct 45 public latrines under a World Bank project, “Drainage – Environmental Sanitation”, spending more than 5 billion VND for the construction of new latrines. However, given the situation of current latrines, what is more important than setting up new latrines is that these constructed latrines be managed properly. This includes periodic cleaning, guidance of proper usage for users, and monitoring of usage situation by local authorities.

(3) Solid Waste Management

3.102 The aforementioned Three City Sanitation Project also supported to improve domestic waste collection and management. The project supported to a construct sanitary landfill site and 8 transition posts. A procurement of 4,500 recycle bins and collection trucks was also conducted, and the system was successfully improved. Currently UREN-

CO collect about 600 tons per day of waste mainly from the urban area. The collection rate almost reaches 90 percent. URENCO also has constructed incinerators in Khanh Son landfill site for combusting medical wastes.

3.103 Once sanitary condition was improved, the challenge for the next step is to reduce the volume for final dumping and promotion of increase rate of recycle and reuse. Establishment of intermediate treatment plants are taken into account as a next step of solid waste management.

3.104 There are no systems and regulation for industrial waste management. Although hazardous waste treatment facilities were constructed in the Khanh Son landfill site, it is not operated. Currently URENCO collects industrial waste on contract basis including wastes from hotels and resorts.

3.7 Tourism Promotion and Marketing

1) Tourism Association

3.105 Tourism association refers to a coordinating mechanism established in 2006 among three provinces consisting of Thua Thien Hue, Danang, and Quang Nam comprising representatives of DOSCT. Although the association prepares a program for each year, it has not been fully implemented due to a lack of central body who takes the lead of the program, human resources and budget.

Table 3.7.1 Program of Tourism Association

| | Contents of the Program |
|--------------|--|
| 2009 Program | <ul style="list-style-type: none"> • Website linkage among 3 localities. • Tourism promotion at 3 localities by welcoming Farm trip groups from overseas to the Middle of Vietnam. • Trying for publication at tourist sites, tourist information booth at localities. • Cooperating and public general publication to introduce 3 localities by tourist map and DVD. • Learning experience in tourism promotion at Ho Chi Minh City |
| 2010 Program | <p>Tourism Promotion:</p> <p>(a) Continue to connect website among 3 localities together with improve the website on interface, information, lively and interesting pictures</p> <p>(b) Cooperate with Vietnam Airlines:</p> <ul style="list-style-type: none"> • Open a Road show program to call for air-ticket sponsor: <ul style="list-style-type: none"> + At Singapore, on April 2010 + At Taiwan, on July 2010 • Open a seminar to develop the market of Korean • Join in launching program of Vietnam Airlines in 2010. • Cooperate to welcome Farm trip groups come to study, visit 3 localities. Vietnam Airlines sponsors for air-ticket and invite Farm trip groups; <p>(c) Cooperate in event organizing: choose some of special culture, sport, tourist events of each city or province and link them to a series of event "3 localities – 1 destination 2010". By doing this, each city and province will have at least 1 significant event in the year and organize one by one. All events in 2010 will be advertised by all 3 localities to support each other.</p> <p>(d) Advertising:</p> <ul style="list-style-type: none"> • In press: Advertise by tourist introduction articles at tourist special subject of prestige newspapers from 3 localities. • In TV: Cooperate with VTV1 to implement 1 short film (10–15 minutes) to advertise tourism of 3 localities domestic and abroad by English and Vietnamese such as VTV1, HTV or VTV4 channels. <p>(e) Visual propaganda: 3 localities cooperates with each other to set up one big panel and advertise for Thua Thien Hue–Danang–Quang Nam at each city and province as well as reducing fee and advertising space for each other.</p> <p>Others:</p> <ul style="list-style-type: none"> • Exchange information about annual tourist promotion campaign among 3 localities. • Organize study course to exchange management experience about travel, hotel, tourist services for officers from Department of Tourism of 3 localities. |

Source: JICA Website

2) Tourism Promotion

3.106 Promotion and marketing for the region have not been adequately undertaken, involving the following weaknesses:

- (i) Collective image of the region (Hue, Danang, Quang Nam) is not so clearly established that synergistic effect among three provinces is spoiled;
- (ii) Tourism promotion is undertaken rather separately among key stakeholders including, among others, VNAT, provinces, hotels, airlines. This weakens the impacts of respec-

tive promotion activities and fails to enhance collective image as a major tourism destination;

- (iii) Promotion materials are also not prepared in coordinated manner, lacking good photos and properly translated languages;
- (iv) Lack of tourism information at gateways, towns and tourism destinations does not facilitate smooth tourism activities, transport and more choices of destinations;
- (v) Low quality of services and troubles at various tourism destinations such as hotels, restaurants, shopping places, transport services also discourage many tourists who want to come back; and
- (vi) Overall deficit of funding to achieve the combat the above issues.

3) Survey for Tourism Operators

3.107 A survey for tourism operators has been undertaken by the Study Team. 28 enterprises in Hue, 17 enterprises in Danang, and 11 enterprises in Quang Nam have been surveyed. The purpose of this survey is to clarify the strengths and weaknesses of the region from the viewpoint of tourism promotion, and to clarify what kind of measures could be taken to promote the region to further attract tourists and keep them coming back.

3.108 Table 3.7.2 shows the types of products to be developed by each destination. Tourism operators regard that while cultural / discovery tourism should be developed by Thua Thien Hue and Quang Nam, Danang could take part in congresses / incentives, otherwise known as MICE, and beach tourism as well.

Table 3.7.2 Types of Products to be Developed by the Destination

| | Danang | Thua Thien Hue | Quang Nam | Total |
|--------------------------|--------|----------------|-----------|-------|
| Cultural / discovery | 65 | 79 | 82 | 75 |
| Eco-tourism / gastronomy | 76 | 75 | 73 | 75 |
| Congresses / incentives | 71 | 43 | 91 | 61 |
| Spa and relax | 53 | 57 | 73 | 59 |
| Summer sun & beach | 88 | 75 | 73 | 79 |

Source: DaCRISS Tourism Survey, 2010.

Note: % of tourism operators that answered "yes".

3.109 Tables 3.7.3 and 3.7.4 show the accommodation facilities each tourism operator is currently dealing with, and which they are interested in dealing with in the future. Results show that while all surveyed tourism operators are dealing with 4–5 star hotels in Quang Nam, the percentage is less than half of that in Thua Thien Hue. Danang has many 3 star hotels, which serves for businessmen and local tourists. An interesting result is that most tourism operators are satisfied with the type of accommodation facilities they now deal with, and have low intentions to expand their business to other types of accommodations. The exception to this is the relatively high interests from tourism operators in Quang Nam to deal with bungalows / camping and apartments in the future.

Table 3.7.3 Accommodation Facilities Dealing With

| | Danang | Thua Thien Hue | Quang Nam | Total |
|---------------------|--------|----------------|-----------|-------|
| Club / villages | 35 | 21 | 82 | 38 |
| 4 - 5 star hotels | 71 | 43 | 100 | 63 |
| 3 star hotels | 88 | 64 | 82 | 75 |
| Budget hotels | 41 | 25 | 0 | 25 |
| Bungalows / camping | 12 | 4 | 0 | 5 |
| Apartments | 18 | 7 | 18 | 13 |

Source: DaCRISS Tourism Survey, 2010.
 Note: % of tourism operators that answered "yes".

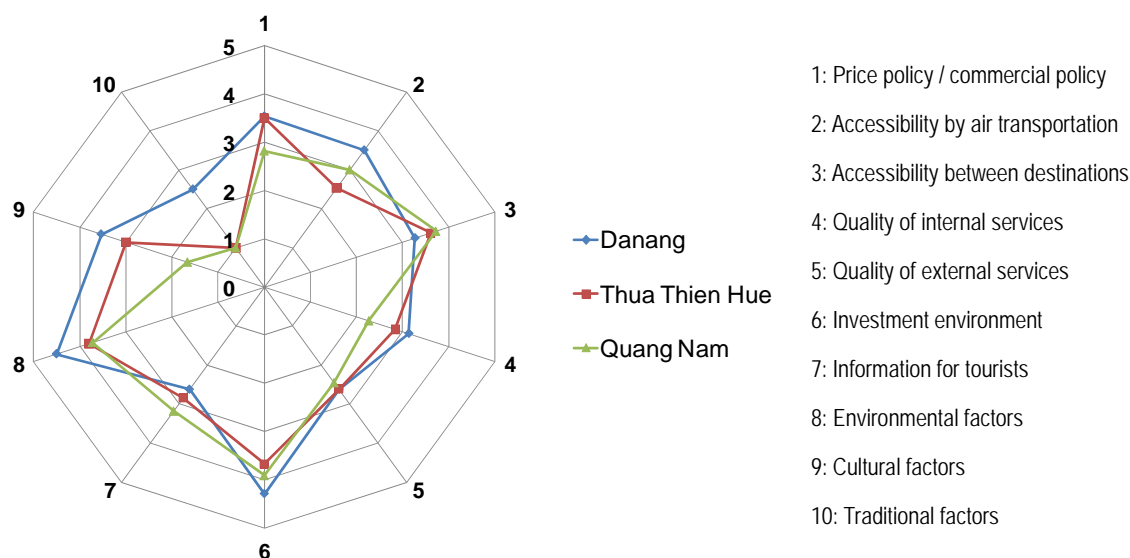
Table 3.7.4 Accommodation Facilities Interested In

| | Danang | Thua Thien Hue | Quang Nam | Total |
|---------------------|--------|----------------|-----------|-------|
| Club / villages | 12 | 21 | 9 | 16 |
| 4–5 star hotels | 12 | 11 | 0 | 9 |
| 3 star hotels | 0 | 4 | 9 | 4 |
| Budget hotels | 6 | 7 | 0 | 5 |
| Bungalows / camping | 24 | 11 | 64 | 25 |
| Apartments | 12 | 7 | 55 | 18 |

Source: DaCRISS Tourism Survey, 2010.
 Note: % of tourism operators that answered "yes".

3.110 Figure 3.7.1 shows the evaluation of the tourism operators on the tourism aspects of the region. The overall trend does not differ much by province. Results show that tourism operators appreciate for “investment environment” and “environmental factors”, while they consider improvements are needed on “quality of external services” and “traditional factors”.

Figure 3.7.1 Evaluation of Tourism Aspects



Source: DaCRISS Tourism Survey, 2010.
 1) 5 = high, 3 = medium, 1 = low

3.111 Tables 3.7.5 and 3.7.6 shows the level of importance tourism operators feel towards various tourism aspects and their level of satisfaction to each aspect, and the Table 3.7.7 shows the gap between these two. Naturally, almost all 19 factors show high scores for its importance, however gap between their satisfaction is large for “price”, “entertainment, night life”, and “marketing policies and programs of the area”. These results are supported by interviews made to each tourism operator by the study team as well. For example, the General Manager of DMZ Tourist Joint Stock Company in Thua Thien Hue mentioned of the importance for providing a nighttime spot in the region, especially for foreigners. One of the company’s main businesses, DMZ Bar is a good example, operating late hours and being well known to many foreign tourists in the region. However, they are still an exceptional case.

3.112 Table 3.7.8 shows the marketing media of regional tour products and services. While advertisement via the internet is widely used, tourism operators rely less on conven-

tional media such as guide books. However, results show that personal advice is still a powerful source of information, and this has potential to be merged with internet marketing through SNS, blogs, twitter and other internet services for the dispatching information from individuals the public.

Table 3.7.5 Level of Importance

| | | Danang | Thua Thien Hue | Quang Nam | Average |
|---------|--|--------|----------------|-----------|---------|
| H | Marketing policies and programs of the area | 4.73 | - | 5.00 | 4.87 |
| | Diversification by tourism product supply | 4.53 | 4.71 | 4.91 | 4.72 |
| | International transport to reach the destination | 4.64 | 4.41 | 5.00 | 4.68 |
| | Entertainment, night life | 4.60 | 4.41 | 5.00 | 4.67 |
| | Quality / organization of the local facilities, services | 4.73 | 4.30 | 4.91 | 4.65 |
| | Traditional attractions | 4.21 | 4.61 | 5.00 | 4.61 |
| M | Local transport in the area | 4.60 | 4.39 | 4.82 | 4.60 |
| | Local public services | 4.43 | 4.48 | 4.82 | 4.57 |
| | Cultural attractions | 4.23 | 4.55 | 4.91 | 4.56 |
| | Information on activities for holidays | 4.62 | 4.48 | 4.45 | 4.52 |
| | Hospitality of the local communities | 4.29 | 4.64 | 4.64 | 4.52 |
| | Parking | 4.07 | 4.60 | 4.90 | 4.52 |
| | Quality / variety of restaurants | 4.33 | 4.45 | 4.73 | 4.51 |
| | Quality / comfort of accommodations | 4.79 | 4.18 | 4.55 | 4.50 |
| L | Natural attractions | 4.31 | 4.32 | 4.82 | 4.48 |
| | Tourism organizations of the area | 4.27 | 4.28 | 4.91 | 4.48 |
| | Price | 4.60 | 4.33 | 4.45 | 4.46 |
| | Tradition of the local cuisine | 4.40 | 4.27 | 4.45 | 4.38 |
| | Typical atmosphere | 4.27 | 3.95 | 4.55 | 4.25 |
| Average | | 4.46 | 4.41 | 4.78 | 4.55 |

Source: DaCRISS Tourism Survey, 2010.

Note: Rated from 1 (not important) to 5 (very important) , H = high, M = medium, L = low

Table 3.7.6 Level of Satisfaction

| | | Danang | Thua Thien Hue | Quang Nam | Average |
|---------|--|--------|----------------|-----------|---------|
| H | Hospitality of the local communities | 3.93 | 3.96 | 3.73 | 3.87 |
| | Natural attractions | 3.86 | 3.92 | 3.73 | 3.83 |
| | Cultural attractions | 3.00 | 4.13 | 3.82 | 3.65 |
| M | Quality / organization of the local facilities, services | 3.38 | 3.35 | 3.27 | 3.34 |
| | Local public services | 3.00 | 3.70 | 3.27 | 3.32 |
| | Typical atmosphere | 3.00 | 3.70 | 3.27 | 3.32 |
| | Quality / variety of restaurants | 3.43 | 3.36 | 3.09 | 3.29 |
| | Quality / comfort of accommodations | 3.40 | 3.19 | 3.09 | 3.23 |
| | Information on activities for holidays | 3.29 | 2.61 | 3.27 | 3.06 |
| | Diversification by tourism product supply | 2.79 | 3.65 | 2.73 | 3.06 |
| | Parking | 2.87 | 2.68 | 3.50 | 3.02 |
| L | Local transport in the area | 3.07 | 2.59 | 3.09 | 2.92 |
| | International transport to reach the destination | 2.21 | 3.08 | 3.45 | 2.92 |
| | Tourism organizations of the area | 3.07 | 2.85 | 2.55 | 2.82 |
| | Traditional attractions | 2.47 | 2.75 | 2.82 | 2.68 |
| | Marketing policies and programs of the area | 2.71 | 3.00 | 2.00 | 2.57 |
| | Tradition of the local cuisine | 3.00 | 2.13 | 2.55 | 2.56 |
| | Entertainment, night life | 2.14 | 2.68 | 2.36 | 2.40 |
| | Price | 3.14 | 1.95 | 1.80 | 2.30 |
| Average | | 3.04 | 3.12 | 3.02 | 3.06 |

Source: DaCRISS Tourism Survey, 2010.

Note: Rated from 1 (not satisfied) to 5 (very satisfied), H = high, M = medium, L = low

Table 3.7.7 Gap of Importance and Satisfaction

| | | Danang | Thua Thien Hue | Quang Nam | Average |
|---------|--|--------|----------------|-----------|---------|
| L | Marketing policies and programs of the area | 2.02 | - | 3.00 | 2.30 |
| | Entertainment, night life | 2.46 | 1.73 | 2.64 | 2.27 |
| | Price | 1.46 | 2.38 | 2.66 | 2.16 |
| ML | Traditional attractions | 1.75 | 1.86 | 2.18 | 1.93 |
| | Tradition of the local cuisine | 1.40 | 2.14 | 1.91 | 1.82 |
| | International transport to reach the destination | 2.43 | 1.33 | 1.55 | 1.77 |
| | Local transport in the area | 1.53 | 1.80 | 1.73 | 1.68 |
| | Diversification by tourism product supply | 1.75 | 1.06 | 2.18 | 1.66 |
| | Tourism organizations of the area | 1.20 | 1.43 | 2.36 | 1.66 |
| MS | Parking | 1.20 | 1.92 | 1.40 | 1.51 |
| | Information on activities for holidays | 1.33 | 1.87 | 1.18 | 1.46 |
| | Quality / organization of the local facilities, services | 1.35 | 0.96 | 1.64 | 1.31 |
| | Quality / comfort of accommodations | 1.39 | 0.99 | 1.45 | 1.28 |
| | Local public services | 1.43 | 0.78 | 1.55 | 1.25 |
| | Quality / variety of restaurants | 0.90 | 1.09 | 1.64 | 1.21 |
| S | Typical atmosphere | 1.27 | 0.26 | 1.27 | 0.93 |
| | Cultural attractions | 1.23 | 0.42 | 1.09 | 0.91 |
| | Hospitality of the local communities | 0.35 | 0.68 | 0.91 | 0.65 |
| | Natural attractions | 0.45 | 0.40 | 1.09 | 0.65 |
| Average | | 1.41 | 1.29 | 1.76 | 1.49 |

Source: DaCRISS Tourism Survey, 2010.

Note: Importance score minus satisfaction score, L = large, M = medium, S = small

Table 3.7.8 Marketing Media of Regional Tour Products and Services

| | Danang | Thua Thien Hue | Quang Nam | Total |
|--------------------------|--------|----------------|-----------|-------|
| Website | 94 | 82 | 100 | 89 |
| Brochure / leaflet | 76 | 86 | 91 | 84 |
| E - mail | 82 | 71 | 73 | 75 |
| Poster | 47 | 29 | 82 | 45 |
| Pictures, photos | 59 | 57 | 64 | 59 |
| Personal advice | 71 | 43 | 82 | 59 |
| Guide books | 29 | 29 | 27 | 29 |
| Film / video clip | 53 | 32 | 64 | 45 |
| TV, magazines, newspaper | 47 | 46 | 64 | 50 |
| Others | 12 | 0 | 0 | 4 |

Source: DaCRISS Tourism Survey, 2010.

Note: % of tourism operators that answered "yes".

3.113 Other opinions from tourism operators mentioned in their feedbacks reveal that though most tourism operators regard that the study area has high potentials and attractive resources, they feel that the region has issues such as (i) natural disasters and climate (severe rainy season), (ii) lack of entertainment facilities near tourism destinations, (iii) lack of basic infrastructure in rural areas, etc. and that these problems are limiting their tourism activities in the region.

3.114 Opinions on a promotion slogan for the region were collected from tourism operators as well. Examples selected by the Study Team are the following;

- (i) Central Vietnam – world heritages and a peaceful environment
- (ii) Smile! You are in the Central Region
- (iii) The Central Region – a touch to your heart

- (iv) Heritage road and beautiful beaches
- (v) Welcome to a heritage journey
- (vi) Sea and sunshine - One road, three heritages
- (vii) One destination meet three joys
- (viii) A golden triangle of tourism
- (ix) The journey of natural and cultural heritages
- (x) Sea, heritages and people
- (xi) Central region - ancient and now

4) Human Resource Development

(1) Tourism School and Training Centre

3.115 There are two different types of education system for Human Resource Development (HRD) in the tourism industry, one for manager (including middle-manager) education, and the other for vocational level training. The focus of the central region's tourism human resource training system has been on mid-level manager development programs.

3.116 However, due to the sudden increase in the number of people engaged in the tourist industry from 2010 to 2015, 2020 hotels and restaurants require vocational-level workers (such as; housekeeping, bars, tables, kitchens and security), rather than mid-level leaders. Moreover, they require high-quality staff. Although several schools for tourism human resource training are operating, newly graduated staffs are unable to deliver the required quality and work independently.

3.117 According to the Chairman of Danang Tourism Association, in Danang City, there are few following universities and training institutions supply human resources to the sector, namely the following: University of Economics (80), Duy Tan University (40), Viet - Australia Vocational College (150) College of Planning Economics and Dong A College (80), and other on-the-job training recruitment (100).

3.118 As a result, solving the problem of how to educate many high-quality staff in a short period of time will largely contribute to the future development of tourism in the central region. However, students at this level do not have the financial means to pay high tuition fees for several years, so they want to earn a living as soon as they graduate from school (high school). On the other hand, students who have graduated from a tourism university (or college) are not interested in the positions that hotels need to fill, thus creating a gap with reality.

Table 3.7.9 Hue Tourism School

| Institution | Programmes Offered | Duration (year) | Fee (USD) |
|--------------------|---|-----------------|-----------|
| Hue Tourism School | Food Cooking Operations (Diploma) | 2 | 120 |
| | Food and Beverage Service Operations (Diploma) | 2 | 120 |
| | Professional Cookery Skills (Diploma) | 2 | 120 |
| | Front Office Operations (Certificate) | 1 | 120 |
| | Food and Beverage Services Operations (Certificate) | 1 | 120 |
| | Professional Cookery Skills (Certificate) | 1 | 120 |
| | Housekeeping Operations (Certificate) | 1 | 120 |

Source: Internet HP of the Association of Southeast Asian Nations

3.119 With the recent trend for experience-based hotel stays, providing marine sports at resort hotels is a valuable means of lengthening the stay of tourists. Hotels anticipate the need to provide customers with a large variety of marine leisure activities in the future in keeping with customers' expectations of a wide choice of activities during their stay, but life saver training is lagging behind the demand.

(2) Hotel and Restaurant Professional Certification for Low-Level Workers

3.120 For effective licensing, an aggressive initiative is required to find a fruitful means to improve occupational skills and to train staff to provide high-quality service and manner.

3.121 After licensing is introduced, a salary system must be established that will directly reflect whether staff have obtained a license or not to increase their motivation to obtain one.

(3) Foreign Language Education

3.122 While ability of foreign languages is important in tourism, availability of employees who are trained to speak foreign languages has been limited. Foreign language lessons at public middle and high schools in the tourism region tend to be grammar focused due to a lack of native speaker instructors, so student conversation skills are not improving. Many foreign-capitalized companies conduct in-house foreign language education using their own manuals, but local companies do not have the instruction manuals or the financial means to conduct such lessons.

3.123 Development of teaching method and curriculum for foreign languages, as well as improvement of reeducation systems are necessary not only for the staff of administration management offices but also workers in tourism industry.

(4) Sea Rescuer Education

3.124 Establishing a system to deal with not only marine disaster accidents but also water pollution is necessary in order for tourist to feel safe and enjoy marine sports. There is an urgent need to train instructors who implement marine sport safety measures.

3.8 Environmental Management

1) General

3.125 Tourism development in the three provinces of Quang Nam, Danang and Thua Thien Hue is mainly focusing on its cultural assets, in particular with the world heritage sites of Hue, Hoi An and My Son. Along with these assets, these provinces offer a great variety of geographical and ecological features from its mountainous chains to extensive coastlines with beautiful lagoons, wetlands, beaches and islands. This natural potential is not yet fully exploited, although efforts have been attempted these recent years (Phu Ninh Lake, A Luoi District). In addition, culture and nature, combined together, are sometimes closely linked together (as show examples of tourism in Northwest provinces of Vietnam).

3.126 Compared with Red River Delta or HCMC / Binh Duong Region, the area covered by the three provinces has been so far relatively spared by adverse environmental effects of industrialization and urbanization. This puts them in a potential position to propose to visitors both very attractive outdoor and cultural activities and urban comfort (accommodation, health, nightlife). This advantage over many tourism destinations in Vietnam and neighboring countries should be preserved and valorized by governmental agencies and by the tourism business sector. Quang Nam, Danang and Thua Thien Hue have the potential to become a sustainable pole of growth based on the service economy, innovation and quality of life.

3.127 Yet, tourism development may lead economic and political actors to give priority to short term profits and neglect the environment. This will have irreversible effects on quality of life and the living environment and undermine gravely the sustainability of tourism in the three provinces. To this regard, excessive exploitation to capture tourists would represent a waste of energy, time and money.

2) Main Challenges

(1) Impact of Tourism on Environment

3.128 Anthropogenic pressures represented by tourism activities on the natural living environment and resources. The table below lists the main potential negative impacts, with possible solutions for limitation or mitigation. In the three provinces, several of these solutions have been implemented, often with the support of donors, private sector or NGOs. A large part of efforts have dealt with the water sector and coastal management usually in partial relation with tourism. Apart from projects dealing with urban infrastructure in the largest cities (solid waste in Hoi An, waste water in Danang and Hue, etc.), the following technical assistances – mostly dealing with planning process – can be mentioned:

- (i) Pilot Demonstration Activity from ADB to Quang Nam Province to support creation of the Committee for the Management and Control of the Integrated Water Resources of Vu Gia Basin in 2005–2006
- (ii) Technical assistance from the Region Nord Pas de Calais to Quang Nam Province to define the Phu Ninh Lake ecotourism project (2003–2006).
- (iii) Vietnam Netherlands Integrated Coastal Zone Management Project (2000–2004) to establish a longer term Integrated Coastal Zone Management (ICZM) capability and focused on planning and development in a sustainable way. Pilot projects were conducted in Ba Ria–Vung Tau, and Thua Thien Hue.

- (iv) ADB technical assistance (co-funded by Sweden) to Vietnam in 2002–2003 to prepare an effective strategy and action plan for institutional strengthening and capacity development for coastal resources management in 4 central provinces: Quang Nam, Thua Thien–Hue, Quang Tri, and Quang Binh
- (v) PEMSEA (Partnerships in Environmental Management for the Seas of East Asia) pilot project in Danang City (2002, but to be extended to Quang Nam and Thua Thien Hue provinces) to strengthen capacities to deal with coastal and marine protection issues
- (vi) Assistance from IUCN to the Huong River Basin Integrated Management (HRBIM) office to implement project activities, and interact closely with other partners and stakeholders
- (vii) IMOLA project (2005–2008) funded by the FAO to promote a sound and sustainable management of natural resources in the Tam Giang–Cau Hai Lagoon, including with the creation of GIS.
- (viii) ADB Livelihood Improvement in Central Coastal Provinces Project (2005–2006). Its purpose was to reduce poverty by improving livelihoods and sustainably managing coastal resources in poor communes of Quang Nam, Thua Thien–Hue, Quang Tri, and Quang Binh provinces

3.129 However, efforts provided are few compared with the increasing potential pressures on the environment, in particular represented by tourism sector. These pressure can be define as the alteration of the quality and quantity of natural resources and ecological milieu leading eventually to irreversible effects (eradication of species, ground water pollution,). The table below does not list the present impacts but rather these potential environmental pressures to result from development of tourism activities.

Table 3.8.1 Potential Environmental Pressures of Tourism in the Three Provinces

| Origin of Potential Pressure | General Mitigation / Prevention Measures | Examples of Techniques | Areas Concerned |
|--|--|--|---|
| Excessive use of water resources in areas where it is scarce | Integrated Water Resources Management Plan; Increase water tariffs; Awareness of customers and staffs; reduction of Non Revenue Water through implementation of water loss reduction plan. Prevent water usage conflicts | Water saving, metering, recycling system, maintenance of pipes (prevent leakages), water saving equipments (washing machines, dry toilets...) | In particular coastal areas (occupied by hotels resorts and restaurants) far from urban centres. Northern part of Thua Thien Hue and its coastal areas are exposed to water shortages. Issue more critical during the dry season |
| Water runoffs and pollutions (boat traffic, motors oils, reparation workshops, handi-craft villages) | Enforcement of water pollution control by DONRE in tourism areas (with higher fines); awareness of tourism professionals; construction permits and location of tourism facilities according to EIE-type approach; increase drainage and waste water fees | Small scale water treatment plants for pre-treatment or connected to centralized network, natural pool-based treatment systems; increasing use of Vetiver grass, limit use of chlorine in swimming pools, rationalization of the use of detergents; solve problems of storm water during rainy seasons, separate techniques to facilitate storages and collection of metallic chips (handi-craft villages) to not be rejected into rivers, modern septic tanks | Everywhere in the central regions, in particular coastal areas which are more fragile and in mountainous areas where impacts on the milieu may cause greater damage to the environment. Consider also the increasing aquaculture activity due to higher local demand linked to tourism. |
| Increasing use of pesticides and fertilizers for uses related to tourism. Total volumes are important as well as concentration, with potential impacts on the coastal biodiversity | More difficult to control (diffuse pollution). Awareness of users and staff. Conduct additional studies to assess the relative impact of tourism-related pesticides use (compared with agriculture) on the environment | Select types of fertilizers and pesticides, even if more expensive. Rationalize their use. Arrange natural filtration systems on the banks of rivers and river rehabilitation. | Golf courses, gardens and parks. Consider also possible change in farming production due to increasing tourism. Affected areas are costal areas and river (in particular in dry season in this later case). |

| Origin of Potential Pressure | General Mitigation / Prevention Measures | Examples of Techniques | Areas Concerned |
|---|---|---|---|
| Air and water pollution related to handicraft villages | Awareness of craftsmen | Location of villages where air pollution will be minimized. Individual tools equipped with system for dust aspiration (expensive). | Marble village in Danang and other crafts villages in Thua Thien Hue and northern Quang Nam |
| Production of solid wastes, including toxic ones. | Awareness of tourists and tourism professionals. Strengthen capacities of the URENCO and increase solid waste collection taxes. Forbid absolutely discharging non organic solid wastes in natural milieu (including rivers and sea) | Collection (increase number of liters) and separation system of solid wastes with maximization of recycling through transfer stations. Reduce quantity of wastes by limiting use of plastic bags and more environmental friendly packaging. Promote recycling when appropriate. Limit use of packages (plastic bags) | All sensitive areas such as highlands, humid zones and costal areas (and boats) |
| Access facilities construction and traffic pollutions (gas emissions, oils etc.) related to all types of modes (including boats, cable cars, trucks etc.). Road infrastructure have impacts on the biodiversity corridors in sensitive areas making more difficult reproduction of species. Related traffic has secondary impacts such as air pollution, noise and possibly new settlements of people along the roads Nota: The problem led by the flights to reach central region is not considered here. | Construction permits and transport license permits. Environmental impact studies for facilities; toll roads to dissuade access to individual vehicles. Promote transport policy based on inter-modal approach and public transports. Prefer road improvement to road extension in rural areas. Avoid inflation of parking places where car traffic should be discouraged | Consider improving existing network rather than expanding it. Traffic and transport management and restricted zones (only pedestrians or bikes) when possible to avoid traffic jams. Soft transport systems (bikes, non motorized boats or small boats with solar energy) and public transports to access to tourism sites. Rationalize logistics of tourism sites to avoid truck traffic (logistic, construction). Avoid infrastructure (roads) limiting natural displacements of some species | In particular in mountainous forest, around lakes / reservoirs and islands. This could be considered in particular when new protected zones are planned such as in Nam Tra My district, or Phu Ninh lake, Quang Nam Province |
| Land occupation for human settlement/construction and related impacts.. Potential impacts are increasing consumption of land quantity threatening natural sensitive areas or the exposure to natural risks. Urban sprawls may increase the cost of expansion of environmental infrastructure (waste water network, distance from landfills) or delay investments for cost reasons. | Strictly comply with regulation on natural and preserved zone. Preserve them form constructions as far as possible (avoid situation of Chu Yang Sin park in Dak Lak where a hydropower plant and a road are constructed) In buffer zones, construction permits should be cautiously delivered with specific attention to combined environmental impacts (not limited to project by project approach). Prevent land use conflicts with local residents | Density of residential areas for tourists should be considered as to maximise efficiency of environment protection measures (waste water treatment, solid wastes, etc.). | Protected zones (Song Tra peninsula, Hai Van pass Cham islands in particular). Highlands and large natural humid zones such as in Nui Thanh district in Quang Nam and the Tam Giang-Cau Hai and Lang Co areas in Thua Thien Hue |
| Demographic pressure in remote areas (noise, disturbance of habitat of species) and human presence in sensitive areas where restoration land / marine of biodiversities is engaged | Land use management. Strictly enforce regulation on natural and preserved zone. Awareness of tourists and tourism staff. Health policy and necessity to link it with environment protection and preservation of some areas | Arrange hours for visits and size of groups according to local ecology. Guidance to visitors and tourists in order to avoid disturbances (excessive noise or spreading non organic garbage). Develop awareness notice and explanation to the public (information centers) and neighboring residents. | Protected zones (Song Tra peninsula, Hai Van pass Cham islands in particular). Highlands and large natural humid zones as mentioned above |
| Illegal trading (furs, bones, meat or skin of endangered species, protected plants and woods, etc.), including for alimentary and construction purpose (restaurants; furniture) [traditional medicine use is not considered here] | Enforce law and set heavy penalties (in particular when animals are on the red list). Awareness campaign among local residents, restaurants, furniture makers, security staffs (forest marine and border guards) and tour operators | Update fauna and flora lists and database. Identify demand and offer. Promote alternative activities for sellers. Dissuade tourists to buy products. | Throughout the three provinces. Selling points are mostly in tourism areas. Nota: Illegal trading related to tourism in the three provinces may impact on the natural patrimony of neighboring provinces |

Source: DaCRISS Study Team.

3.130 In general, a single tourism project has not always a strong impact on the environment. But the combined effects of several tenths of tourism projects on a limited 16,700 km² area represented by the three provinces may be irreversible. These impacts can be direct (such as runoffs from resorts, but also indirect such as increasing use of nutrients to ensure availability of sea foods and effects of dejections). Also, negative environmental impacts of tourism are generally combined with other ones (such as fishing, urban transports, etc.) so as the combined impacts are important. This makes difficult to impute the cause of environmental damage to tourism only, in particular in urban areas. Therefore it is important to develop a global approach to environmental impacts taking into account cumulative effects.

3.131 Tourism development may alter the quality of the environment because local populations – key actors in the tourism sector -are not fully aware of the challenges and opportunities represented by a “more sustainable tourism. Among the population, the race for quick money”, sometimes for a very little benefit, raises real sustainability problems (such as illegal hunting or fishing, reluctance of tourism investors to pay for good waste water facilities, very low salaries of staff) and virtuous behaviors/initiatives of citizens are probably not known enough to stimulate the others. Vietnamese and foreign tourists themselves should show the example. Few of them care of the local environment or express their readiness to pay more for a more sustainable tourism. Tourists must understand they have duties or at least responsibilities.

(2) Vulnerability of Tourism Activities due to Natural Disasters

3.132 Vulnerability of tourism activities (attractiveness, human and physical losses) to extreme natural disasters affecting the three provinces: typhoons and floods, but also landslides and eventually forest fires and droughts. Vulnerability to adverse events resulting from economic activities shall increase with the regional economic development (oil spills, dam breaks, industrial accidental pollution), or more currently, road traffic and water navigation accidents (such as on Phu Ninh Lake).

(3) Coordinated Approach to Environmental Management

3.133 Overcoming fragmented approaches to environmental issues which usually weaken the efficiency of protection measures. For instance, Vietnam has established 105 preserved areas, including historical and cultural sites, but also a very large number of nature reserves and national parks where biodiversity protection is a priority secured by a strict regulation and buffer zones. But, in other areas located in the vicinity of these protected zones but potentially frequented by tourists biodiversity protection is usually a very secondary concern, if not ignored. There is no evidence the situation much differs in the three provinces, although the concern to protect the environment is high, since limited resources to environment protection in priority focus on very populated areas and preserved areas as suggest. Presumably, the problem is related to availability financial resources. Authorities cannot face with all environmental challenges in all areas, in particular in poorest provinces such as Quang Nam. From the ecological viewpoint, and taking into account potential climate change effects on species habitat, all stakeholders should be made aware of the complex spatial dimension of biodiversity, to illustrate the decision to consider now Eco-regions in Vietnam – briefly explained region covering homogenous areas in terms of biodiversity and ecology (cf. infra).

3.134 Vietnamese authorities are increasingly aware of the necessity to bridge tourism and environment protection, as stated by MCST in the Action Program of Tourism Industry

(decision n°564/Qd-BVHTTDL dated Nov. 2007)⁸. Indeed it seems that the central administration sees an important role (see creation of National Councils for i) Water Resources and for ii) Biodiversity Protection, clarification of MONRE's role, etc.), to stimulate initiatives and assist provinces for coordination of efforts and strengthening capacities of local administration, such as DONRE or DARD in line with international agencies and scientific milieus such as Oceanographic Institute of Haiphong, Institute of Tropical Biology in HCMC and of course Department of Environment of the University of Danang). Another critical challenge will be to approach environmental issues on a larger scale, including international as suggested by the creation of the Greater Annamite Eco-region, covering 75 protected areas (11 in Laos, cf. map in annexes), in January 2004. In this process, and by observing the present experiences of strengthening integrated river basin management in Vietnam, the central government will probably continue to play a decisive role. To this purpose central government may rely on the richest provinces to help local coordination locally since they have more facilities and skills (DONRE for instance) for serving as basis to inter-provincial projects.

3) Ecologic and Spatial Context for Environmental Sensitive Areas

3.135 The area encompassed by the three provinces is composed of several corridors with specific geographical and environmental assets for tourism development and environmental conservation challenges. A first corridor is characterized by mountainous chains mainly composed of forests and terrestrial biodiversity areas located in the west and oriented north-south. These areas partially include protected areas (such as Bach Ma National Park, Ba Na nature reserve) and are often inhabited by ethnic minorities close to the Vietnam / Lao border. This corridor is also home to important water sources (such as Vu Gia–Thu Bon, Cu De, and Huong rivers) which are vital for the plain areas. It also comprises most of dams useful to hydropower (Dak My,) with potential recreational uses.

- (i) A second corridor is composed by hilly and plain areas with low human density. These are mostly agricultural areas (rice and maize fields, fish ponds, etc.) inhabited by populations with relatively low income levels who could potentially benefit from activities resulting from residences built by urban residents and construction of recreational/sports resorts (e.g. golf, fishing, tours on waterways). This corridor counts numerous water bodies with good potential for tourism (such as multi-functions Phu Ninh reservoir, close to Tam Ky, or near Danang) including reservoirs presently under construction (near Hue). The countless canals and rivers and their wetlands, provide opportunities for non-motorised boat tours. Especially the central place of rivers in the old Cham culture, would offer interesting sights for guided tours along water courses of Northern Quang Nam. Finally the second corridor is home to a number of mineral water and hot springs such as Thanh Tan in Thua Thien Hue Province or Phu Ninh in Quang Nam.
- (ii) The third corridor is characterised by coastal (including lagoons and humid zones) and marine areas, some protected some non protected areas. This corridor presents a great variety of ecosystems such as: coral reefs, especially in Cu Lao Cham marine protected area and Son Tra peninsula, wetlands, including lagoons ecosystems found only in central Vietnam (measuring more than 20,000 ha, Tam Giang–Cau Hai in Thua

⁸ Executing the Government's Action Program after Vietnam joining World Trade Organization (WTO) Period 2007–2012

Thien Hue is one of the biggest lagoon in the world), or coastal wetlands in Quang Nam (e.g. Nui Thanh) and sand dunes.

- (iii) The aquifers (ground water resources layers) encompass the most populated areas in the plains. Quality of aquifers is increasingly deteriorated by excessive pumping and facilitating saline intrusion or land subsidence due to constructions. This may be a loss of water resources reserves with implications for important environmental functions.

3.136 The region benefits from a dense network of roads along the coast. In line with the plans this road network will be further extended. While this is obviously a strength for the tourism development of the three provinces -provided that traffic jams are prevented by a solid traffic management approach- is important. that it does not turn into a threat for the tourism sector., A crucial issue is not to damage the environment, and therefore tourism should be based on the promotion of public transport, improvement of access roads by limiting multiplication of new roads in highland regions, and possibly inter-modal approach (for instance 'park-n-ride' systems or access of sites by bus or boats).

3.137 The significant number of national parks, nature reserves and protected areas highlights the biodiversity of the region and any policy directive should aim at further improving restoring this biodiversity. The following table lists protected areas according to the three corridors presented above.

Table 3.8.2 Protected areas in the CEFZ

| Provinces | Thua Thien Hue | Danang | Quang Nam |
|---|---|--|---|
| Corridor 1: Mountainous areas and forest ecosystems | Bach Ma National Park (1991, 22000 ha) Phong Dien Nature reserve (2000, 41 548 ha) Sao La proposed nature reserve (A Luoi District), 10311 ha | Ba Na-Nui Chua Nature reserve (2001, 8838 ha) | Song Thanh nature reserve (2001, 93249) Phu Ninh proposed protected area Ngoc Linh proposed nature reserve (18430 ha) Sao La proposed nature reserve (A Vuong) |
| Corridor 2: Hilly and flat areas | | | Thanh river proposed nature reserve (93000 ha) |
| Corridor 3: Coastal and marine ecosystems | Hai Van pass scenery protected area (2003, 14 547 ha) Tam Giang-Cau Hai proposed marine protected area | Hai Van pass scenery protected area (2003, 10850 ha) Ban Dao Son Tra nature reserve (1992, 4370 ha) | Cu Lao Cham marine protected area (2005) ⁹ |

Source: MOSTE, 1999 and ICEM, 2003

4) Opportunities

3.138 Environment management offers opportunities to strengthen development of the tourism sector in the three provinces by:

- (i) Protecting specific areas for tourism purposes, with a view to benefit to buffer zones related to these areas (resorts and hotels, improvement of accessibility...) and to better equilibrate spatial development of the provinces.
- (ii) Developing environmental friendly tourism, creating revenue activities for the local population alternative to those damaging the environment (e.g. working as a resort staff instead selling illegally shells, corals or furs).
- (iii) Stimulating knowledge-based activities, including services and research, and soft and

⁹ Cham Island MPA was established under the decision No. 88/2005/QD-UBND of Provincial People's Committee of Quang Nam on 20th December 2005.

green technologies. This would fit with a strategy to develop centres for eco-industry innovation in the area, in particular in Danang.

3.139 Nature tourism will help diversifying the scope of tourism activities and will pave the way for longer stays of visitors (2.5 days presently on average. Nature tourism is also a way to diversify tourism activities motivate other visits, and possibly to use the region as a base for further exploration in Vietnam or even Laos (many foreign tourists visit the central region but few come back) - Environment-friendly tourism activities must also be used to strengthen the attractiveness of the region for Vietnamese or international professional staff (engineers, scientists, managers and their families) who may increasingly be interested to set up a more permanent base in the three provinces. This will also encourage local skilled manpower to remain in the region. In recent years a good living environment has been an increasingly important decision-making factor for companies choice of location (well documented are success stories of Seattle, Zurich, Vancouver, Munich who are all in top ten of the global quality-of-life index) or) and this can largely attributed to have a high quality of the surrounding environment enabling nature tourism and relaxing activities. Similarly countries that can offer a good and healthy living conditions (given a hospitable political climate and availability of good quality healthcare) are increasingly successful in establishing themselves as a destination for well heeled retired foreign citizens (for example Thailand, Spain or Morocco).

3.140 Ecosystems (forests, wetlands and coastal/marine) not only play an important role in the effective or potential attractiveness of the region, but also provide invaluable environmental services essential for tourism development. This topic is now subject of abundant literature related to the economic value of ecosystems. This report will limit itself to the most relevant observations such as:

- (i) Increase resilience to natural hazards and adverse events: importance of forests to prevent erosion (mangrove for coastal erosion, forest in mountainous areas to prevent landslides and soil erosion on watershed), of wetlands to prevent floods, create buffer zones preventing storms and typhoon damages. Coastal zones are dynamic in nature, responding to daily tidal changes as well as long term events such as sea level rising. Rigid infrastructure from coastal development can inhibit the ability of coastal ecosystems to respond to changes. On the other way, neglecting natural resilience function of environment may lead to increase the costs of protection measures.
- (ii) Providing food and pleasant living environment in Vietnam, rich coastal and marine ecosystems, including mangrove forests, coral reefs and sea grass meadows, as well as resources from rivers and ponds or forests provide food and jobs for millions of people. This represents an important relationship which needs to be preserved in a sustainable way.
- (iii) Natural eco-systems are a key factor of the quality of water resources decreases the cost for water treatment and connexion to water networks (see example of wells on coastal areas). In this respect water purification, groundwater recharge play an important role in the wetlands (river ecosystem, lagoons, etc.) as does porosity of soils.
- (iv) Also, through biodiversity, the ecosystems provide also service on the health protection viewpoint with great economic and potentials (R&D and production of medicine through genetics, e.g. corals, contribution to the resilience of regions against development of diseases). It also contributes to carbon storage capacities of soils.

3.141 Several completed or ongoing programs and projects aim to protect and manage

these natural resources and fragile ecosystems in a sustainable way. On lagoons for example, the ongoing IMOLA project develops a zoning plan through identification of suitable zones for aquaculture, capture fisheries, (eco)-tourism and special areas/zones for conservation. This zoning should help to avoid potential use conflicts between tourism and other activities. For the Cham Island marine protected area, a management plan is implemented to protect coral reefs and improve livelihood through various activities including community based tourism. In 2000 the PEMSEA programme (Partnerships in Environmental Management for the Seas of East Asia – 1994–2010) selected Danang City - among 8 others sites in East Asia - as an Integrated Coastal Management demonstration site. This initiative started in 2000 and is still ongoing; Quang Nam and Thua Thien Hue provinces joined it as parallel sites respectively in 2005 and in 2008 in order to develop a regional Integrated Coastal Zone Management strategy in central Vietnam.

3.142 The development of green labels (cf. also Chapter 3) in the tourism sector is becoming more important for the provincial authorities. In Quang Nam, provincial authorities are already providing some environmental guidance to enterprises, in collaboration with the Vietnam National Administration of Tourism (VNAT) who started to give green hotel accreditation this year. Some resorts have in fact already started the process of green label accreditation (e.g. Palm Beach resort) In 2009 a four-day seminar was organized to strengthen the capacity on environmental management of hotels and resorts and the need to develop an eco-label for Vietnamese hotels and resorts was underlined.

3.143 At the level of tourist sites, implementation of environmental management plans is needed to preserve the environment and enhance the attractiveness of these sites:

- (i) The Environmental Management plan of My Son site: The management board of My Son is planning to develop the concept of eco-tourism between My Son and Thach Ban (500 ha, located at 1.5 km from My Son: project base on community based tourism, fauna and flora conservation, in particular of indigenous species). The management of visitors will be an important aspect in this plan given the number of tourists visiting the site;
- (ii) The Ecotourism management plan of Phu Ninh area to avoid the degradation of this high value site and prevent use conflicts linked to the reservoir uses (water resource for Tam Ky water supply, irrigation, tourism, fishery, etc.);
- (iii) The Integrated management Plan of the Thua Thien Hue lagoons (ongoing project) to be linked with integrated coastal zone management and community based tourism planned to be developed by the provincial authorities.

5) Weaknesses and Threats

3.144 We have established that ecosystems are essential for tourism development, yet meanwhile tourism also exerts pressures on these ecosystems like that does not exclude them from increasing pressures of demographic and economic development, construction of infrastructure and natural resources exploitation by local people. The main weaknesses and environmental impacts of tourism are:

- (i) Pollution of underground, surface and marine water mainly from untreated wastewater, along rivers shores or sea coasts for example, but also from handicraft villages and small industries (such as the sea food industry in Lang Co), pollution of soil, waste generation (lack of infrastructure and low local people awareness) which provoke very negative comments from visitors, noise and air pollution (due to works and increased

- number of visitors and traffic, as along the National 1 in Lang Co for example);
- (ii) Pressures on natural resources. risk of water overexploitation (e.g. in coastal areas where most of the resorts exploit underground water without previous estimation of water resource), salinity intrusion, land reclamation and deforestation for accommodation and road access construction, pressure on local activities such as fisheries, etc.; Pressure on availability of natural resources will increase sources of water usage and land use conflicts.
 - (iii) Damages to ecosystems: uncontrolled tourism activities can lead to severe disruption of wildlife habitats and increased pressure on endangered species. Tourism can also lead to the indiscriminate clearance of native vegetation for the development of new facilities (such as cable cars). Ecologically fragile areas, such as rain forests, wetlands and mangroves, are also threatened by intensive or irresponsible tourist activity. Moreover, it is increasingly recognized that, the rapid expansion of nature tourism may also pose a threat to ecologically fragile areas, including natural world heritage sites, if not properly managed and monitored.

3.145 Regarding natural hazards, the three provinces are vulnerable to various natural disasters such as typhoons and floods (including prime tourist destinations such as Hoi An), and potentially, to forest fires and landslides in some mountainous areas and in Son Tra peninsula. The potential threat of climate change and global warming effects should not be neglected neither. Global warming is expected to increase climate variability and to provoke changes in the frequency and intensity of extreme climate events, such as tropical windstorms and associated storm surges and coastal flooding, including re-emergence of diseases such as malaria or dengue, as observed in Cambodia. Significant rises in sea level could cause serious problems to tourism activities, particularly in low-lying coastal areas and small islands. The likely impacts of sea-level rise and coastal flooding in some coastal areas would include:

Table 3.8.3 Climate Change and Impact on Tourism

| Impacts on Environment and Hazards | Potential Effects on Tourism |
|---|--|
| Direct Effects | |
| Stronger storms and typhoons | Safety of tourists and tourism staff; costs of tourism facilities; limit accessibility to some tourist sites |
| Increase of sea level | Accessibility of tourism sites |
| Increasing floods | Safety of tourists and tourism staff; costs of tourism facilities; limit accessibility to tourist sites |
| Droughts | Costs of access to water resources (drinking water) and water use conflicts issues (irrigation, hydro-power, etc.), increasing impacts of pollutions due to dilution capacities of water courses |
| Increasing temperatures | Energy costs (air conditioned) |
| Indirect Effects | |
| Redistribution of land occupation for local people | Availability of land for tourism purposes, resettlement issues, land speculation effects |
| Landslides | Traffic safety (mountains), safety of tourism facilities |
| Deforestation | Attractiveness of tourism sites, sedimentation of water bodies limiting their attractiveness |
| Coastal erosion | Attractiveness of coastal areas (beaches), threat to resilience of resorts and coastal facilities |
| Salt water intrusion | Increasing costs of water resources and access to water, change in aquatic biodiversity in fresh waters |
| Changes in land and marine biodiversities | Limit attractiveness of natural parks and reserves, including corals (bleaching of reefs) |
| Increasing contagious diseases developed from water milieus | Health of tourists and tourism staff; costs of precaution, accessibility of some tourists staff |

Source: DaCRISS Study Team.

3.146 Vietnamese national regulations and guidelines related to environmental protec-

tion are quite substantial, although some contradictions between legal documents may sometimes raise difficulties. On regional level the three provinces are developing programs toward environmental protection (Danang “environmentally friendly” city plan, Quang Nam projects on protected areas, Environment Plans in My Son and Phu Ninh, etc.). In theory these initiatives represent a suitable context for sustainable tourism development but have little value if not put in practice. Indeed, the problem regarding environmental protection is rather the enforcement of existing regulations than the lack of law and regulations – some of them very ambitious to be effectively complied with rapidly, such as TCVN standards for water discharges issued in 2002. In this respect, it may be critical for the three provinces to homogenize their practice (permits and licenses delivery, information and awareness programs, control and inspections, penalties, etc.) of enforcement of environmental regulation when tourism is concerned. This should avoid any disastrous practice of “environmental dumping” (justified by competition to attract large investors). Indeed as many provinces in Vietnam face with a similar problem, a common (regional) approach would inevitably strengthen the international image of Central Vietnam as environmental friendly place.

3.147 The region is now experiencing an inflation of hotels and resorts and related recreational projects (e.g. 30 ongoing in Danang, 40 resorts and golf courses planned in Thua Thien Hue Province). Approval for these projects is usually considered by the authorities on a case by case basis without taking into account their combined environmental impacts. In negotiations between local governments and developers financial and economic matters tend to take centre stage at the cost of the environmental or social impact of projects. It is understandable for a developing country to emphasize creation of jobs, taxes, profit, etc., yet if the environmental viewpoint is ignored in this process this will cause significantly damage: weight on land reclamation, erosion, degradation of coastal ecosystems (dunes, coastal wetlands and forests), water resource overexploitation, impact of lack of aesthetic integrity on landscape beauty and excessive appropriation by the richest people of the access to the most beautiful sites. Upcoming conflict uses between tourism development and existing local activities such as fishery or farming can also be expected. Last, high-end tourism and other forms of tourism do not necessarily go together very well. . To this regards, it could be useful to carry out a specific Strategic Environment Assessment for tourism sector in each province – if possible simultaneously and strongly coordinated - in compliance with national guidance, using appropriate modeling tools, and in coherence with other SEA (Land Use for 2011–2020 in Quang Nam, Socio-economic Development up to 2020 in Danang).

6) Flood Management in Hoi An and Danang

3.148 Hue, Danang and Hoi An are seriously affected by floods according to the frequent typhoon and steep rapid rise of river Tho Bon River and Vu Gia River belongs to same river basin which frequently cause floods in Danang City and Hoi An ancient town, therefore countermeasures for flood alleviation shall be jointly studied. Those river basin originated near border between Laos in Quang Nam Province. The length of the main river to its river mouth in Danang is 204 km. Total catchment area of Vu Gia / Thu Bon River basin is about 10,500 square km.

(1) Present Flood Management

(a) Protection Measures Taken for the Flood up to Now

3.149 A number of dams were developed in the upstream in the Vu Gia / Thu Bon River basin. Central and local authorities have for long made attempts to develop integrated management of water resources in the Vu Gia Thu Bon basin, including flood management prevention, in particular with the creation of the River Basin Organization (under MARD coordination and support from ADB in 2006). However, the Organization does not seem to be so active presently. Now, the MARD is establishing an operation process of connecting reservoirs in Vu Gia–Thu Bon river basins, and assigned provinces to study solutions for reducing non-revenue water as a countermeasure for water shortage in Quang Nam and Danang. Whatever, only a few dams have a flood control function since those are built mainly for irrigation and hydro power generation purposes. No river dykes have been constructed along the river near the urban area in the Danang City and Hoi An Town. There is a major facility for flood alleviation in the middle reaches. The Quang Hue channel and weir was constructed in order to pass flooding water from Vu Gia River to Thu Bon River. This was built in order to relieve flood situation on Ai Nghia River section, which has narrow river width. Anyway these are not so effective measures for protecting or alleviating flood for Danang City as well as Hoi An City downstream of the Thu Bon River. Concept of comprehensive flood management and flood preparedness could be more developed further with the support of ODA in the river basin. To this regard, JICA is already financing a \$4.5 million 3-year technical assistance supported by MARD in Quang Nam and Thua Thien Hue provinces¹⁰ and one Flood Management Operation Center has been established with the support of MARD in Tam Ky in 2010 and one will be created soon in Danang¹¹.

(b) Constricted Points of the River

3.150 At the flooding, some bridges over the river were expected to be obstacles for river flow. Bridges over the river at the Railway and National Route No14 seems to be short. Those points shall be improved in the long run. Flood control pond or diversion channel can be studied as an alternative.

(c) Warning System and First Aid for the Evacuee

3.151 Modern warning system was not developed and organized along the river. Community based warning systems were simply operated by measuring the water level of the river. And, evacuation centers were also managed by the communities. Precise information of river flow and timely caution enable community to take action for evacuating was monitoring system on river flow and rain fall enable community to take action within a limited time

(d) Accumulation of Data Related to River Flow and Rainfall

3.152 There are 6 rainfall observing stations in the river basin. Limited flood flow information is accumulated up to now. Precise information is required for operation of the flood control and early warning system.

7) Eco-Tourism Development

3.153 Eco-tourism is in which tourists can enjoy indigenous culture and calm environ-

¹⁰ Project for Building Disaster Resilience Societies in Central Region of Vietnam: Early warning system, hazard maps (sediments disasters, floods and bank erosion, Integrated flood management plan (Huong and Vu Gia - Thu Bon rivers)

¹¹ With the assistance of the US Army Corps of Engineers

ment, is getting popular in the world tourism market and adds to the diversification to tourism activities in the region resulting in longer staying tourists.

(1) Definition

3.154 There are many ways to define “eco-tourism”, some international examples are as follows:

- (a) **The International Ecotourism Society (TIES):** “Eco-tourism is a responsible travel to natural areas that conserves the environment and sustains the well-being of local people.”
- (b) **World Tourism Organization (WTO):** “Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.”
- (c) **Agenda 21 for the Travel & Tourism Industry:** “Sustainable tourism products are products which operate in harmony with local environment, community, and cultures, so that these become the permanent beneficiaries.”

(2) Benefits and Issues

3.155 For many countries, ecotourism is not simply a marginal activity to finance protection of the environment, but is a major industry of the national economy (for example, in Costa Rica, Ecuador, Nepal, Kenya, Madagascar and Antarctica, ecotourism represents a significant portion of the gross domestic product and economic activity).

3.156 Many benefits are brought about as a result of promoting eco-tourism such as the following:

- (i) Economic inputs into rural communities (foreign exchange earnings);
- (ii) Preservation of nature areas; and
- (iii) Provision of opportunities for environmental education.

3.157 However, many issues have risen as a result of promoting eco – tourism such as the following:

- (i) Physical displacement of persons;
- (ii) Gross violation of human rights;
- (iii) Culture deterioration;
- (iv) High investment cost for infrastructure; and
- (v) Environmental degradation from pollution and habitat modification.

3.158 Therefore, though eco-tourism has many benefits as stated above, over-exploitation could lead to the said issues as well.

8) Key for solutions

3.159 The way to develop tourism in a sustainable way is long, if not difficult. The DCST of Danang for instance, is aware that one key requisite is to make people aware of the stakes and make them active participants to the implementation of more sustainable tourism practices. Successful experiences or trends in countries as diverse as New Zealand,

Austria, Equator or even Tanzania or Namibia show that this is not only a problem of culture or financial resources. Of course, mobilization of people for sustainability purposes is probably more difficult in fast growing countries like Vietnam. Small pilot projects should be organized (such as in the tourism sector in Lao Cai province) to learn by doing as well as mobilization of the youth (such as for sign boards near Phu Ninh lake), occasionally owing to the creation of trust funds or support from large international foundations whatever their affiliation (BP, Total, Veolia, Toyota, Ford, Japan Foundation, Mac Arthur Foundation...), and international NPO (IUCN, WWF,...). Permanent messages and explanations should be delivered by educational institutions, administrations, associations (Women Association, etc.), army, police, and of course enterprises. The key actors are the political and economical decision makers and intermediary levels (managers, teachers, departments' heads, districts and communes' heads, etc.). Presumably also, women should be more in a capacity to understand the stakes of sustainability. Due to their role in tourism sector, their role in the awareness of other parts of population is critical. The local TV and newspapers are also powerful media to be mobilized to report about issues and results of sustainable tourism pilot projects, vulgarization broadcasts (such as explaining the benefits of sustainable development) as they do for other issues of general interest (flood management, traffic safety, etc.).

3.9 Complementary Industries

3.160 Tourism industry involves various sectors. Table 3.9.1 shows the composition of tourism industries in Japan, categorized by the Ministry of Land, Infrastructure, and Transport (MLIT). Industries both directly and indirectly related are included here. Tourism employment for accommodation, food and beverage accounts for nearly 50% of total employment, however tourism receipt is the highest for the transportation sector, accounting for 37% of total tourism receipt. The average productivity is 48,000 USD per employee (annually).

Table 3.9.1 Composition of the Tourism Industry in Japan (2008)

| | Tourism Receipt (million USD) | Tourism Receipt (% of total) | Tourism Employment (thousand) | Tourism Employment (%) | Receipt per Employment (USD) |
|--------------------------------------|----------------------------------|------------------------------------|-------------------------------------|------------------------------|------------------------------------|
| A. Tourism Industries | 78,883 | 88 | 1,524 | 82 | 51,761 |
| 1. Accommodation | 21,750 | 24 | 370 | 20 | 58,784 |
| Hotels | 16,655 | 19 | 370 | 20 | 45,015 |
| Second Home Service | 5,095 | 6 | 0 | 0 | - |
| 2. Food and Beverage | 10,314 | 12 | 525 | 28 | 19,645 |
| 3. Transportation | 33,330 | 37 | 347 | 19 | 96,052 |
| Railway | 15,245 | 17 | 82 | 4 | 185,916 |
| Road | 4,615 | 5 | 120 | 6 | 38,457 |
| Water | 595 | 1 | 9 | 0 | 66,093 |
| Air | 6,428 | 7 | 43 | 2 | 149,491 |
| Related Services | 4,759 | 5 | 85 | 5 | 55,985 |
| Equipment Rental | 1,689 | 2 | 8 | 0 | 211,072 |
| Operation and Maintenance | 0 | 0 | 0 | 0 | - |
| 4. Operators | 2,888 | 3 | 52 | 3 | 55,535 |
| Tourism Enterprises | 2,888 | 3 | 52 | 3 | 55,535 |
| Tour Operators | 0 | 0 | 0 | 0 | - |
| Travel Information and Guidance | 0 | 0 | 0 | 0 | - |
| 5. Tradition and Customs | 1,314 | 1 | 17 | 1 | 77,318 |
| Stage and Performance | 422 | 0 | 4 | 0 | 105,536 |
| Museum and Others | 892 | 1 | 13 | 1 | 68,635 |
| 6. Recreation | 2,945 | 3 | 60 | 3 | 49,090 |
| Sports | 1,142 | 1 | 24 | 1 | 47,571 |
| Others | 1,804 | 2 | 36 | 2 | 50,103 |
| 7. Other Services | 6,342 | 7 | 153 | 8 | 41,449 |
| Banking and Insurance | 278 | 0 | 2 | 0 | 139,115 |
| Rental Services | 691 | 1 | 9 | 0 | 76,753 |
| Others | 5,373 | 6 | 142 | 8 | 37,836 |
| B. Tourism Related Industries | 10,640 | 12 | 343 | 18 | 31,020 |
| 1. Logistics Margin | 8,606 | 10 | 299 | 16 | 28,783 |
| 2. Goods | 38 | 0 | 1 | 0 | 38,377 |
| 3. Services | 1,996 | 2 | 43 | 2 | 46,409 |
| Total | 89,523 | 100 | 1,867 | 100 | 47,950 |

Source: MLIT (2008)

3.10 Summary of Issues

3.161 Main issues facing the region include the following:

(1) Need for Enhanced Inter-provincial Coordination

3.162 When tourists choose a place to visit in the Central Region Vietnam, they are not conscious or interested of an administrative district, and it chooses an attractive tourism resources. Therefore, it is important not to divide per administrative district, in case the sightseeing policy is considered, but to connect tourism resources, and making the story as important. For any tourism industry promotion to succeed, it is important for the nation, the province, and the community to consider their roles, and have a balanced strategic approach. There are unique and distinct tourism resources in the three provinces of the Central Region Vietnam, but presently those alone are not enough to motivate tourists to stay longer or visit the region again; these resources can be fully utilized only if all three provinces employ the same strategy. On the other hand, if one province tries to create a tourism package that includes everything from marine and mountain leisure as well as visits to historic sites, it will require a lot of time to develop the necessary tourism infrastructure since the province will likely bear the cost of the development. Secondly, this concentration of tourists in one location might lead to the destruction of nature.

(2) Creating Clear Collective Image of the Region

3.163 The existence of three World Heritages, beautiful beaches and coastal areas as well as preserved forests and mountain areas in a relatively compact area makes the central region of Thua Thien Hue, Danang and Quang Nam provinces, a unique tourist destination. Yet the potential of this tourism cluster has not been fully recognized and the need for coordinated integrated tourism management and promotion is evident.

(3) Strengthening Environmental Management

3.164 Tourism development presents threats in the form of increased anthropogenic pressures and opportunities in the forms of recognition and improved finance for environmental management. The opportunity to stimulate knowledge-based activities, including services and research, and soft and green technologies is should be considered in more detail. This concept fits well with Danang, which envisions its future as an “environmentally friendly” city. In general, environmental impact assessments are necessary in tourist areas, as can be witnessed along the waterfront in Danang where hotel plans are approved individually without consideration of the cumulative impact. An integrated coastal management project in Hue, with another integrated lagoon management project in the planning stages, helped coordinate development in these areas and reduce conflicts for natural resources. Tourism presents an opportunity to protect specific natural resources and increase enforcement of existing regulations. Lastly, eco-tourism can help to increase sustainable management in sensitive locations.

3.165 Physical geography in the region can be roughly divided into three corridors: Mountainous and forest ecosystems, hilly and flat areas, and coastal and marine ecosystems. Some of the most serious concerns from development in these three corridors include excessive use of water resources, water pollution (from transport handicraft villages and farming practices), solid waste disposal, deforestation, and illegal trading (e.g furs, meat). Donor projects have targeted improved management and policy schemes, but still coordinated environmental planning and management is rare. Fragmented approaches to environmental assessment and management predominate and weaken the efficiency of

protection measures.

(4) Strengthening Transportation Connectivity at All Levels

3.166 Improving accessibility to and within the region is one of the most critical issues not only for tourism but also accelerated growth of the region as a whole. Expanding direct connections between the region and major cities in Vietnam and Asia will contribute to increase the tourists due to reduced access time and increase in comfort. The same is true within the region where most of the tourists visit more than two provinces. Improvement of transportation (roads and rivers) within the provinces can also contribute to expand opportunities for tourists to visit isolated tourism destinations scattered in the provinces.

3.167 Visitors have a variety of options for access into and transportation within the central region. Danang has an international airport and Thua Thien Hue has a deep water port at Chan May which is accessible to passenger ships. While road networks connecting the city centers are currently sufficient, many provincial roads in the region are too narrow for large vehicles. In Quang Nam, several of the bridges need to be strengthened. Rail lines also connect the major cities and future high speed railways are planned. Rivers, such as the Huong River in Hue, also offers opportunities for river transportation for tourists.

4 PROPOSED STRATEGY

4.1 Sustainable Tourism Development

1) GMS Tourism Sector Strategy for the Project Region

4.1 Sustainable tourism is now an important matter of discussions and exchanges around the world. In Vietnam too, sustainability is more and more considered as pillar of local development. To this regard, several initiatives have been conducted, among which the GMS Sustainable Tourism Development Project (Cambodia, Lao, Vietnam) supported by the ADB or other initiatives with other supports (such as the UICN).

4.2 Sustainable tourism objectives are defined as follows by the Marrakech Task Force for Sustainable Tourism Development¹:

Objectives and Comments Expressed by the Task Force for Sustainable Tourism Development

- (1) Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
- (2) Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
- (3) Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary. Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them”.

4.3 The GMS countries for Tourism sector strategy and action plan for 2006–2015 (to be coordinated by the Mekong Tourism Coordinating Office in Bangkok) has formulated interesting sustainable tourism objectives, applicable to central region of Vietnam. The following table comments these objectives according to the situation observed in the three provinces of Quang Nam, Danang and Thua Thien Hue.

4.4 Developing sustainable tourism needs agreement on strong principles, a solid planning and methodological framework, with capacities to adapt this framework if necessary. However, concrete projects motivating stakeholders are the privileged means to make this development effective. Legal regulation and standards provides the basic framework, but also sustainable development should also rely on contractual arrangements (such as development concession), labeling system, or professional charts.

¹ Cf. http://esa.un.org/marrakechprocess/pdf/Brochure_STTF.pdf

Table 4.1.1 GMS Tourism Sector Strategy and Comments in Relation to the Project Region

| GMS Tourism Sector Strategy | Comments for Central Region |
|---|--|
| 1. Marketing the sub-region as a single destination | Marketing the three provinces as a single destination |
| 2. Developing human resources capabilities | Developing human resources capabilities is also a priority |
| 3. Enhancing the management of cultural and natural heritage areas on importance for tourism and addressing the negative social impact of tourism | So far, cultural heritage is actively considered but management of natural heritage still lacks resources and its results needs to be evaluated. Negative social impacts of tourism are until now not a major matter of concern in the central region. |
| 4. Developing pro-poor tourism and a more equitable distribution of the benefits of tourism | Developing pro-poor tourism is a component of most tourism projects if one considers that poverty alleviation is “everywhere”. However, many tourism projects are located in already significantly developed areas of the provinces. Many tourism projects should enable better access of residents to basic infrastructure and facilitate access to created jobs to vulnerable groups |
| 5. Promoting private sector participation in the development of tourism | Private sector is strongly involved in tourism projects. However, much are large companies interested in substantial investments related to international and De Luxe tourism. Small private initiative and individual entrepreneurship (craftsmen, small tour operators, mini hotels, etc.) should be more encouraged |
| 6. Facilitating the movement of tourists to and within the sub-region | At the level of the central region, this is a matter of concern and efforts, although focusing on relation between cities of Hue, Danang and Hoi An. In the future, access to neighbouring regions in Laos for tourism purpose will strengthen regional attractiveness. |
| 7. Developing tourism-related infrastructure | Efforts are already made by the three provinces, but unequal: important for roads and water / waste water core networks (with donors support) whereas water and waste water in rural and some coastal areas remain a matter of concern. |

Source: DaCRISS Study Team.

2) GSTC (Global Sustainability Tourism Criteria) Partnership Criteria for the Project Region

4.5 The VNAT also encourages the implementation of a labeling system for business in sustainable tourism². Pilot experiences have been conducted in Hanoi and Dalat (Green certification for the all Lam Dong province). Labeling system for sustainable tourism in Vietnam is emerging, in correspondence with international labeling systems for hotels and leisure organizations (such as Green Globe, Green Leaf or Green Key). In 2007 the French ADEME has supported the publication by the VNAT of a Guide of Green Hotels in Vietnam.

4.6 Vietnam is since 2 years engaged in a process of certification related to sustainable tourism, under the coordination of the VNAT. The Agency has established a draft version of criteria, largely based on the works of the Global Partnership for Sustainable Tourism Criteria³. They largely concern the tourism business and can be adapted to specific categories (hotels, tour operators, transportation companies, etc.). This draft version of the VNAT is now reviewed by an Evaluation Board composed by representatives of several ministries. Once made official (expectedly very soon), the criteria should apply to the whole of Vietnam.

4.7 The table below proposes an adaptation of these criteria to the situation in central region and initiatives to be possibly expected from both governmental organizations and tourism business sector to comply with them.

² A recent report has been delivered by French experts to this regard.

³ <http://www.sustainabletourismcriteria.org/>

Table 4.1.2 Global Sustainable Tourism Criteria (GSTC) Partnership Criteria and Comments and Proposals

| GSTC Partnership Criteria | Comments and Proposals for Quang Nam, Danang and Thua Thien Hue Provinces |
|---|---|
| A. Demonstrate effective sustainable management. | |
| A.1 Implementation of a long term sustainability management system considering environmental, socio-cultural, quality, health and safety issues | Many reports have already considered sustainable development in the provinces, but coordination between public and private actors for implementation could be much improved for implementation phase. There is still a lack of clear strategy for sustainable tourism at the combined level of the three provinces. A critical problem is the lack of organization of the business tourism sector, possibly with several chapters |
| A.2 Compliance with all relevant international or local legislation and regulations (including, among others, health, safety, labour, and environmental aspects). | The Vietnamese regulation is comprehensive and related standards usually high (e.g. environment) the enforcement at the local level is a critical issue, however beyond the scope of the present report. |
| A.3 Staff receives periodic training regarding their role in the management of environmental, socio-cultural, health, and safety practices. | ODA supported projects may help through structuring capacity building and training for tourism staff (business and public agencies), including workers and managers. Use of resources should be optimised and efficiency secured by a regional-level initiative, maybe under VNNTA. |
| A.4 Customer satisfaction is measured and corrective action taken where appropriate. | Regularly, private and public surveys are organised by public and private organizations. Important to make them better co-ordinated in order to stimulate public private initiatives at regional or provincial level (such as improvement of the quality of services). |
| A.5 Promotional materials are accurate and complete and do not promise more than can be delivered by the business. | Tourism business should be aware of this point including tariffs (forbid hotels and restaurants to two practise double tariff: one for foreigners and one for Vietnamese). Important to set an advisory and control body. |
| A.6 Design and construction of buildings and infrastructure: Comply with local zoning and protected or heritage area requirements; Respect the natural or cultural heritage surroundings in sitting, design, impact assessment, and land rights and acquisition; Use locally appropriate principles of sustainable construction; Provide access for persons with special needs. | Regulation exists for most topics mentioned. Enforcement in the central region is expectedly very variable, as in other provinces of Vietnam. For construction projects donors can include in TOR specific requirement, in particular according to cultural and architecture expertise Access for persons with special needs (e.g. elderly, pregnant women, handicapped people) is usually limited on tourism sites. Should be introduced in TOR for ODA projects. |
| A.7 Information about and interpretation of the natural surroundings, local culture, and cultural heritage is provided to customers, as well as explaining appropriate behavior while visiting natural areas, living cultures, and cultural heritage sites. | In connexion with MONRE, MCST, VNNTA and relevant experts/scholars, efforts could be made jointly by the three provincial governments with initial support from ODA (conception and production of attractive communication supports such as TV spots, brochures, web site links...) and purchased and disseminated by tourism operators and hotels (customers to be charged to recover costs) |
| B. Maximize social and economic benefits to the local community and minimize negative impacts. | |
| B.1 Active supports initiatives for social and infrastructure community development including, among others, education, health, and sanitation. | Requirement to be expressed in TOR of ODA funded tourism projects when located in poor areas (such as highlands). Association usually (Women Association, Farmers Association) and districts should be involved to ensure sustainability of facilities after construction). |
| B.2 Local residents are employed, including in management positions. Training is offered as necessary. | Requirement to be expressed in TOR of ODA funded tourism projects |
| B.3 Local and fair-trade services and goods are purchased by the business, where available. | Could be a deal between DCST + relevant departments with the support of central agencies (Ministry of Trade?) and business community, but probably already done for local goods. Identify fair-trade sector in the Central Region establish a operational manual document and communicate it to tourism business companies fro discussion and approval. However maybe not a priority in the short term but could be formulated in a project to be funded by EU and fair-trade NGOs. |
| B.4 The authorities offer the means for local small entrepreneurs to develop and sell sustainable products that are based on the area's nature, history, and culture (including food and drink, crafts, performance arts, agricultural products, etc.). | Authorities can stimulate (in particular criteria to define sustainable product for the three provinces) but cannot properly achieve this task. Could be developed under an NGO-supported programme. |
| B.5 Code of conduct for activities in indigenous and local | Does not exist presently. Maybe not a priority now since very time con- |

| GSTC Partnership Criteria | Comments and Proposals for Quang Nam, Danang and Thua Thien Hue Provinces |
|--|---|
| communities has been developed, with the consent of and in collaboration with the community. | suming unless it can provide a clear benefit to indigenous and local communities and it is enforceable. Code could be discussed with tourism business and inserted in a Chart. |
| B.6 Policy against commercial exploitation, particularly of children and adolescents, including sexual exploitation. | Cf. Vietnamese regulation and penalties indicated by the law. Presumably the central region is not affected significantly but any risk linked to mass tourism development has to be considered and prevented, in particular in urban and sub-urban areas. To be considered together with ongoing health protection programmes (drug, aids, etc.) and welfare programmes |
| B.7 Tourism business is equitable in hiring women and local minorities, including in management positions, while restraining child labour. | Women are largely represented in the tourism sector in Central region. Although encouraging promotion of women for management tasks is recommendable, as well as salary system to motivate technical staff (room keepers, waitresses, etc.) to improve the quality of service. |
| B.8 The international or national legal protection of employees is respected, and employees are paid a living wage. | Very Complicate issue (see the case of pollution control), but a key for staff motivation and improvement of service. To be considered in particular for rural populations, in particular young staffs. A specific welfare system and privately managed system may be organised to protect some categories of staff (drivers, guides, fishermen) which take risks to satisfy the pleasure of tourists. |
| B.9 The activities of the projects do not jeopardize the provision of basic services, such as water, energy, or sanitation, to neighbouring communities. | Critical point. Requirement to be expressed in TOR of ODA funded tourism projects. In some cases (resorts), tourism facilities have a positive impact on the access of neighbouring poor families to services (electricity generators, connexion to provincial central water system, etc.). This may lead to adverse effects in some circumstances (water allocation). To this respect, economic and technical analysis of benefits and risks to be expected from large tourism investments is necessary. |
| C. Maximize benefits to cultural heritage and minimize negative impacts. | |
| C.1 The tourism business (tour operator) follows established guidelines or a code of behaviour for visits to culturally or historically sensitive sites, in order to minimize visitor impact and maximize enjoyment. | Check the availability of established guidelines or code of behaviour to refer to. Visitor impact may become a more critical issue in case dramatic development of mass tourism takes place. |
| C.2 Historical and archeological artifacts are not sold, traded, or displayed, except as permitted by law. | Law in Vietnam protects Historical and archeological artifacts. But control is very difficult and requires highly skilled investigators and inspectors (customs). Traffic of these artefacts from Laos should also be prevented. |
| C.3 The business contributes to the protection of local historical, archeological, culturally, and spiritually important properties and sites, and does not impede access to them by local residents. | Interest of local residents is important to motivate their interest in sites preservation. Business, especially large investors, should be proposed financial sponsorship for maintenance of these properties. |
| C.4 Tourism professionals use elements of local art, architecture, or cultural heritage in their operations, design, decoration, food, or shops; while respecting the intellectual property rights of local communities. | Large investors should be encouraged, in order to encourage local business and promote the cultural image of the region. |
| D. Maximize benefits to the environment and minimize negative impacts. | |
| D.1 Purchasing policy favours environmentally friendly products for building materials, capital goods, food, and consumables. | Needs to define "environmentally friendly products". Such initiative to be taken in line with Ministry of Trade in line with WTO agreements. |
| D.2 The purchase of disposable and consumable goods is measured, and the business actively seeks ways to reduce their use. | Could be a commitment of professionals, in particular hotels and resorts. |
| D.3 Energy consumption should be measured, sources indicated, and measures to decrease overall consumption should be adopted, while encouraging the use of renewable energy. | Only recommendations can be formulated at this stage with information about available techniques with the best cost efficiency (air conditioned and constructions), for instance for hotels. Also concerns the transport management approach and accessibility to tourism sites. At least Could be discussed with tour operators (including maintenance of vehicles, speed and safety) |

| GSTC Partnership Criteria | Comments and Proposals for Quang Nam, Danang and Thua Thien Hue Provinces |
|---|--|
| D.4 Water consumption should be measured, sources indicated, and measures to decrease overall consumption should be adopted. | Recommendations to be formulated if tourism business is self supplier. Metering is commonly for those connected to the provincial network. Statistics to be obtained from provincial water supply companies (DAWACO, HUEWACO and Quang Nam Water Supply Company). |
| D.5 Greenhouse gas emissions from all sources are measured, and procedures are implemented to reduce and offset them as a way to achieve climate neutrality. | Problems are faced for measurement of such emissions today in the central province. Maybe not the priority in the short term, apart from impacts of increasing air traffic to Danang and Phu Bai airports (also Chu Lai). Regarding road vehicles, this should be included in a more global policy related to the transportation sector in the region, with the support of DONRE. |
| D.6 Wastewater, including grey water, is treated effectively and reused where possible. | One of the absolute priorities, in particular for hostels and resorts. Should be included in agreements for land use between developers and provincial PPC. Should be supported in ODA financed tourism projects through TOR. |
| D.7 A solid waste management plan is implemented, with quantitative goals to minimize waste that is not reused or recycled. | Same level of priority as above. Could be arranged with provincial HURENCO and DONRE. |
| D.8 The use of harmful substances, including pesticides, paints, swimming pool disinfectants, and cleaning materials, is minimized; substituted, when available, by innocuous products; and all chemical use is properly managed. | Awareness campaign should be organized among professionals. |
| D.9 The business implements practices to reduce pollution from noise, light, runoff, erosion, ozone-depleting compounds, and air and soil contaminants. | Should be included in environmental impact assessment reports delivered by tourism business to DONRE. |
| D.10 Wildlife species are only harvested from the wild, consumed, displayed, sold, or internationally traded, as part of a regulated activity that ensures that their utilization is sustainable. | Awareness campaign amongst populations in a potential capacity to capture or kill wildlife species. Strict prohibition of such practises with due control. |
| D.11 The business uses native species for landscaping and restoration, and takes measures to avoid the introduction of invasive alien species. | Private sectors (golf courses and other large leisure areas) and local government agencies (parks, recreational areas) can play an important role. They need to rely on updated information about local ecosystems and habitats. |
| D.12 The business contributes to the support of biodiversity conservation, including supporting natural protected areas and areas of high biodiversity value. | Land and marine biodiversity are both concerned. Necessitates strong coordination with national and international scientific community and national agencies. Requires at least clear update of regional fauna and floral lists ⁴ and also knowledge about functioning of aquatic ecosystems. |
| D.13 No captive wildlife is held, except for properly regulated activities, and living specimens of protected wildlife species are only kept by those authorized and suitably equipped to house and care for them. | Land and marine biodiversity are both concerned. In general, showing captured wildlife has a very negative impact on many foreign tourists. This should be avoided by due information to the tourism business. Could also be inserted in a regional chart on biodiversity protection and tourism. |
| D.14 Interactions with wildlife must not produce adverse effects on the viability of populations in the wild; and any disturbance of natural ecosystems is minimized, rehabilitated, and there is a compensatory contribution to conservation management. | Land and marine biodiversity are both concerned. Awareness of professional and tourists is required, in particular for large groups. Measures should be taken upstream by enforcing regulation in national parks and natural reserves including their buffer zone. Expansion of road network in highland areas for tourism purpose should be refrained and non motorised water transport systems encouraged. |

Source: DaCRISS Study Team

⁴ This work is permanent in Vietnam (coordinated by MONRE MARD or MOSTE agencies with support of NGOs like WWF), but few is done compared with the needs for actualization. In fact, establishing lists is not enough and should be complemented by a much longer work: the analysis of local ecosystem.

4.8 The coming certification for sustainable tourism should be enforced at the regional level on a coordinated basis. A “One Destination Task Group”, was recently set by Quang Nam, Danang and Thua Thien Hue People’s Committees gathering representatives of public agencies and business sector. This Task Group could be in charge of facilitating the regional enforcement of national criterions. To formulate the most applicable recommendations, securing a large participation of the tourism business sector in this task group could be arranged. Apart from VNAT, third parties such as Vietnam Tourism Association, Vietnamese research institutes, mass associations, or foreign NGOs (UICN, WWF, Nature Conservancy, etc.) could be very usefully consulted by the Task Group.

4.2 Role Sharing in Tourism Development

4.9 Tourism is a cross-sectoral industry, and is related to agriculture, economics, spatial planning, utilities, environment, finance, etc. It also involves many stakeholders, from the Central Government to the Provincial Government, private sector enterprises, local residents, and of course the tourists themselves, both international and domestic. While in Vietnam integration of tourism activities among sectors and stakeholders are yet active, there is a clear willingness from each actor to develop cooperation and together establish tourism as one of the driving economic forces in the future.

4.10 In this context, the Study Team has proposed a framework of role-sharing in tourism development, by sector and by stakeholder. The proposed framework has been revised based on discussions held with provincial leaders (see Table 4.2.1 and 4.2.2 for agreed table).

4.11 Some important insights raised by provincial leaders on this issue are as follows:

- (i) Main obstacles for the involvement of the private sector in tourism development are initial investment costs, taxation, human resource development (training of qualified staff, etc.), and investment capital (access to bank loans, etc.);
- (ii) Small scale private enterprises especially need support from the public sector, but the public sector should assist its development either small or large;
- (iii) Further information exchange between the public and private, for example dissemination of information about plans and orientations of the city to the private enterprises is very important;
- (iv) The government should involve private enterprises from the stage of planning (currently the Master Plan is formulated only by the public sector);
- (v) Enterprises in the private sector are the closest to actual activities of tourism, and know about the situation well. Therefore they should be more actively involved;
- (vi) The form of cooperation with the private sector should be differentiated according to the level of the enterprise;
- (vii) One obstacle for involvement of private sector is that they are only willing to take on projects which are clear, specific, concrete, and market-oriented, while this is normally not the case at the planning stage of the government;
- (viii) Information exchange among private enterprises is still weak as well (focus is still on competition rather than cooperation); and
- (ix) However, private enterprises should cooperate on tourism development, especially on destination promotion.

Table 4.2.1 Public – Private Role – Sharing in Tourism Development by Subsector

| Stakeholders | Subsector | Roles |
|--------------|-------------------|--|
| Public | Agriculture | <ul style="list-style-type: none"> • Support the development of regional agricultural products |
| | Service | <ul style="list-style-type: none"> • Develop tourism maps and information centers to provide neutral information |
| | Industry | <ul style="list-style-type: none"> • Development of commercial service • Development of craft villages |
| | Social / Cultural | <ul style="list-style-type: none"> • Restoration of heritages • Operation of tourism resources • Organization of events |
| | Transportation | <ul style="list-style-type: none"> • Manage and upgrade roads and transportation facilities • Link various public transport systems to provide easy access for tourists (routes, tickets, etc.) • Ensure traffic safety |
| | Urban Utilities | <ul style="list-style-type: none"> • Provide basic needs such as power supply, water supply (especially in low dense areas for eco – tourism) |
| | Environment | <ul style="list-style-type: none"> • Designate and set standards for areas in need of environmental protection • Ensure safety from natural disasters • Treat wastewater and solid waste • Impose eco – tax to tourists for environment preservation |
| | HRD | <ul style="list-style-type: none"> • Establish training facilities • Set standards for qualification of human resources in the tourism industry (certified degrees, etc.) |
| Private | Agriculture | <ul style="list-style-type: none"> • Commercialize and promote agricultural products in the region |
| | Service | <ul style="list-style-type: none"> • Operate tourism information centers • Operate good-quality restaurants and entertainment facilities |
| | Transportation | <ul style="list-style-type: none"> • Develop and advertise tourism routes • Provide bus services to tourism destinations (especially remote areas) |
| | Urban Utilities | <ul style="list-style-type: none"> • Actively promote PPP schemes especially for operation |
| | Environment | <ul style="list-style-type: none"> • Meet environmental standards set by the government |
| | HRD | <ul style="list-style-type: none"> • Provide internal training (language, service, hospitality, etc.) |

Source: Worked out by Study Team and revised based on provinces' comments.

Table 4.2.2 Role – Sharing in Tourism Development by Stakeholder

| Stakeholders | Overall Role | Specific Roles |
|-----------------------|--|---|
| Central Government | <ul style="list-style-type: none"> • Position tourism as a new industry as well as a significant driving force for economic development, and formulate overall strategies at the national level. • Actively attract international tourists and coordinate with other countries. • Support provinces in tourism development. | <ul style="list-style-type: none"> • Ensure safety for tourists • Manage immigration • Manage and upgrade of main gateways such as airports and international roads • Promote deregulation for new tourism business • Advertise to other countries • Collect and manage of tourism statistics at the national level • Support and subsidize for provinces, private sectors • Establish regional Master Plan and strategies for the tourism sector |
| Provincial Government | <ul style="list-style-type: none"> • Formulate detailed action plans for local tourism development • Promote public – private sector integration • Support municipalities in tourism development | <ul style="list-style-type: none"> • Conduct studies on tourism development • Design and propose tourism policies and projects • Promote regional cooperation (regional tourism routes, transportation development, etc.) • Advertise to other regions • Collect and manage of tourism statistics at the provincial level • Support and subsidize for municipalities, private sectors • Identify and promote of tourism products and destinations • Manage of tourism facilities and tourism routes |

| Stakeholders | Overall Role | Specific Roles |
|----------------|--|---|
| | | <ul style="list-style-type: none"> • Provide information to residents for their cooperation • Establish provincial Master Plan and strategies for the tourism sector |
| Associations | <ul style="list-style-type: none"> • Connect public sector and private sector, and promote cooperation • Support and provide benefits to enterprises in the association | <ul style="list-style-type: none"> • Provide needed information to both public and private sector for smooth cooperation • Provide necessary and neutral information to tourists • Provide human resource training to the whole sector |
| Private Sector | <ul style="list-style-type: none"> • Actively attract tourists (both domestic and international) through a variety of services to meet the needs of diverse tourists • Train qualified human resources • Cooperate with the public sector for overall tourism development | <ul style="list-style-type: none"> • Development / advertise of tourism products and destinations • Provide various tourism services and products to meet all tourists' needs • Provide internal training (language, service, hospitality, etc.) |
| Residents | <ul style="list-style-type: none"> • Actively be involved in environmental protection and landscape preservation • Treat tourists with hospitality | <ul style="list-style-type: none"> • Preserve historical values and heritages of the region • Preserve a good environment • Be involved in NGO activities |

Source: Worked out by Study Team based on "Tokyo Tourism Industry Promotion Plan" adjusting it to the context of Central Vietnam tourism development, and revised based on provinces' comments.

4.3 Vision and Goals

4.12 Based on the recommendations of the DaCRISS study, the report underlines the findings that CFEZ can and must play a significantly different role from that of NFEZ and SFEZ where the ill effects on socio-economy and environment are coming to fore due to the mismanagement of rapid investments. Hanoi and HCMC have been suffering from worsening traffic congestion, air pollution, traffic accidents, lack of affordable housing, solid waste management, vanishing greeneries, increasing crimes, widening inequality between the poor and the rich and although both NFEZ and SFEZ are expected to further grow economically, their future sustainability will be uncertain if the current trend continues.

4.13 In view of the above, a suggested vision for CFEZ is to become an “eco-tech region,” one that promotes economic development, ecological balance, and harmonious coexistence of different ethnic groups based on the maximum use of modern technology.

4.14 It is also proposed in DaCRISS that CFEZ must employ different growth strategies from those of NFEZ and SFEZ because of a number of handicaps of CFEZ such as small market, relatively poor infrastructure, severe natural conditions. A strategy of NFEZ and SFEZ to promote development through active FDI for industries is limited in CFEZ. In DaCRISS, key elements for the future growth of CFEZ are identified as follows:

- (i) **Tourism, human resource development and eco-business must play key roles in economic development:** While human resource is the core competence of tourism sector across the country, CFEZ can provide an ideal location for education and training of tourism personnel based on calm living environment, availability of different tourism facilities, subjects and practice opportunities. CFEZ can become a national centre for training of service sector including tourism. Eco-business and environment related industries have been emerging and will become a main sector of industrial development. Existing industrial estates/zones can be improved to be more green and clean and convert to a national centre for locations of eco-business and environment industries including those focused on R&D in coordination with Danang University.
- (ii) **CFEZ must be connected with the world directly:** Poor accessibility to CFEZ is a reason to restrain the growth of CFEZ. Not only between the world, but also the distance to/from NFEZ and SFEZ is long and transport services are insufficient. Impact of East-West corridor is also limited, especially in short to medium term. Strengthening of connectivity by air transport is the most effective way for CFEZ, especially to promote tourism and the above mentioned industrial activities. For this it is to be noted that CFEZ needs only one internationally competitive gateway airport integrated with efficient local transport network and services to connect main destinations in the region. Providing attractive ports for cruise ships are also becoming important for tourism which CFEZ has strong edge against others in Vietnam.
- (iii) **Inter-provincial coordination and role-sharing are the key for success:** In order for the region to become a competitive growth centre in Vietnam and the world, inter-provincial coordination and role-sharing are very important because the market and population are small, and resources are distributed in the province. Coordination and role-sharing include creating an appealing single image of the region, but different sub-image among the provinces, coordinated infrastructure development including

ports, airports, industrial estates, and intra-regional transport network and services. Joint development of guidelines on conservation and development, investment is also an area to be attended.

4.15 A direct goal of tourism sector is to increase the number of arrivals, length of stay and expenditure by maximizing benefit to local economy, improving tax revenue, enhancing local image, promoting cultural and human interchange, and by minimizing negative impacts on social, cultural and environmental aspects of localities. For this the addition to the basic objectives explained above, the following goals are set forth for CFEZ tourism development.

- (i) **Tourism destinations and products must be farther improved and developed:** Existing tourism destination and products need to be improved, and potential resources need to be developed to diversify attractions and provide tourists and investors with opportunities of enjoyment and investment.
- (ii) **Local resources must be improved and utilized by tourism sector:** Tourism sector requires procurement of wide ranges of products and services. Various inputs including food supply, souvenirs, hotel goods, and other related services must be provided locally to a maximum extent. For this, their quality needs to match the needs of the tourism sector.
- (iii) **Adequate guideline on conservation and development and institutions must be provided:** Main tourism resources in CFEZ are fragile and vulnerable to natural disasters and human interventions. Coordinated guidelines on conservation and development and their adequate enforcement are urgently needed. There is a sign of decay in cultural, social and ecological values in many locations in the region.

4.4 Tourism Strategy

1) Priority Demand Areas for Tourism Development

4.16 Based on this and the findings of the above chapters and based on discussions held with representatives of the government, the private sector and experts in the tourism field. From these discussions it became clear that there are three main demand areas for investment in tourism development.

- (i) Accessibility of sites and connections between provinces and sites.
- (ii) Hospitality and services
- (iii) Improvement and protection of environmental conditions

(a) Accessibility

4.17 It is generally recognized among the government and the private sector that accessibility as described above should be improved. The demand for this was clearly expressed by all people interviewed. In order to stimulate cross provincial cooperation it is important that access between provinces is improved at different levels. First the connection between the different provinces can be improved and secondly the accessibility of the different tourism destination within and between provinces can be improved. This entails improvement of roads, rail and water connection but also improvement of transport services (more trains, more busses, more boats). The latter however is more of a private sector responsibility.

4.18 As a side effect it is important that other projects also keep in mind that inter provincial tourism is an important criteria for selection. Therefore selection of a project that can be stimulated in more provinces has a preference above those that can only be done in one province (for example general improvement and development of craft villages in each separate province can be packaged as a inter provincial tourist attraction as is preferred above improvement of the drainage situation around the citadel in Hue).

(b) Hospitality and Services

4.19 Probably expressed as priority number one among the private sector operators in the region but also recognized by the government as an important priority. Not only shortage of staff was mentioned as a problem but also the low quality of the hospitality training schools. There are two different type of education system for the human resource improvement, one for manager (middle-manager) training systems, and the other is for vocational levels (see also chapter 3). These two education systems are completely different. Although there is a need for both, the focus has been on the management education up to now. The main focus therefore should be at vocational level.

4.20 In addition, an important shortcoming mentioned was the lack of information for the different groups of tourists like guide books, maps, information about potential sites, PR and marketing and a lack of skills in developing these items. There seems to be a discrepancy between the private sector (who have ideas and skills) and the government (who should take the lead) resulting in limited and small scale individual marketing attempts with limited impact⁵.

(c) Environment

4.21 Tourism development can generate revenue for businesses, households and tax

⁵ A good example in one of the main 5 star hotel going to tourism fairs in Europe on their own and not as a group.

revenue for the government, increasing GDP and GNP, creating job opportunities for local human resources but it can also create pressures and burdens on environment, infrastructure, widening the gap between the rich and the poor, causing massive resettlement and increasing crimes.

4.22 Therefore sustainable development of tourism was determined as an objective of the National Tourism Action Plan 2006-2010. Although not clearly defined, Thua Thien Hue, Da Nang and Quang Nam share the same vision for tourism development – sustainable tourism. All stakeholders shared the view that environment is a major concern while developing tourism activities. It is there suggested that selected projects will undergo a thorough environmental impact assessment and, if possible an environment component will be added to each of them. Taking this demand into consideration the project established a number of criteria that were applied for the list of projects. The following criteria were identified

- (i) The project should encourage regional cooperation and benefit at least 2 but preferably all three provinces

Projects focusing only on one province will therefore be excluded if they are not related to or repeated in another province. For example the development of craft villages should be done in a wider context by developing craft villages circuits. Marketing and promotion should be done together and capacity building and technical Assistance should be regional. A common branding of tourism products to create a common image of the Destination is also an integrated component that needs further development.

- (ii) The project should be (or become) environmentally sound and socially acceptable

As environment has been a major concern for all stakeholders selected projects should not have a negative effect on the environment. If they potentially would or could become, measures have to be taken to minimize the effect. All projects need to undergo an Environmental Impact Assessment.

- (iii) The project should be building on the unique selling point of each province and complement each other, not stimulate competition between provinces

Generally Hue is known for their cultural tourism while Danang is mainly seen as a logistic, knowledge and transport hub. Quang Nam is a combination of culture and beach. Proposed projects should therefore build on this and further stimulate the strong points of a province.

- (iv) The project budget should be between 5-15 million USD and should not have possibilities for private sector funding and operation

In order to avoid many small projects that would be difficult too many manage and make coordination complicated, it is recommended to have a minimum budget of 5 million USD for each project. To ensure diversity on the other hand, it is recommended to have an upper limit of 15 million USD. Tourism is mainly a private sector activity. The government's role is to develop the framework. Selected project should therefore focus on developing this framework and not stimulate the government to take over private sector operations. On the other hand operating bus lines or speed boat tours is therefore something that can be done by the private sector and does not have to be subsidized.

4.23 Based on the above demand and in the context of results presented in Chapter 1-4, a long list of projects has been developed in Chapter 5. The above criteria have subse-

quently been applied to come to a short list of 10 integrated projects.

1) Focal Points and Strategies

4.24 Strengthening these demand issues will require:

- (i) Effective inter-provincial tourism management schemes and leadership
- (ii) Coordinated and strategic investments in infrastructure, training and environmental planning

Table 4.4.1 Proposed Focal Points

| Focal Points | Descriptions |
|---|--|
| <ul style="list-style-type: none"> ■ Attractions: Identification of Target Tourism Resources/ Products | <ul style="list-style-type: none"> • World cultural and natural heritage sites • Traditional villages • Ecosystems • Resorts (marine, land) |
| <ul style="list-style-type: none"> ■ Safety and Amenity: Improvement of Infrastructure Services at Destinations | <ul style="list-style-type: none"> • Utility services (water, power, telecom) • Sanitary conditions (drainage, wastewater, garbage) • Operation, maintenance, management |
| <ul style="list-style-type: none"> ■ Accessibility: Linking of Destinations through Adequate Transportation | <ul style="list-style-type: none"> • International direct access (air, land, sea) • Connectivity with Hanoi/ HCMC (expressway, high-speed railway, domestic air) • Local transportation connectivity (World Heritage Route at regional/ international levels, tourism circuit, rural transportation) • Comfort in transport (maps, signs, pedestrian friendly areas) |

Source: DaCRISS Study Team.

Table 4.4.2 Approach and Strategy

| Main Scope | Approach and Strategy |
|---|--|
| <ul style="list-style-type: none"> ■ Promotion | <ul style="list-style-type: none"> • Conductive investment environment • Coordinated sales and marketing • Development of new products |
| <ul style="list-style-type: none"> ■ Development of New Products | <ul style="list-style-type: none"> • MICE (meeting, incentives, conference, exhibition/ events) • Marine sports/ activities • Entertainment/ amusement facilities • Weekend houses (or long term rentals) • International retirement villages |
| <ul style="list-style-type: none"> ■ Sector Management | <ul style="list-style-type: none"> • Interprovincial coordination • Funding, user charges, dedicated taxes • Capacity building • Carrying capacity (traffic management) • Comprehensive urban planning/ management for Hoi An and Hue City |

Source: DaCRISS Study Team.

4.25 Five initiatives of strategic importance nature must be encouraged by the People's Committee of the three provinces with the support of Central Government.

- (i) **Linking tourism strategy with integrated approach to natural resources protection and environmental protection at regional and local levels, in particular integrated water resources management (IWRM) and coastal zone integrated management (CZIM):** Regarding IWRM, two river basins are concerned in the three provinces: Vu Gia - Thu Bon and Huong river basins. Development of integrated approaches is slow in Vietnam: For instance, IWRM at the river basin level has been often circumscribed to irrigation and flood purposes. Recent regulatory measures (such as Decree 120/2008/ND-CP)⁶ now provides encouraging basis for improved effectiveness of these tools. The new Water Law to come should confirm the orientation of Vietnam in this way.
- (ii) **Inter-provincial approach to sustainable tourism should be encouraged to be based on a strong cooperation in the environmental sector, transportation and economic sector:** It is a source of cost saving and efficiency. In line with the Sustainable Development Implementation in Vietnam Report (Vietnam Agenda 21 Office, 2008), local Agenda 21 can be developed at provincial levels. Preparation of provincial Agendas 21 could be based on a strong coordination with the support of the central government. An inter-provincial Agenda 21, accepted as a pilot experience by the central government, could represent a general framework for a common understanding of the "commonwealth" Quang Nam Danang and Thua Thien Hue jointly represent in many sectors, in particular tourism.
- (iii) **Role of lower levels of government:** Sustainable tourism may remain only a word if local actors are not duly involved on a concrete project basis. Motivation and mobilisation, as well as awareness campaigns should rely on the involvement of District and communes authorities, as well as so called community-based representatives and mass association (in particular Women Association or Farmers Association, and Youth Association). Clear and concrete tasks could be proposed to these organizations to make successful sustainable tourism project. Heads of communes and vice presidents of districts could directly coordinate several initiatives with important local human and social dimensions.
- (iv) **Mobilizing the small tourism business sector:** Tourism in the three provinces concerns large Vietnamese and international firms, but also requests the mobilization of small investors, sometimes individual entrepreneurs (hotel owners, small travel agencies, etc.). Small business should be a pillar for a successful development of sustainable tourism. In particular, this type of business facilitates privileged relation with customers, local service providers and public services (guides, police, local healthcare centres and dispensaries...), craftsmen and restaurants. They are in a position to help these categories to "appropriate" sustainable tourism criteria through awareness campaigns.
- (v) **Developing innovative financial instruments for sustainable funding relevant initiatives, not only relying on governmental and ODA funds:** There are a number of documented examples, with sometimes very encouraging results, contributing to financial management of preserved zones with a high interest in tourism. These initia-

⁶ Decree 120/2008/ND-CP of Dec 01, 2008 on management, protection and integrated exploitation of resources and environment of hydropower and irrigation reservoirs

tives have helped to improve local populations' living standard by creating revenue generating activities and proposed business alternatives to entrepreneurs whose original activities presented a threat to sustainable development. Among these financial instruments:

- Creation of local trust funds (endowment, sinking or revolving) focusing on specific purpose (such as Conservation Trust Funds) and managed independently with support of community-level representatives, donors and NGOs.
- Use of credit lines available to Vietnam Development Bank and Local Development Investment Funds (one has been set in Danang)
- Creation of specific fees collected from non local customers by the tourism sector (such as hotels or tour operators) to cover specific expenses such as maintenance of sites
- Airport passenger fees
- Increase protected areas entry fees for non residents of the three provinces
- Fees on hydroelectric power revenues
- Systems of permits (diving, tourism fishing, etc.)
- Agreement with international pharmaceutical firms for biodiversity prospecting (R&D purposes).
- Voluntary contributions from tourists and large tourist operators
- Lottery (see experience of the UK and Netherlands)
- Real estate tax for conservation

4.26 Implementing financial innovative practices usually involves a large number of legal and regulatory difficulties as governmental authorization and involvement is required (such as establishing a new fee). Tourism professional also often overestimate the impact on the tariff in terms of competitiveness. Feasibility of these innovations has therefore to be considered carefully (in term of advantage cost analysis and organizational arrangements) with the appropriate method to motivate all parties.

5 PRELIMINARY ANALYSIS ON CANDIDATE PROJECTS

5.1 Identified Projects

5.1 Based on the study done by the project team a long list with projects has been identified. These projects are based on the JICA 2002 tourism study, discussions with main stakeholders, the DACRISS Master Plan and the different sectoral Master Plans of the different provinces. The identified projects are divided in the following groups:

- (A) Institutional Development
- (B) Human Resource Development
- (C) Tourism Destination Development
- (D) Infrastructure and Facility Development (Transportation)
- (E) Infrastructure and Facility Development (Accommodation)
- (F) Infrastructure and Facility Development (Service Facilities)
- (G) Resources Management
- (H) Environment Preservation
- (I) Marketing and Promotion

Table 5.1.1 Long List of Candidate Projects

| Sub Group ¹⁾ | ID and Project Name | Province ²⁾ | | | Source ³⁾ | Status ⁴⁾ | Investment | |
|-------------------------------------|--|------------------------|----|----|----------------------|----------------------|------------|----------------------|
| | | TTH | DN | QN | | | Cost (\$M) | Source ⁵⁾ |
| A. Institutional Development | A-1 Tourist Information Center | ● | ● | ● | 1 | | 0.6 | CG, LG |
| | A-2 Tourism Map Improvement | ● | ● | ● | P | | | |
| | A-3 Signboard Improvement | ● | ● | ● | P | | | |
| | A-4 Soft Loan System for Tourism Development | ○ | ○ | ○ | P | | | |
| | A-5 Maintenance System Establishment | ○ | ○ | ○ | P | | | |
| | A-6 Improvement of Tourism Association | ○ | ○ | ○ | P | | | |
| | A-7 Establishment of Tourism Statistics Center | ○ | ○ | ○ | P | | | |
| B. Human Resource Development | B-1 Tourism Institute of Vietnam | | ● | | 1 | O | 10 | CG, LG |
| | B-2 Development of a Human Resource Training Center | ● | ● | ● | P | | | |
| | B-3 Development of Training School and Hotel | ● | ● | ● | P | | | |
| | B-4 Professional Certification | ○ | ○ | ○ | P | | | |
| | B-5 Improve Foreign Language Teacher | ● | ● | ● | P | | | |
| C. Tourism Destination Development* | C-1 Tho Quang Tourist Village | | ● | | 2 | | | |
| | C-2 Hoa Bac Ethnic Minority Village | | ● | | 2 | | | |
| | C-3 Danang Cultural Park | | ● | | 2 | | | |
| | C-4 Ngu Hanh Son Tourist Village | | ● | | 2 | | | |
| | C-5 Khue Trung Cultural Park | | ● | | 2 | | | |
| | C-6 Sports Centre Nguyen Tri Phuong | | ● | | 2 | | | |
| | C-7 National Sports Center | | ● | | 2 | | | |
| | C-8 Quan Khu 5 Sports and Cultural Center | | ● | | 2 | | | |
| | C-9 Kim Long Ecotourism and Garden House Village | ● | | | 3 | P | 10 | |
| | C-10 Establishment of Ancient Hue Craft Villages for Tourism | ● | | | 3 | P | 5 | |
| | C-11 Tourism Site at Luong Quan Sedimentation Ground | ● | | | 3 | P | 20 | |
| | C-12 Con Hen High – Class Ecotourism Area | ● | | | 3 | P | 50 | |
| | C-13 Expansion of Thanh Tan Ecotourism Area | ● | | | 3 | P | 10 | |
| | C-14 Chua – Tu Hien Mountain Ecotourism Area | ● | | | 3 | P | 10 | |
| | C-15 Tourism Area of Ta Oi – Pa Co Ethnic Minority Cultural Villages | ● | | | 3 | P | 5 | |
| | C-16 Hoi Can Relaxation Tourism Area | ● | | | 3 | P | 50 | |
| | C-17 Bach Ma Ecotourism Site | ● | | | 3 | P | 30 | |
| | C-18 Ecotourism Area in Vinh Xuan – Vinh Thai – Vinh An | ● | | | 3 | P | 30 | |
| | C-19 Thuan An Coastal Tourism Area | ● | | | 3 | P | 30 | |
| | C-20 Hong Ha Ecotourism Area | ● | | | 3 | P | 4 | |
| | C-21 Bot Do Tourism Area | ● | | | 3 | P | 2 | |
| | C-22 Thac Mo (Mo Stream) Ecotourism Area | ● | | | 3 | P | 5 | |
| | C-23 Dien Loc – Dien Hoa Marine Ecotourism Area | ● | | | 3 | P | 10 | |
| | C-24 West Tam Giang Lagoon Ecotourism Area | ● | | | 3 | P | 20 | |
| | C-25 Bai Ca Tourism Area | ● | | | 3 | P | 50 | |
| | C-26 Sport – Therapeutics Complex | ● | | | 3 | P | 10 | |
| | C-27 Hue Exhibition and Convention Center | ● | | | 3 | P | 5 | |
| | C-28 International Conference Center in South West of Ngu Binh | ● | | | 3 | P | 10 | |
| | C-29 Bach Ma Ecotourism Area and Casino | ● | | | 3 | P | 100 | |
| | C-30 Site Clearance in Xa Tac for Intangible Heritage | ● | | | 4 | | | |

| Sub Group ¹⁾ | ID and Project Name | Province ²⁾ | | | Source ³⁾ | Status ⁴⁾ | Investment | |
|---|---|------------------------|----|----|----------------------|----------------------|------------|----------------------|
| | | TTH | DN | QN | | | Cost (\$M) | Source ⁵⁾ |
| | C-31 Ba Na Hills and Cable Car Development | ○ | ● | ○ | V | O | 11 | |
| | C-32 Son Tra Peninsula Development | | ● | | V | H | | |
| | C-33 Ethnic Minority Village Development | | | ● | V | H | | |
| | C-34 Song Thanh Natural Reserve | | | ● | V | | | |
| | C-35 Ban An (Dai Loc District) | | | ● | V | | | |
| | C-36 Rehabilitation of Hoi An Port | | | ● | V | P | | |
| | C-37 Marble Mountains Redevelopment | | ● | | V | P | | |
| D. Infrastructure and Facility Development (Transportation) | D-1 Airport Improvement Program | ○ | ○ | | 1 | O | 90 | CG |
| | D-2 Cruise Ship Passenger Terminal | | ○ | | 1 | | 1 | PPP |
| | D-3 Roadside Station Development | ● | ● | ○ | 1 | | 3 | LG |
| | D-4 Docking Facilities for Heritage Sites along Huong River (Hon Chen Temple) | ● | | | 4 | | | |
| | D-5 Improvement of Access Roads, Parking, Footpaths to Tombs | ● | | | 4 | | | |
| | D-6 Bypass Road Construction in Hue Imperial City | ○ | | | P | | | |
| | D-7 Access Road Improvement to Rural Tourism Sites | ○ | ○ | ○ | P | | | |
| | D-8 Accessibility Improvement from Hue City to A Luoi District | ○ | | | P | | | |
| | D-9 Land Waterways between Danang and Hoi An | | ● | ● | P | | | |
| | D-10 Development of Marble Mountains Area | | ○ | | P | | | |
| E. Infrastructure and Facility Development (Accommodation) | E-1 Lang Co Tourism Base (infrastructure + facilities (hotels, etc.) development) | ○ | | | 1 | | 45 55 | LG P |
| F. Infrastructure and Facility Development (Service Facilities) | F-1 Traditional Handicraft Improvement | ○ | | | 1 | | 4 | CG, LG |
| | F-2 Cultural Museum Information Network | ○ | ○ | ○ | 1 | | 4.5 | CG, LG |
| | F-3 Visitor Center Development | ○ | | ○ | 1 | | 2 | LG |
| | F-4 Hue – Danang Tourism Train Operation | ○ | ○ | | 1 | | 2 | CG, P |
| | F-5 Coastal Cycling Road Network | ○ | ○ | ○ | 1 | | 1.1 | LG |
| | F-6 High – Speed Ship Fleet for Tourists | ● | ● | ● | 3 | P | 20 | |
| | F-7 Tourism Facility Improvement in Historical Tombs (shops, toilets, signboards, tourism products) | ○ | | | 4 | | | |
| | F-8 Boat Tour (Danang – Hoi An) | | ● | ● | V | | | |
| | F-9 Water Safety Program | ● | ● | ● | V | | | |
| | F-10 Trekking Road Network | ○ | ○ | ○ | P | | | |
| | F-11 Small Scale Rural Water Supply | ○ | ○ | ○ | P | | | |
| | F-12 Infrastructure Upgrading along Ho Chi Minh Trail | ● | ● | ● | P | | | |
| | F-13 Ecotourism Infrastructure in Nam Tra My and Bac Tra My | | | ○ | P | | | |
| | F-14 Tourism along Giang River | | | ○ | P | | | |
| | F-15 Tourism along Vu Gia river | | | ○ | P | | | |
| | F-16 Sidewalk Improvement of Hoi An Old Town Access Road for Cycling | | | ○ | P | | | |
| G. Resources Management | G-1 Forbidden Purple City Monuments Restoration | ○ | | | 1 | | 1.8 | CG, LG |
| | G-2 Village Tourism Supporting Program | ○ | | ○ | 1 | | 1.6 | PPP |
| | G-3 My Son Archeological Park Improvement | | | ○ | 1 | | 13.5 | CG, LG |
| | G-4 Hue Urban Management | ○ | | | 1 | | 3 | LG |

| Sub Group ¹⁾ | ID and Project Name | Province ²⁾ | | | Source ³⁾ | Status ⁴⁾ | Investment | | |
|--|---|---|----|----|----------------------|----------------------|------------|----------------------|--|
| | | TTH | DN | QN | | | Cost (\$M) | Source ⁵⁾ | |
| | G-5 Hoi An Urban Management | | | ○ | 1 | | | LG | |
| | G-6 My Khe – Non Nuoc Coastal Area Development (infrastructure + facilities (hotels, etc.) development) | | ● | | 1 | | 20 40 | LG P | |
| | G-7 Champa Parks and Site Museums Program | ○ | ○ | ○ | 1 | | 11.5 | CG, LG | |
| | G-8 Hoi An Flood Hazard Mitigation | | | ○ | 1 | | 15.5 | LG | |
| | G-9 Drainage Upgrading in Hue Citadel | ○ | | | 4 | 0 | | | |
| | G-10 Craft Village Complex | ● | ○ | ● | P | | | | |
| | G-11 Development of Heritage Inventory | ○ | | ○ | P | | | | |
| | G-12 Disaster Protection for Rural Tourism Sites | ○ | ○ | ○ | P | | | | |
| | G-13 Alternative Tourism Activities Generating Revenues for Poor Residents | ○ | ○ | ○ | P | | | | |
| | G-14 Humid Zones and Inland Water Tourism around Tam Giang Lagoon | ○ | ○ | ○ | P | | | | |
| | G-15 Improvement of Coastal Safety | ○ | ○ | ○ | | | | | |
| | G-16 Establish Tourist Police | ○ | ○ | ○ | | | | | |
| | H. Environment Preservation * | H-1 Wastewater Treatment at Tourism Sites | ● | ● | ● | V | | | |
| | | H-2 Integrated Marine Protection | ○ | ○ | ○ | P | | | |
| | | H-3 Eco-Lakes Management Networks | ○ | ○ | ○ | P | | | |
| | I. Marketing and Promotion * | I-1 Tourism Complex and Route Development | ○ | ○ | ○ | P | | | |
| I-2 Tourism Promotion via Cham Culture | | ○ | ○ | ○ | P | | | | |

¹⁾ Sub groups originate from the JICA 2002 study. Groups with * mark are newly proposed in this study

²⁾ TTH = Thua Thien Hue Province, DN = Danang City, QN = Quang Nam / colored circles indicate high interest from local governments

³⁾ 1 = JICA 2002 Study 2 = Danang Tourism Development Master Plan 2001–2010, 3 = T. T. Hue Adjusted Tourism Development Master Plan up to 2010 and Orientation up to 2020, 4 = Hue Heritage Taskforce, V = Province / City Meetings, P = proposed by the Study Team

⁴⁾ P = planned, C = committed, O = ongoing

⁵⁾ CG = central government, LG = local government, P = private, PPP = public private partnership

5.2 Assessment and Selection of Priority Projects

1) Criteria

5.2 Thua Thien Hue, Danang and Quang Nam share the same vision for tourism development – sustainable tourism. All stakeholders shared the view that environment is a major concern while developing tourism activities. It is there suggested that selected projects will undergo a thorough environmental impact assessment and, if possible an environment component will be added to each of them. Although there are many individual provincial demands for investment in tourism it was decide that regional cooperation should be improved and selected projects should therefore be beneficial to more than 1 project. Finally in addition to regional cooperation, project should build on the unique selling point of each province and stimulate tourist to stay longer and spend more. Therefore most projects selected would contribute to this diversification and add new tourist destinations rather than improve existing destinations. Taking this demand into consideration the project established a number of criteria that were applied for the list of projects. The following criteria were identified (see also Chapter 4)

- (i) The project should encourage regional cooperation and benefit at least 2 but preferably all three provinces;
- (ii) The project should comply with sustainable tourism development concept and especially be (or become) environmentally sound and socially acceptable;
- (iii) The project should be building on the unique selling point of each province and complement each other not stimulate competition between provinces; and
- (iv) The project budget should be a moderate amount and implemented with initiatives of the public sector.

2) Proposed Projects / Project Packages

5.3 After a first selection based on the criteria above, the listed project should also respond to the demand by the government as formulated above (accessibility, hospitality and services and environment). Based on that the following 10 projects have been selected (see Table 5.2.1).

- (i) Strengthening tourist organizations and information
- (ii) Development of the tourism Institute of Vietnam – Branch of Central Vietnam (pilot)
- (iii) Hue – Danang tourism train operation (future extension to Tam Ky)
- (iv) Improvement of waterways linking Danang and Hoi An
- (v) Improve tourism safety and develop disaster preparedness
- (vi) Village tourism supporting program
- (vii) Integrated lake and marine protection
- (viii) Rural water supply and sanitation improvement
- (ix) Infrastructure upgrading along HCM trail
- (x) Sustainable development program for Hoi An
- (xi) Expansion of international partnership between HDQ and qualified cities/ economies

3) Project Profile

5.4 A more detailed project profile has been prepared in Table 5.2.2.

Table 5.2.1 Short Description of Proposed Tourism Projects for DaCRISS by the Study Team

| Combined Project | Original ID | Components | Contents and Description |
|--|--|--|---|
| 1. Strengthening tourist organizations and information | A-1/F-3 | Tourism Information centers and visitor centres | Construction/renovation of tourism centers including facilities in all three provinces. This should also be combined with Capacity Building. |
| | A-2 | Tourist Map Improvement | Identify needs of tourists and improve existing tourist maps available. This would entail a special map for the three provinces but also more specific maps of old and new tourism circuits (tracking map, bicycle map, Craft villages map etc). |
| | A-3 | Signboard Improvement | Prepare uniform signboards nearby main tourism destinations, along main roads and within cities and villages to guide tourists and create a three provinces branding. |
| | A-6 | Improvement of Tourism Association | Improve the Tourism Association by the union of 3 province and regions in order to achieve sustainable tourism development, through capacity building, study tours, TA |
| | B-4 | Professional Certification | Establish Hotel and Restaurant Professional Certification for service and manner improvement, work out Green Label initiative for regional hotels (see also below) |
| | I-1 | Tourism Complex and Route Development | Develop tourism complexes and promote them as packaged tour routes (possible routes described below). <ul style="list-style-type: none"> • Hoi An old town – craft village – vegetable village – boat tour • My Son sanctuary – craft village – fruit village – hot spring • Tam Ky – Phu Ninh lake – craft village |
| | I-2 | Tourism Promotion via Cham Culture | Define “Cham” as a common theme among the 3 provinces and develop promotion activities centering this theme. |
| | F-2 | Cultural Museum network | Small museums could be developed on site for the different cultural tourist attractions. This would include Champa Park and sites museum (G7) |
| | To be discussed in long list | Develop a green label for tourism business | A Labelling system for sustainable tourism at the business level in Vietnam is emerging, and correspondence with international labelling systems for hotels and leisure organizations (such as Green Globe, Green Leaf or Green Key). Vietnam is since 2 years engaged in a process of certification related to sustainable tourism, under the coordination of VNAT. Pilot experiences have been conducted in Hanoi and Dalat (Green certification for the all Lam Dong province) and could be extended to CFEZ |
| | G-11 | Development of Heritage Inventory | Many heritage sites or buildings are unknown to the general public and tourist and scattered through the three provinces. Intangible heritage is also often unknown. A database that contains information on tangible and un tangible heritage would there form a useful basis for possible future tourism projects in this field . Formulate a detailed inventory (database) of heritage sites in the region. Preferably managed by GIS and easy to update. |
| H-4 | Biodiversity and tourism in central region | Action plan to co-ordinate MONRE and DONRE initiatives related to protected areas and VNTA efforts in Central region, including improvement of fauna and floristic lists (land and marine), knowledge on habitat and related database and digitalized mapping, guidelines for tourism business and visitors. | |
| 2. Development of the tourism Institute of Vietnam – Branch of Central Vietnam (pilot) | B-1 | Tourism Institute of Vietnam | The tourism institute of Vietnam will be a centre of excellence on tourism in Vietnam, do research, train human resource and be the knowledge hub in the sector. Danang ? |
| | B-2 | Development of a Human Resource Training Center | Develop a major human resource training center for tourism. The center should have OJT programs in cooperation with hotels, restaurants, etc. in the region to supplement practical training that is lacking in existing training centers and will be located in Danang . |
| | B-3 | Development of Training School and Hotel | Develop a major training school and training hotel together for service management improvement . |
| | B-5 | Improve English Language for tourism staff | Development and improvement of teaching staff for teaching method, tool, curriculum and system. |
| 3. Hue-Danang tourism train operation | D-3 | Roadside Station development | To develop roadside stations along the proposed rail line in project F-4. |
| | F-4 | Improvement of Hue-Danang- | To improve the current railway system between Hue-Danang-Tam Ky |

| Combined Project | Original ID | Components | Contents and Description |
|---|-------------|---|--|
| | | Tam Ky rail line | by upgrading its facilities and service. |
| 4. Improvement of waterways linking Danang and Hoi An | D-9 | Land Waterways construction between Danang and Hoi An | Creating a tourism spot through a 15km waterway to be constructed after removing the sediments presently lying in the Co Co river bed. Use solar boats to avoid water pollutions and noise. |
| 5. Improve tourism safety and develop disaster preparedness | G-15 | Improvement of Coastal Safety | Establish guidelines and regulations for resilience of coastal tourism issues. |
| | G-16 | Strengthen rescue and safety organization for tourism | To secure the safety of tourists (including assessment of main risks and information to tourists).in cooperation with Rescue Centres and Police. |
| | G-12 | Disaster Protection for Rural Tourism Sites | Develop countermeasures for mudslides and other natural disasters in rural areas since they prevent tourists from visiting ethnic villages, remote craft villages, etc. This is especially important given the fact that the high season for international tourists is the rainy season in the region. |
| | F-9 | Water Safety Program | Improve safety for swimming in water at coastal and river places where swimming takes place |
| 6. Village tourism supporting program | F-1/G-10 | Traditional Handicraft Improvement | Develop a centre on know-how and techniques in line with cultural approach (define handicraft product lines linked to history or nature) and strengthening existing craft villages |
| | F-5 | Cycling routes between and around villages | Cycling is an easy to organize and easy to (locally) manage activity that contributes to make village tourism more attractive. |
| | F-10 | (Highlands ?) Trekking Road Network | Develop road networks for trekking. Should be connected with safety issues and signboards. Very important to consider maintenance and participation of local residents to do this job. |
| | D-7 | Access Road Improvement to Rural Tourism Sites | Improve access roads to ethnic villages, remote craft, eco villages. |
| | G-13 | Alternative Tourism Activities Generating Revenues for Poor Residents | Help poor local residents (near protected areas in particular) to develop business in line with tourism activities however avoiding those which may damage the reputation of sites: selling of natural objects, informal street selling and begging, etc.) |
| 7. Integrated Lake and marine protection | H-2 | Integrated Marine Protection | Protect marine ecosystems in Son Tra Peninsula (Danang), Tam Giang Lagoon (T.T. Hue), Cham Islands (Quang Nam). Cooperation with PEMSEA project is recommended. |
| | H-3 | Eco – Lakes Management Network | Develop information network and promotion and routes for lakes and reservoirs of the region: Phu Ninh, Dak My, Hoa Trung, future Ta Trach and Dak My reservoirs, etc. This would include good understanding of environment /water resource protection requirements. |
| 8. Rural water supply and sanitation improvement | H-1 | Waste water treatment at tourism sites | Give priority to small scale facilities. Propose solutions for cost recovery owing to tourism development. Institutional arrangements to be considered. Benefit to local residents important |
| | F-11 | Small Scale Rural Water Supply in support of project 6 and 9 | Develop small scale water supply facilities for rural tourism sites (eco-tourism, handicraft villages, etc.). In connection with CERWASS (under MARD) and DARD. O&M to be financed by revenues of tourism and local residents. |
| 9. Infrastructure upgrading along HCM trail | new | Road improvement | Connect the 3 provinces by the HCM Trail. Currently road conditions are good. However other infrastructure and amenity are poor: lodging, water supply to be improved, solid waste management, waste water management, improve" signboards and access to trekking roads. |
| | new | Identification of tourism potential | See above |
| | new | Water supply and electricity | See above |
| | new | Waste and sanitation | See above |
| 10. Sustainable development program for Hoi An | new | Infrastructure facilities upgrading | Renew and upgrade facilities for safe water supply, waste water treatment system, and solid waste management. |
| | new | Application of entrance fees | Apply entrance fees to the town itself and introduce tourism tax. |
| | new | Financial support for maintaining ancient houses | Provide subsidies to families who maintain traditional ancient houses which have cultural value. |
| | new | Environmental protection | Cooperate with neighbouring resorts on environmental protection. |
| 11. Expansion of | New | Dialogue mechanism | Establish a dialogue mechanism between HDQ and Okinawa. |

| Combined Project | Original ID | Components | Contents and Description |
|---|-------------|--|---|
| international partnership between HDQ and qualified cities/ economies | new | Partnership program on sustainable tourism development | Develop a partnership program on sustainable tourism development including research, training, investment promotion, exchange of human resources, tourism sector management, etc. |
| | new | Seminar | Launching a seminar to promote the program. |

Source: DaCRISS Study Team.

Table 5.2.2 Proposed Projects / Project Packages for Short-term Implementation (1)

| Project Title: 1. Strengthening tourist organizations and information | |
|---|---|
| <p>Project Implementing Agency: VNAT Cooperation required from DoCST of all three provinces, tour operators and hotels</p> | |
| <p>Project Location: Tourism Information centers and visitor centers</p> <ul style="list-style-type: none"> • At the airports in Danang and Hue • At railway stations in Hue, Danang and Tam Ky • Within the city centers of Hue, Danang and Hoi An • At selected tourist sites <p>Project Activities</p> <ol style="list-style-type: none"> 1) Selection of a common tourism brand name for the region 2) The development of tourist maps (regional, city maps and site specific) 3) Development and improvement of signboards (on tourist site, in cities and between cities on major roads) 4) Strengthening of Tourism Associations (in all three provinces) 5) Development of Professional Certifications (not site specific) 6) Develop new tourism Routes/circuits 7) Promotion of the Cham Culture 8) Development of a Cultural Museum network 9) Development of Heritage Inventory 10) Development and testing of a green label for tourism 11) Coordinate and integrate bio-diversity into tourism | <p>Project Description:</p> <ul style="list-style-type: none"> • In order to strengthen and support the overall tourism development, it is suggested that this project supports the organizational side of the existing tourism bodies improve information about tourism and develop new products. This will be a combination of Technical Assistance and physical projects and includes the projects listed on the left: • Construction/renovation of tourism centers including facilities at airports and railway stations but also with the cities and at tourism destinations. This should also be combined with Capacity Building of Government officers and private operators like tour guides, travel agents and local village people (see project 6). • The development of tourist maps would entail a special map for the three provinces but also more specific maps of old and new tourism sites and circuits (tracking map, bicycle map, Craft villages map). Sign boards should be uniformly designed nearby main tourism destinations, along main roads and within cities villages to guide tourists. A uniform and similar design would contribute to the regions branding and emphasize/strengthen the regional cooperation. • Tourism circuits should be developed and be promoted as packaged tour routes. This should be done in close collaboration with project 6 and locations where cham culture remains. Small museums could be developed on site for the different cultural tourist attractions. This would include Champa Park and sites museum and newly identified heritage and biodiversity sites. • Many heritage sites or buildings are unknown to the general public and tourist and scattered through the three provinces. also MONRE and DONRE initiatives related to protected areas and VNTA efforts in Central region, including improvement of fauna and floristic lists should be developed. Databases that contains the above information would form a useful basis for possible future tourism projects. • In addition to the development of new product above strengthening of the tourism organization can also be done through; improving the Tourism Association by the union of 3 province and regions in order to achieve sustainable tourism development, through capacity building, study tours, TA; Establishing Hotel and Restaurant Professional Certification for service improvement and develop and test a (green) labeling system for sustainable tourism at the business level in Vietnam. Pilot experiences have been conducted in Hanoi and Dalat (Green certification for the all Lam Dong province) and could be extended to CFEZ |
| <p>Statement of Need:</p> <p>It is generally recognized that information provision and guidance for tourism is weak and often depending on individuals or tour operators. The number of destinations is also limited in number as well as diversity. This is limiting the choice tourists have and does also reduce to change that tourist will stay longer and/or return.</p> <p>In Vietnam, tourists must buy tourist information materials such as a city or town map at a tour company's counter. Basic tourist information for free of charge will largely facilitate tourists, and Vietnam will be fully recognized as a tourist-friendly destination in major source markets.</p> | |
| <p>Project Benefit:</p> <p>Basic information on tourist sites, transportation, accommodations, shops and restaurants should be provided for free of charge to tourists. That will eventually facilitate tourists, and those involved in tourism related business can get economic benefit from the advertisement they placed in TIC's tourist information brochures. New tourism destinations and a more diverse product will not only attract more tourist but they will also stay longer, return more often and spend more. This will have a significant impact on the economy of the three provinces</p> | |
| <p>Project Cost Estimate: (to be worked out)</p> <ol style="list-style-type: none"> 1. Tourism Information centers and visitor centers (At the airports in Danang and Hue, At railway stations in Hue, Danang and Tam Ky, Within the city centers of Hue, Danang and Hoi An, At selected tourist sites) 2. The development of tourist maps (regional, city maps and site specific) 3. Development and improvement of signboards (on tourist site, in cities and between cities on major roads) 4. Strengthening of Tourism Associations (in all three provinces) 5. Development of Professional Certifications (not site specific) 6. Develop new tourism Routes/circuits 7. Promotion of the Cham Culture 8. Development of a Cultural Museum network 9. Development of Heritage Inventory 10. Development and testing of a green label for tourism 11. Coordinate and integrate bio-diversity into tourism | |

Table 5.2.3 Proposed Projects / Project Packages for Short-term Implementation (2)

| Project Title: 2. Development of the tourism Institute of Vietnam – Branch of Central Vietnam (pilot) | |
|--|--|
| <p>Project Implementing Agency: VNAT People's Committee of Thua Thien Hue, Danang, Quang Nam and the private sector.</p> | |
| <p>Project Location:</p> <ol style="list-style-type: none"> 1. Danang City, Central region of Vietnam 2. Beachside location 3. Site is 5 ha in total (including institute facility, training hotel, restaurant, banquet hall and student dormitory) | <p>Project Description:</p> <ul style="list-style-type: none"> • In order to strengthen and support the overall human resource development, it is suggested to develop the tourism institute of Central Region in Vietnam. • This project is a pilot project of hub in the sector of human resource development. The project will include: <ol style="list-style-type: none"> (i) Construction of the Center of Institute (ii) Construction of a Training Hotel (iii) Construction of a Training Restaurant (iv) Construction of a Training Banquet hall (v) Construction of a Student Dormitory (vi) Human resource training courses will consist of management course (4-year course), low-level training course (2-year course and 3-, 6-month course) and foreign language course. (vii) Development and improvement of teaching staff, teaching method, tool, curriculum and course system. (viii) Development of tourism research center for central region in Vietnam. (ix) Feasibility study to develop the training hotel, restaurant and banquet hall of the institute. |
| <p>Project Schedule:</p> <p>Phase 1: Feasibility study to develop the training hotel, restaurant and banquet hall facility of the institute Phase 2: Construction Phase 3: (i) Recruitment of administration staff and teaching staff (hotel, restaurant, banquet and foreign language), (ii) Teacher training plan, (iii) Curriculum, teaching methods, tool and system development Phase 4: Enrolments of students</p> | |
| <p>Statement of Need:</p> <ul style="list-style-type: none"> • Not only is there a shortage of workers in the tourism industry, but the quality of hospitality training schools. is also low. Moreover, tourism industry requires highly qualified staff as workers rather than managers. Some schools are open for tourism human resources training but newly graduated students are unable to work independently due to a lack of training system. • The institute requires the cooperation of foreign tourism schools to develop of curriculum, teaching methods, tool and system. The private sector should be involved in setting up the schools and running it. Courses provided should be practical and curriculum should be designed in cooperation with the private sector. • There are two different type of education system for the human resource improvement, one for manager training, and the other for vocational training. These two education systems are completely different. Therefore, it is important to focus on both, but the focus has only been on management education in conventional training programs. • Ability of foreign language is one of the important indicators in tourism, but there are few employees which are trained to speak foreign languages. Therefore, it is important to develop teaching methods and curriculums. • The improvement of re-education system for foreign language is also important. • Basic tourism statistic data is also required for the sightseeing strategy of the Central Region of Vietnam. | |
| <p>Project Benefit:</p> <ul style="list-style-type: none"> • The project will provide 200 students (4-year course) with training per year, and 400 students (2-year course or less) through vocational training course provision. • Graduates will meet management skill requirements of the tourism industry in the Central region. • Graduates will meet customer-service skill requirements of hotels, restaurants and banquets for the Central region. • Graduates will meet the demand of tourism enterprises at international standard. • The institute will provide new models for a training system to be emulated in Vietnam, i.e. high quality management and service, foreign language skills, etc. • The improvement of service quality is important to entice tourist visitors to the central region and to expose tourists to different tourism resources, encouraging them to extend their period of stay. | |
| <p>Project Cost Estimate: (to be worked out)</p> <ol style="list-style-type: none"> 1. Earth work and site preparation 2. Building including (i) Administration, (ii) Training Hotel, (iii) Training Restaurant, (iv) Training Banquet Hall, (v) Student Dormitory 3. Utilities and equipments | |

Table 5.2.4 Proposed Projects / Project Packages for Short-term Implementation (3)




| Project Title: 3. Hue - Danang tourism train operation (future extension to Tam Ky) | | | | | | | | | | | | | | | | |
|---|--|---|--|-----------------|--|---|-----------------|--|---------------------------|-----------------|----------|--|---|--|--|--|
| Project Implementing Agency: Vietnam Railways (Promotion and service activity can be cooperated with other private company) | | | | | | | | | | | | | | | | |
| <p>Project Location: Railway between Hue City and Danang City Operating length of railway: 110 km Turnaround (one way): 2.5 hours</p>  <p>Scenery from a train</p>  <p>Train running Hai Van pass</p>  <p>Current status of Hue- Danang Train</p> | <p>Project Description:</p> <ol style="list-style-type: none"> Background: This project was once proposed by JICA project in 2002. As a result, a part of the project was realized, which was a promotion for tourist about train. The Railway route through Hai Van Pass is best known as a beautiful landscape in the south-north railway line. Potential of Hai Van Pass for tourism resource was proved by the fact that number of railway fun visited this line. 1.5 million of tourist visited Hue in 2007. The fact that two hundred fifty thousands are expected to use Phu Bai Airport in 2007 indicate that rest of many tourist also move from Hoi An and Danang. In Addition, once tourists arrive at Da Nang or Hue, they usually try to visit three world heritages of Hue, Hoi An and My Son in the same itinerary. After the opening of the Hai Van road tunnel, traveling by bus is much faster than the railway, however if railway can provide tourist value added and attraction, it can be a one alternative transport. Currently, Vietnam Railways is operating tourism trains between Danang and Hue by using normal train and normal service. This project is aiming at value added tourism train by providing better service. Objectives: Diversification of travel between Hue and Danang possibly Tamky (Future Extension), providing tourist for Value added and variety of transport , income generation for Vietnam Railways and relevant service. Project Period: 2011-2020 Activity: <ol style="list-style-type: none"> Operation of experimental tourism trains Marketing and business model establishment Training for service and promotion Minibus procurement for pick-up service Ticketing system improvement Procurement of passenger cars Start operation in 2013 Input: <ol style="list-style-type: none"> Passenger Car procurement: 8 cars (two sets) Technical Assistance(Foreign 24 month, Local 60 Months) Output: Tourism train is operated with value added service Operation: Passenger services and ticketing service can be coordinated with private company which has experienced high class passenger | | | | | | | | | | | | | | | |
| <p>Project Schedule: Phase 1 (2011–2012): (i) Operation of experimental trains, (ii) Renovation of current passenger cars, (iii) Minibus procurement for feeder services, (iv) Training for service and promotion Phase 2 (2013): (i) Start operation in 2013, (ii) Marketing and business model establishment, (iii) Ticketing system improvement, (iv) Procurement of passenger cars, (v) Expansion of the service capacity</p> | | | | | | | | | | | | | | | | |
| <p>Statement of Need: The north-south railway is running parallel to NR-1 and passing through under the Hai Van pass by tunnels. The scenery from the train between Hue and Da Nang is identified as one of the best tourist attractions. Operating tourism train is one of the potential tourism products in the Central Tourism Region. Although Hai Van Tunnel for NR-1 was opened and become better traveling condition, some tourists still be attracted for using train between Hue and Da Nang. If 2% of tourists traveling between Hue and Da Nang use the train, the annual demand on the tourism train is expected to be 50 thousands in 2010.</p> | | | | | | | | | | | | | | | | |
| <p>Project Benefit:</p> <ul style="list-style-type: none"> Provision of valued added transport service for the tourists encourages tour agents to formulate tour packages. Provision of various tour programs / products with an alternative transportation measure of railway Contribution to railway operation improvement of Vietnam Railways by passenger increase Contribution to mitigation of global environmental issues by less emission transport of railway | | | | | | | | | | | | | | | | |
| <p>Project Cost Estimate (Investment): 3.5 USD million</p> <table border="0"> <tr> <td>Phase 1:</td> <td>(i) Renovation of the 6 passenger cars</td> <td>0.6 USD million</td> </tr> <tr> <td></td> <td>(ii) Capacity building and other components</td> <td>0.6 USD million</td> </tr> <tr> <td></td> <td>(iii) Minibus procurement</td> <td>0.3 USD million</td> </tr> <tr> <td>Phase 2:</td> <td>(i) 2 trains (purchasing 8 passenger cars)</td> <td>2 USD million (1 USD million per train)</td> </tr> <tr> <td></td> <td>(ii) Operation cost and miscellaneous cost shall be covered by the operator.</td> <td></td> </tr> </table> | | Phase 1: | (i) Renovation of the 6 passenger cars | 0.6 USD million | | (ii) Capacity building and other components | 0.6 USD million | | (iii) Minibus procurement | 0.3 USD million | Phase 2: | (i) 2 trains (purchasing 8 passenger cars) | 2 USD million (1 USD million per train) | | (ii) Operation cost and miscellaneous cost shall be covered by the operator. | |
| Phase 1: | (i) Renovation of the 6 passenger cars | 0.6 USD million | | | | | | | | | | | | | | |
| | (ii) Capacity building and other components | 0.6 USD million | | | | | | | | | | | | | | |
| | (iii) Minibus procurement | 0.3 USD million | | | | | | | | | | | | | | |
| Phase 2: | (i) 2 trains (purchasing 8 passenger cars) | 2 USD million (1 USD million per train) | | | | | | | | | | | | | | |
| | (ii) Operation cost and miscellaneous cost shall be covered by the operator. | | | | | | | | | | | | | | | |

Table 5.2.5 Proposed Projects / Project Packages for Short-term Implementation (4)

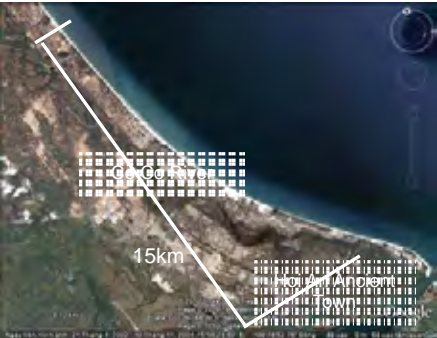
| Project Title: 4. Improvement of waterways linking Danang and Hoi An | | | | | | | | | | | | | | | |
|--|--|--|-----------------------------------|---|-----------------|-------------------------------|-----------------|---|-----------------|---|-----------------|--|-----------------------------|---------------|-------------------------------|
| Project Implementing Agency: DARD of Danang and Quang Nam | | | | | | | | | | | | | | | |
| <p>Project Location: Co Co River between Danang and Hoi An Location</p>  <p>Location Map of CoCo River Source: Google Map</p> | <p>Project Description:</p> <ol style="list-style-type: none"> Background: It used to have a channel between Hoi An and Danang until early 20th century. Channel was used as one of major transport between two towns. After the development of land transport, this channel was reclaimed. Currently, tourist for Hoi An mostly travel by car from Danang. Objectives: This project is aiming at <ol style="list-style-type: none"> Diversifying transport by value added water transport between Hoi An and Danang ; and Providing better water environment the channel has a function to alleviating floods. Project period and schedule: (2015 to 2020) Project shall start in connection with the development of sewer along the channel. (2010 -2015) Dredging the Co Co river in accordance with sewerage development done by other project Input : <ol style="list-style-type: none"> Project Cost: to be worked out Dispatch experts: to be worked out Operation cost : 0.2 million USD Output: <ol style="list-style-type: none"> Dredging the Co Co River bed (Local Government) Procurement of Eco-friendly ships(Solar Ships) Development of River ports Create a good Environmental condition for tourist and neighbors Measures for water quality improvement, Landscape improvement Capacity building for operator Tourism Promotion, Enhancement of operational capacity, Transportation Service from/for Hotels and Airport, Customer Relations, Environmental education for relevant water users Operation and Maintenance Dredging canals once in a year after rainy season, Water Environment Improvement along the canal | | | | | | | | | | | | | | |
| <p>Statement of Need: Total number of tourists who travel to Hoi An exceeds more than one million. If only a two percent of passengers use this transport, number will be twenty thousands. The traveling time by a car is almost thirty minutes, while water transport is expected to 1.5 hours and transfer is required. Therefore, there are no competitiveness for water transport in terms of time. Value added transport is one of advantage which water transport might provide. .</p> | | | | | | | | | | | | | | | |
| <p>Project Benefit:</p> <ul style="list-style-type: none"> Provision of valued added transport service for the tourists encourages tour agents to formulate tour packages. Provision of various tour programs / products with an alternative transportation Contribution to water environmental improvement Contribution to mitigation of global environmental issues by less emission transport of railway | | | | | | | | | | | | | | | |
| <p>Project Cost Estimate: 5.1 to 6.2 USD million</p> <table border="0"> <tr> <td>1. Dredging the Co Co River bed (Local Government)</td> <td>3 to 4 million USD (Local Budget)</td> </tr> <tr> <td>2. Procurement of Eco-friendly ships(Solar Ships)</td> <td>0.5 million USD</td> </tr> <tr> <td>3. Development of River ports</td> <td>0.5 million USD</td> </tr> <tr> <td>4. Create a good Environmental condition for tourist and neighbors Measures for water quality improvement, Landscape improvement</td> <td>0.5 million USD</td> </tr> <tr> <td>5. Capacity building for operator Tourism Promotion, Enhancement of operational capacity, Transportation Service from/for Hotels and Airport, Customer Relations, Environmental education for relevant water users</td> <td>0.5 million USD</td> </tr> <tr> <td>6. Operation and Maintenance Dredging canals once in a year after rainy season, Water Environment Improvement along the canal</td> <td>0.1 to 0.2 USD million/Year</td> </tr> <tr> <td>Total:</td> <td>5.1 to 6.2 USD million</td> </tr> </table> <p>Operation cost for the transportation cost including solar ship and transportation service shall be included in the operator's expense, since they have income from the customer.</p> | | 1. Dredging the Co Co River bed (Local Government) | 3 to 4 million USD (Local Budget) | 2. Procurement of Eco-friendly ships(Solar Ships) | 0.5 million USD | 3. Development of River ports | 0.5 million USD | 4. Create a good Environmental condition for tourist and neighbors Measures for water quality improvement, Landscape improvement | 0.5 million USD | 5. Capacity building for operator Tourism Promotion, Enhancement of operational capacity, Transportation Service from/for Hotels and Airport, Customer Relations, Environmental education for relevant water users | 0.5 million USD | 6. Operation and Maintenance Dredging canals once in a year after rainy season, Water Environment Improvement along the canal | 0.1 to 0.2 USD million/Year | Total: | 5.1 to 6.2 USD million |
| 1. Dredging the Co Co River bed (Local Government) | 3 to 4 million USD (Local Budget) | | | | | | | | | | | | | | |
| 2. Procurement of Eco-friendly ships(Solar Ships) | 0.5 million USD | | | | | | | | | | | | | | |
| 3. Development of River ports | 0.5 million USD | | | | | | | | | | | | | | |
| 4. Create a good Environmental condition for tourist and neighbors Measures for water quality improvement, Landscape improvement | 0.5 million USD | | | | | | | | | | | | | | |
| 5. Capacity building for operator Tourism Promotion, Enhancement of operational capacity, Transportation Service from/for Hotels and Airport, Customer Relations, Environmental education for relevant water users | 0.5 million USD | | | | | | | | | | | | | | |
| 6. Operation and Maintenance Dredging canals once in a year after rainy season, Water Environment Improvement along the canal | 0.1 to 0.2 USD million/Year | | | | | | | | | | | | | | |
| Total: | 5.1 to 6.2 USD million | | | | | | | | | | | | | | |

Table 5.2.6 Proposed Projects / Project Packages for Short-term Implementation (5)

| | |
|--|---|
| Project Title: 5. Improve tourism safety and develop disaster preparedness | |
| Project Implementing Agency: Thua Thien Hue, Danang, and Quang Nam or MONRE Cooperation required from (non exhaustive list): Flood and Storm Prevention and Control Committees at ministerial levels; Provincial Committees for Flood and Storm Prevention and Control Search and Rescue acting with the support of concerned departments, all other relevant departments, in particular Department of Transport, DONRE and DARD. | |
| Project Location: 1. Vulnerability diagnosis in highlands Thua Thien Hue, Danang and Quang Nam tourism areas: in Thua Thien Hue (Phu Loc, Nam Dong, Phong Dien, and A Luoi districts), Danang (Hoa Vang, Lien Chieu and Son Tra districts) and Quang Nam (Phu Ninh, Nui Than, Tam My districts and Cham islands) tourism areas 2. Preparedness measures for natural tourism sites. In particular: in Thua Thien Hue (Phu Loc, Nam Dong, Phong Dien, and A Luoi districts), Danang (Hoa Vang, Lien Chieu and Son Tra districts) and Quang Nam (Phu Ninh, Nui Than, Tam My districts and Cham islands) tourism areas 3. Tourism roads safety in Quang Nam (Nam Tra My, Bac Tra My, Phuoc Son and Hiep Duc districts), Danang (Lien Chieu, Hoa Vang districts) and Thua Thien Hue (A Luoi, Huong Tra and Phu Loc districts) | Project Description: In order to strengthen and support the overall safety of tourism development and increase tourism attractiveness. This will be a combination of Technical Assistance and physical projects and includes the projects listed on the left: 1. Vulnerability diagnosis. Mapped (digitalized) diagnosis of the vulnerability of most tourism sites in Quang Nam, Danang and Thua Thien Hue in regards with floods, storm, landslides and forest fires 2. Preparedness measures for natural tourism sites. Scenarios for rescue of tourism population in these areas and preparation of rescue and inter-provincial cooperation plans for local medical assistance (including local hospitals and dispensaries) and evacuation in case of extreme natural event. This will include a technical assistance for training and capacity building of relevant staffs of district concerned 3. Tourism roads safety. Landslides protection on selected sections of roads with tourism interest and liaison function with populations living in highlands: Structural works with appropriate containment / protection methods fitting with the protection of landscape beauty. |
| Statement of Need: The three provinces face with the necessity to face with safety of tourists, tourism staff and local population living in tourism areas. Many of these areas are remote from the most important urban centers and have few local facilities to meet with occurrence of accidents, in particular related to unsafe traffic resulting from landslides and falls of rocks (in particular during rainy season) – although many containment and protection works have been already realized Tourism attractiveness of these areas will be subordinated to their safe liaison with plain areas. Capacity of authorities to prepare themselves to manage risks related to an increase of tourism in the three provinces will be related to diagnosis and preparation of rescue measures. | |
| Project Benefit: The project will contribute to attractiveness of the region by preventing accidents to happen to tourism population. This will also directly benefit to local populations since resulting measures will make their daily life safer. This project will be in line with adaptation to climate change effects, in particular heavy rains and floods. | |
| Project Schedule: The project would last 2 years. Year 1: Start with vulnerability diagnosis Year 1: Be pursued with preparedness measures and identification of sections and selection of containment measures for road safety Year 2: Construction works for road safety. | |
| Project Cost Estimate: 5 USD million (not included possible counterpart funds; need farther elaboration) (i) Vulnerability diagnosis: 0.2 USD million (ii) Preparedness measures for natural tourism sites: 0.8 USD million (iii) Tourism roads safety: 4 USD million (cost of 0.1 USD million / 10 m of road sections) | |

Table 5.2.7 Proposed Projects / Project Packages for Short-term Implementation (6)

| | |
|---|--|
| Project Title: 6. Village tourism supporting program | |
| Project Implementing Agency: Thua Thien Hue, Danang, and Quang Nam or MARD People's committees in communes, VNAT | |
| <p>Project Location: 5-10 villages in the three provinces. TT Hue, Quang Nam, Danang Target villages are selected from the following criteria.</p> <ul style="list-style-type: none"> • Inhabitants of the villages are willing to participate in the village tourism activities, • The villages have some kinds of tourism resource • The villages are part of a potential cluster of villages that can be combined in a newly developed tourism circuit • Economic activities of the villages are limited and inhabitants are looking for livelihood methods. | <p>Project Description: Development of village tourism in the Central Region can diversify tourism products and support people's daily life through tourism related business activities. In order to attract tourists, development and/or upgrading of infrastructures and facilities are necessary. The project will assist villages to set up Village tourism companies consisting of inhabitants, local governments and tour companies who prepare plans. After submission to the implementing agency, the office evaluates the plans, selects villages and supervises project implementation. Project includes the construction of the following infrastructures and facilities.</p> <ol style="list-style-type: none"> 1. Access roads to the village, water supply system, waste water treatment system, solid waste management (see also project 8) 2. Traditional Handicraft Improvement. Develop a centre on know-how and techniques in line with cultural approach (define handicraft product lines linked to history or nature) and strengthening existing craft villages 3. Cycling routes between and around villages 4. Develop road networks for trekking. Should be connected with safety issues and signboards 5. Define tourism products in line with environmental objectives ecological and environmental friendly lodges for tourists, trekking routes. 6. Alternative Tourism Activities Generating Revenues for Poor Residents 7. Help poor local residents (near protected areas in particular) to develop business in line with tourism activities however avoiding those which may damage the reputation of sites: |
|  | |
| Craft Village in Thua Thien Hue Province | |
| Project Schedule: The preparation of the project, such as development of organization and selection of villages, shall be done by the end of 2010. The project will be carried out from 2010–2012. After 2012 the village tourism supporting program can be extended in the three selected provinces or in other provinces in Vietnam. | |
| <p>Statement of Need: In rural areas of Vietnam, there are many potential kinds of tourism resources/destinations such as culture (crafts) and living style of ethnic minorities and beautiful landscape, forests, mountains etc. In general, residents of these villages are relatively poor without sufficient public services, education and stable economic bases.</p> <p>Village tourism, in which tourists can enjoy indigenous culture and calm environment, is getting popular in the world tourism market and adds to the diversification to tourism activities in the region resulting in longer staying tourists. Village tourism in Vietnam has a potential for international tourists who have special interest. Therefore, rural villages can be utilized as attractive and potential tourism products for international and domestic tourists who will be potential guests of village tour in the future.</p> <p>Although there are several villages, to which tourism industry has been introduced, some negative impacts have occurred in some villages such as insufficient sanitary, lack of tourist parking and ill-organized tourism industries and some social conflicts. The guideline for village tourism in the study area is required to guide adequate tourism development, mitigate problems and promote effective tourism organizations, infrastructure, and tourist services.</p> <p>The guideline is prepared for village tourism planners and investment planners. It can be also used for appraisers and reviewers, the development managers and rural managers in general and environmental protection managers in particular in rural area.</p> | |
| Project Benefit: By the implementation of the project, tourists can enjoy village tours/holidays with clean sanitation and improved tour services. Residents of villages can also enjoy a cleaner environment and improve their living conditions by generating revenue through tourist activities. Local government can get revenue from the sales at village tour companies and taxes from residents. Tour companies can get revenue from the sales at village tour companies | |
| Project Cost Estimate: (to be worked out) Investment cost of each is set by the discussion between the fund and village tourism companies. | |

Table 5.2.8 Proposed Projects / Project Packages for Short-term Implementation (7)

| Project Title: 7. Integrated lake and marine protection | |
|---|---|
| <p>Project Implementing Agency: Thua Thien Hue, Danang, and Quang Nam Cooperation required from (non exhaustive list): VEPA, DCST, DONRE, MPA and protected areas' management boards, tour operators, transportation companies, scientific organizations, provincial TV companies.</p> | |
| <p>Project Location:</p> <ol style="list-style-type: none"> 1. Marine biodiversity and marine activities development in Cham Islands, Son Tra Peninsula and Lang Co area. 2. Sustainable Tourism facilities in Phu Ninh lake, Tam Giang – Cau Hai lagoon, Lang Co lagoon, and Nui Thanh humid zones 3. Marine, Coastal and Lake Eco-Tourism Information Center in Danang 4. Innovative finance for small water treatment and water savings facilities in Quang Nam, Danang and Thua Thien Hue provinces (plus Hanoi) 5. Environment Management Planning capacities strengthening for coastal and lakes protection in Quang Nam, Danang and Thua Thien Hue provinces (plus Hanoi) 6. Production of a promotional 30mn advertising movie on coastal, marine and lakes sustainable tourism-related natural potentials in Quang Nam, Danang and Thua Thien Hue provinces | <p>Project Description: In order to strengthen and support the overall sustainable tourism development, in a perspective of nature and biodiversity protection this project would help preserving the environment and increase tourism attractiveness. This will be a combination of Technical Assistance and physical projects and includes the projects listed on the left:</p> <ol style="list-style-type: none"> 1. Marine biodiversity and marine activities development. Implement artificial coral reefs immersion techniques to restore / develop marine biological diversity and stimulate snorkeling/diving attractiveness in marine protected areas of Cham Islands, Son Tra Peninsula and Lang Co coastal area. Implementation will require appropriate scientific and marine engineering investigations 2. Sustainable Tourism facilities. Construction of tourism pedestrian and bikes trails, including signboards, shelters and toilets, solid wastes collection facilities and fire protection information guidance in the southern bank of Phu Ninh lake (Nui Than district) linked to access to Tam Ky, to become a protected area. Arrange sustainable facilities for visiting boat routes on Tam Giang – Cau Hai lagoon and on Nui Than humid zones. 3. Tourism Information Centre (to be connected with projects 1 and 2). Creation in Danang of a Marine, Coastal and Lake Sustainable Tourism Information Center (to include coastal humid zones) including a website in Vietnamese and English. Information would encompass: nature conservation requirement, fauna and flora, available tours and activities, lists of hotels and restaurants, safety measures, promotion of local products [fish and seafood dishes, handicraft...]. Later, branches could be implemented in Hoi An and Hue or Phu Vang. 4. Financing opportunity study. Feasibility study of a trust fund or credit line to finance small scale waste water facilities, water pollution prevention and water saving for coastal and on-lakes hotels, restaurants and recreational areas 5. Environment Management Planning capacities. Environmental tourism management planning and networking strengthening by designing and implementing a GIS managed jointly by VNAT and VEPA specialized team, related to biodiversity, land occupation, environment-friendly techniques, tourism tours and vulnerability to natural and other risks. This tool will be shared by the three DONRE, DCST and other relevant agencies of the three provinces 6. Communication. Production of a movie to increase citizen's awareness of environmental and tourism value of marine/coastal and lake areas located in the three provinces. |
| <p>Statement of Need: The three provinces have ambitious objectives to develop marine and lakes tourism. Several initiatives have been taken such as the creation of protected areas. Several studies have been conducted related to the environmental situation of sensitive areas but there is still a lack of information sharing and dissemination in order to use these natural resources as a means to increase tourism. Also, the development of tourism facilities raises the critical problem of their impact on the water resources and environment. Due to the difficulties to finance appropriate systems to prevent irreversible damages, there is place for considering alternative and innovative financing systems to be made available to tourism business.</p> | |
| <p>Project Benefit: The project will benefit to the tourism business sector and local populations through aid to authorities to undertake promotional and structural construction initiatives. It aims at strengthening the attractiveness of protected areas already designated as priority tourism zones. Last, it should improve the environmental situation and protection of the natural patrimony, in particular in very fragile areas, to be exposed to alteration by tourism activities.</p> | |
| <p>Project Schedule: The project would last 2 years.</p> <ol style="list-style-type: none"> (i) All implementation of facilities (artificial coral reefs, lake, lagoon) will start as soon as possible and request appropriate environmental impact document. (ii) Feasibility study for a trust fund or credit line should be made in coherence with advancement of waste water projects supported by donors in the waste water sector in Danang and Thua Thien Hue (iii) Due to the complexity of institutional and organizational arrangement for Environmental tourism management planning and networking strengthening, it is recommended to start this component as soon as possible (iv) Tourism Information Centre can be established after JICA other components of this project and other projects with complementary purposes are well on the tracks. | |
| <p>Project Cost Estimate: 4.5 USD million (not included possible counterpart funds)</p> <ol style="list-style-type: none"> (i) Marine biodiversity and marine activities: 0.9 USD million (ii) Sustainable Tourism facilities: 3 USD million (iii) Marine, Coastal and Lake Eco-Tourism Information Centre: 0.2 USD million (including 2 staff during 2 years) (iv) Innovative finance: 0.1 USD million (v) Environment Management Planning capacities strengthening: 0.2 USD million (vi) Production of a promotional 30mn advertising movie: 0.1 USD million | |

Table 5.2.9 Proposed Projects / Project Packages for Short-term Implementation (8)

| Project Title: 8. Rural water supply and sanitation project | |
|---|---|
| Project Implementing Agency: DARD of Thua Thien Hue, Danang, and Quang Nam | |
| <p>Project Location: Rural area including development site for eco tourism and village tourism. Priority area will be A Luoi (Thua Thien Hue), Hien, Giang, Phuoc Son and Tra My (Quang Nam), which are proposed on the project No.9</p> | <p>Project Description:</p> <ol style="list-style-type: none"> 1. Background: Development of the water supply facility and sanitation facility is on progress in Urban area, while less trial was planned in the rural area. Safe water supply and environmental protection is a next challenge in the central region. Eco Tourism and Craft Village Tourism was proposed in this study. Those sites would be located on the rural area. Potential tourist would have advanced sense for environment. Therefore, a sustainable eco tourism requires less pollution system in the rural area. Providing water service for tourist with environmental managed system is required for the development. This model can be disseminated other rural area after the project. 2. Objectives: This project is aiming at <ul style="list-style-type: none"> • Formulating a model for rural area • Establishment of Safe water supply system in the rural area • Establishment of waste water treatment system and solid waste management system in the rural area 3. Project Period: three years for one village 4. Input: Project Cost (depending on the number of sites and target area) 5. Outputs: <ol style="list-style-type: none"> (i) Safe water supply system was constructed. (ii) Waste water treatment and solid waste water system was developed and operated (iii) Dissemination would be ready for other villages 6. Activity: This will be a combination of technical assistance and physical development. This project include three components, those are water supply, waste water treatment and solid waste treatment. <ol style="list-style-type: none"> (i) Water Supply <ul style="list-style-type: none"> • Surveying water condition on the target area and decision of water source (Connection to centralized water supply system, groundwater or surface water development). • Designing required facility for the • Construction of the facility • Operation and maintenance system (if independent system is introduced.) (ii) Waste Water Treatment System <ul style="list-style-type: none"> • Selecting target facility and target area • Selection of the system (Small scale collection and treatment system or septic tank). Installation of toilet and septic tank in the required facility. Or construction of small scale waste water treatment system • Procurement of required facility including maintenance and operation • Capacity Development for user and operator (iii) Solid Waste System <ul style="list-style-type: none"> • Selection of target area and type of treatment (Extension the current system to rural area or independent system) • Final dumping site selection (If necessary) • Installation of the Bins and collecting facility • Construction of final dumping site (If necessary) • Procurement • Capacity development for user and operator |
| <p>Statement of Need: Development of the water supply facility and sanitation facility is on progress in Urban area, while less trial was planned in the rural area. Safe water supply and environmental protection is a next challenge in the central region. Eco Tourism and Craft Village tourism was proposed in this study. Those sites would be located on the rural area. Potential tourist would have advanced sense for environment. Therefore, a sustainable eco tourism requires less pollution system in the rural area. Providing water service for tourist with environmental managed system is required for the development. . .</p> | |
| <p>Project Benefit:</p> <ul style="list-style-type: none"> • Provision of safe water supply in the rural area for the tourism destination • Provision of sanitation facilities and equipments (Waste water treatment and solid waste management) • Model was established for rural area water supply and sanitation facilities | |
| <p>Project Cost Estimate: (to be worked out)</p> <ol style="list-style-type: none"> 1. Water Supply: (i) Surveying water condition on the target area and decision of water source (Connection to centralized water supply system, groundwater or surface water development), (ii) Designing required facility for the construction of the facility, (iii) Operation and maintenance system (if independent system is introduced). 2. Waste Water Treatment System: (i) Selecting target facility and target area, (ii) Selection of the system (Small scale collection and treatment system or septic tank) Installation of toilet and septic tank in the required facility. Or construction of small scale waste water treatment system, (iii) Procurement of required facility including maintenance and operation, (iv) Capacity Development for user and operator 3. Solid Waste System: (i) Selection of target area and type of treatment (Extension the current system to rural area or independent system), (ii) Final dumping site selection (If necessary), (iii) Installation of the Bins and collecting facility, (iv) Construction of final dumping site (If necessary), (v) Procurement, (vi) Capacity development for user and operator. | |

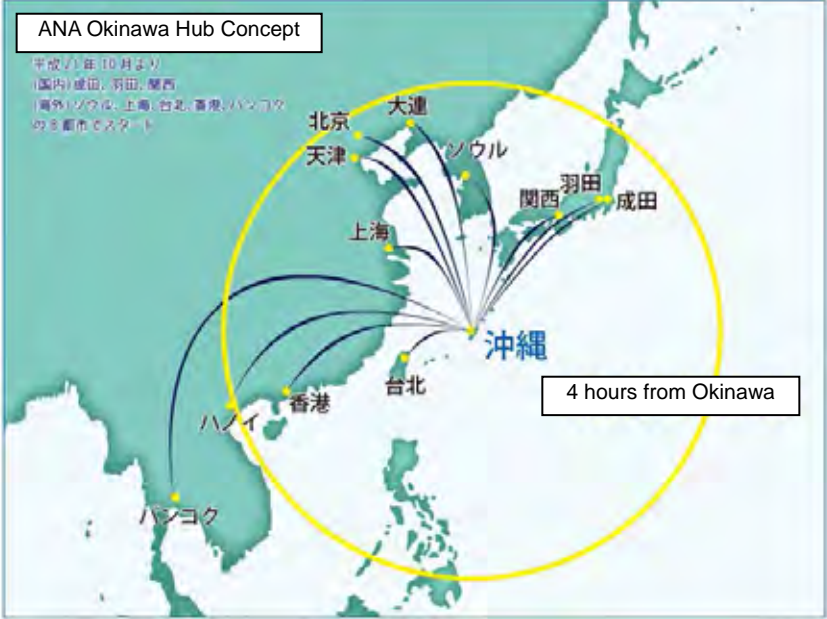
Table 5.2.10 Proposed Projects / Project Packages for Short-term Implementation (9)

| Project Title: 9. Infrastructure upgrading along HCM trail | |
|---|--|
| <p>Project Implementing Agency: Thua Thien Hue, Danang, and Quang Nam or MOT</p> <p>Cooperation required from (non exhaustive list): MCST, MONRE, MARD, Defense Ministry (Border guards), National Father Front, national museums and universities, DONRE, DARD, DOT from the concerned provinces and from Districts authorities concerned by the project</p> | |
| <p>Project Location: Beneficiary districts will be: A Luoi (Thua Thien Hue), Hien, Giang, Phuoc Son and Tra My (Quang Nam)</p> <p>Project Activities:</p> <ol style="list-style-type: none"> 1. Tourism development plan (covered districts) 2. Tourist map and guide booklets and web site (districts covered) 3. Sustainable Tourism facilities in the districts crossed by Ho Chi Minh Trail 4. House of Ho Chi Minh Trail in A Luoi town (Thua Thien Hue) and (optional) in Thanh My (Quang Nam) 5. Film and promotion campaign dedicated to tourism business in Quang Nam, Danang and Thua Thien Hue provinces, plus Hanoi and HCMC. 6. Training for staff and tourism professionals (in A Luoi and Thanh My Towns, in Hue, Danang, Tam Ky, and Hoi An) | <p>Project Description: The main objective of the project is to increase tourism attractiveness along Ho Chi Minh trail. This will be a combination of Technical Assistance and physical projects and includes the projects listed on the left:</p> <ol style="list-style-type: none"> 1. Tourism 5-year development plan (to also be connected with project 6): identification of potentialities along HCM Trail: natural / eco-tourism (trekking, fishing, climbing, adventure tourism...), discovery of local ethnic minorities' cultures, former battlefields, etc. Mapping of concerned areas: location of fauna and flora, water bodies and forests, safety issues and recommendations as considered in project 5. Identification of tourism routes and pedestrian trips along HCM trails. Evaluation of needs: accommodations and utilities. The plan will be in line with existing provincial development plans 2. Tourist map, trilingual guide booklets (Vietnamese English French) and website about Ho Chi Minh Trail throughout Thua Thien Hue and Quang Nam provinces (in line with component 4.) 3. Sustainable Tourism facilities: design and implementation of standardized wood-made information signboards to be implemented along Ho Chi Minh trails (including preserved area planned in Tra My district and surrounding of Dak My Dam); design and arrangements of 50km of trails for pedestrians north and south to the road with natural materials (litters, shelters, bridges, stone steps and ramps, etc.) 4. Conception and creation of a "House of Ho Chi Minh trail" in A Luoi (to be connected with projects 1 and 2) where historical and ecological information will be proposed to tourists as well as local handicraft for selling. Local architecture will be promoted. The project will enable the House to acquire original or reproductions of historical objects pictures and maps, documents about the future of the trail in the future transportation system of Vietnam, pictures from the past and present fauna, handicraft and pictures of ethnic minorities of the area. The project will also equip the house with necessary infrastructure (parking, generator, sanitation facilities, displaying, etc.), translation of information materials. Optional: to design and construct two HCM Trail houses, one (in Quang Nam) dedicated to history, the other one (in Thua Thien Hue) to natural and cultural themes. 5. Film and Promotion campaign (TV broadcast, conference, mailing with booklet) about potentialities as resulting from component 1, among tour operators in Danang, Hue and Hoi An, and also in Hanoi and HCMC. 6. Training for staff and local tourism professionals (1 year) for local tour guides, house of HCM Trail staff, and district-level staff: guiding and safety, environment protection, information delivery, quality of handicraft products, basic English, etc. The program will be at no cost for participants. |
| <p>Statement of Need: The Ho Chi Minh Trail is one of the most famous roads in Vietnam. Apart from its history, it crossed a beautiful natural milieu along Lao border, inhabited by population partially composed of ethnic minorities. In addition, it provides access to interesting areas to visit in the inland districts of the Quang Nam, Danang and Thua Thien Hue. The road itself is a relatively good stage. However no so much visited by tourist group which concentrate on the coast. General tourism information on the trail is available to foreign tourists but detailed opportunities are usually ignored. Also, tourism small and large operators in Vietnam usually know few about potentialities offered by the HCM Trail. The project will encourage them to propose original routes to domestic and international customers.</p> | |
| <p>Project Benefit: The project will contribute to encourage economic initiatives and development in some of the poorest districts of the two provinces. It should motivate young generations to stay in area by providing local job opportunities. Last, it should help to diversify tourism activities, in particular nature tourism, in the three provinces and encourage tourists to spend more days in the region.</p> | |
| <p>Project Schedule: The project would last 3 years.</p> | |
| <p>Project Cost Estimate: From 4 to 6.5 USD million (not included possible counterpart funds)</p> <ol style="list-style-type: none"> (i) Tourism development plan: 0.2 USD million (ii) Tourist map, guide booklets and web site: 0.1 USD million (iii) Sustainable Tourism facilities: 3 to 5 USD million (iv) House of Ho Chi Minh Trail in A Luoi: 0.5 USD million (v) optional: + 0.5 USD million if two houses constructed instead of one (vi) Film and promotion campaign: 0.15 USD million (vii) Training program: 0.05 USD million | |

Table 5.2.11 Proposed Projects / Project Packages for Short-term Implementation (10)

| Project Title: 10. Sustainable development program for Hoi An | |
|---|--|
| <p>Project Implementing Agency: Quang Nam Cooperation required from Hoi An People's Committee, tour operators and hotels.</p> | |
| <p>Project Location: Hoi An Town Project Activities:</p> <ol style="list-style-type: none"> 1. Infrastructure facilities upgrading 2. Application of entrance fees 3. Financial support for maintaining ancient houses 4. Environmental protection | <p>Project Description: The main objective of the project is to develop Hoi An in a sustainable manner reflecting on recent impacts due to increased tourists.</p> <ol style="list-style-type: none"> 1. Component 1: Infrastructure Improvement Facilities for safe water supply, waste water treatment system, and solid waste management shall be renewed and upgraded. The current situation and issues are as follows: <ul style="list-style-type: none"> • Water supply: Though the capacity of water supply after the Norwegian project was 21,000m³/day, enough volume to supply all the population and tourists in Hoi An including four star hotels, currently only 20% of the houses in the supply area seem to be connected to the distribution network due to high connection costs. Therefore, household connection to the network shall be improved. • Waste Water Treatment: There is no centralized waste water treatment in Hoi An. Raw sewage and other wastewater flow into rivers and other waterways, and an estimated 8,300 m³ of domestic waste water per day is discharged to the Hoai River. As numbers of facilities grow, facilities such as hotels and restaurants generate increasing amounts of wastewater, contributing to increasing pollution in local waterways. Bad odor and poor water quality were also reported by tourists. A project targeting the west part of Hoi An Town is ongoing, but there is no plan to expand the service to the whole town. • Solid Waste Management: Solid waste is disposed in Hoi An through simple landfilling. The current dumping site is almost filled to its capacity. Though a biomass intermediate treatment plant is planned by the French Government and ADB, sanitary landfill and source separation, which are critical factors to its success, is not well planned in the project. Increasing tourists to Hoi An is putting pressure to the waste management capacity in the town. In addition, surrounding areas of Hoi An is unlikely to receive adequate collection services in the near future, therefore waste will be dumped into waterways without treatment, bringing about serious aesthetic and ecological impacts to the town as well. 2. Component 2: Strengthening Management Capacity and Mechanism <ol style="list-style-type: none"> (a) Entrance fees to the town itself shall be applied. Currently, though fees are required to visit certain facilities inside the town, entrance to the town itself is free. Therefore, certain tourists enjoy sightseeing in the town without any financial burden. If entrance fees are collected, this could be used to upgrade cultural assets and urban facilities inside the town. Tourism tax could be imposed to accommodation facilities as they too pollute the environment. (b) Subsidies to families who maintain traditional ancient houses which have cultural value should be provided. Recently, preservation of traditional ancient houses is a major issue, as maintenance cost is not cheap whereas these houses do not receive much benefit from tourists. Some families give up their old homes and sell this to private investors, who often change the houses to restaurants or souvenir shops. (c) Cooperation for environmental protection with neighbouring resorts shall be promoted. Beach resorts are increasing rapidly near Hoi An Town. Several resorts already have their own treatment systems for its waste, whereas others do not. If the city cooperates with neighbouring resorts on this issue, for the former, the city could help to reduce the burden of treatment costs that such resorts are paying now, and for the latter, untreated waste from these resorts can be treated in an adequate manner, preventing pollution in water bodies and soil. 3. Component 3: Update Urban Development Strategies In order to preserve Hoi An's historical heritages and pursue sustainable urban development in integration with new culture, nature, and environment under rapid urbanization, urban development strategies shall be formulated to clarify and improve Hoi An's identity and its unique image. |
| <p>Statement of Need: Tourism in Hoi An Town is increasing rapidly especially since 2001. This has brought about significant pressures to the environment. The town shall increase its overall capacity in terms of urban infrastructure and financial basis to support the increasing tourism population as well as maintain its cultural assets and environment.</p> | |
| <p>Project Benefit: Improved environment in Hoi An, increase of capacity to attract more tourists, and less negative environmental impacts to the area.</p> | |
| <p>Project Cost Estimate: (to be worked out)</p> | |

Table 5.2.12 Proposed Projects / Project Packages for Short-term Implementation (11)

| | |
|--|--|
| Project Title: 11. Expansion of international partnership between HDQ and qualified cities / economies | |
| Project Implementing Agency: Thua Thien Hue, Danang, and Quang Nam Cooperation required from MOCST and MPI | |
| <p>Project Location:</p> <p>Project Activities:</p> <ol style="list-style-type: none"> 1. Dialogue mechanism 2. Partnership program on sustainable tourism development 3. Seminar | <p>Project Description: The main objective of the project is to establish an effective partnership to promote sustainable tourism development of the HDQ region.</p> <ol style="list-style-type: none"> 1. Establish a dialogue mechanism between HDQ and Okinawa. 2. Develop a partnership program on sustainable tourism development including research, training, investment promotion, exchange of human resources, tourism sector management, etc. 3. Launching a seminar to promote the program. <div style="text-align: center;">  <p>ANA Okinawa Hub Concept</p> <p>4 hours from Okinawa</p> </div> |
| Statement of Need: | |
| Project Benefit: Opportunity to learn from international experiences for both public and private sector. | |
| Project Cost Estimate: (to be worked out) | |

4) Provincial Feedbacks

5.5 In order to narrow down the 11 proposed projects into a project shortlist selected for implementation, a Tourism Seminar was conducted on July 30th, 2010 involving VNAT, DOSCT from the 3 provinces, and related donors and institutions. In addition, a series of meetings were held with the Directors / Vice Directors of DOSCT from the 3 provinces to discuss this issue. The opinions given in the said meetings were confirmed that they are official comments at the provincial level, those discussed among the People’s Committee of each province and related agencies as well.

5.6 Table 5.2.13 shows the results of the latter meetings, and the intentions from the respective provinces. Results indicate that the provinces are in agreement that Project No.1 “Strengthening Tourist Organizations and Information” and Project No. 6 “Village Tourism Supporting Program” have the highest priority for implementation. Each province also gave their ideas on additional projects that should be added to the shortlist, and this is indicated below as well.

Table 5.2.13 List of Priority Projects and Assessment of Priority by Provinces

| Name of Project | Priority ¹⁾ | | | Comments on the Project ²⁾ | Related Projects ³⁾ |
|--|------------------------|-----------|-----------|---|--|
| | T. T. Hue | Danang | Quang Nam | | |
| 1. Strengthening tourist organizations and information | Very High | Very High | High | <ul style="list-style-type: none"> ● The Hue City tourist information center which was already proposed by the Spanish consultants should be extended to the regional level ▫ The previous information center in the domestic terminal of Danang Airport has been closed (narrow area, end of contract with airport authority) ▫ Currently private companies have their own individual booths ▫ Airport may not be a suitable location for information centers because tourists tend to be in a hurry upon arrival ▫ However information can be provided to low-budget tourists or exploration-type tourists (those who do not plan in advance, especially young tourists) ▫ A new information center will be built in the new terminal building (initiated by the Tourism Promotion Center) – this will provide information for neighboring provinces as well ◆ Important, but diversification of tourist products and services is needed first | <ul style="list-style-type: none"> ● Study done by Spanish consultants (as one component of Hue City MP Study) |
| 2. Development of the Tourism Institute of Vietnam – Branch of Central Vietnam (pilot) | High | Very High | Medium | <ul style="list-style-type: none"> ▫ Has been proposed by the government as well since 10 years ago ▫ Careful study is needed ▫ Involvement of the higher level is crucial (VNAT or association under VNAT is a possibility, however capacity building is needed – currently no regional branch for VNAT) | |
| 3. Hue – Danang tourism train operation (future extension to Tam Ky) | High | High | Medium | <ul style="list-style-type: none"> ● Train should be developed together with the expressway ▫ Hai Van tunnel constructed, but should be utilized further | |
| 4. Improvement of waterways linking Danang and Hoi An | High | High | Very High | <ul style="list-style-type: none"> ● Future extension to Hue via sea (Son Tra – Tam Giang Lagoon) is needed ▫ Diversification of transportation is needed ◆ Should be integrated with the development of old Hoi An Port ◆ Dredging of Co Co River is needed | |
| 5. Improvement of tourism safety and disaster preparedness | High | High | Medium | <ul style="list-style-type: none"> ▫ The region is vulnerable to disasters | <ul style="list-style-type: none"> ◆ Denmark project ongoing |
| 6. Village tourism supporting program | Very High | Very High | High | <ul style="list-style-type: none"> ▫ Integration of rural areas especially in Hue and Quang Nam are important ▫ Access roads are not so critical in Danang's case, rather commercialization of products, support from the higher level for institutional arrangements is important ▫ Other than hardware development proposed by the Study Team, soft component is needed as well, for example how to get the involvement of | <ul style="list-style-type: none"> ▫ PUM (Netherlands NGO) ◆ Many related priority projects in the province as well ◆ Support from NGOs |

| Name of Project | Priority ¹⁾ | | | Comments on the Project ²⁾ | Related Projects ³⁾ |
|--|------------------------|--------|-----------|---|---|
| | T. T. Hue | Danang | Quang Nam | | |
| | | | | <p>the locals (capacity building and training to produce and commercialize products)</p> <ul style="list-style-type: none"> ▫ DARD should lead the project, and DOSCT as well for specific projects ◆ Tra Que Vegetable Village, Kim Bong Carpentry Village, Thanh Ha Pottery Village are potential areas in Quang Nam | |
| 7. Integrated lake and marine protection program | High | High | High | <ul style="list-style-type: none"> ● The IMOLA project has proposed several projects, but so far no implementation ◆ Should be integrated with beach development (southern area of Cua Dai) | ● IMOLA |
| 8. Rural water supply and sanitation improvement | Medium | Medium | Medium | | |
| 9. Infrastructure upgrading along HCM trail | Medium | Medium | Very High | | ◆ Funding from Central Government planned |
| 10. Sustainable development program for Hoi An | Medium | Medium | Medium | | ◆ UNESCO project ongoing |
| 11. Expansion of international partnership between HDQ and qualified cities/ economies | High | Medium | Medium | | |
| 12. Tourism Infrastructure for Tam Giang Lagoon (newly proposed by T. T. Hue) | Very High | - | - | | <ul style="list-style-type: none"> ● Already submitted to the PPC of plan by DOSCT ● No international projects so far |
| 13. Enhancement of Community Tourism (newly proposed by T. T. Hue) | Medium | - | - | <ul style="list-style-type: none"> ● Upgrading of infrastructure for destination – access roads are most critical, other infrastructure include water supply, solid waste treatment, etc. Primary roads to access rural areas is planned, however the development of smaller access roads leading directly to the rural destinations is critical. ● Protection and diversification of craft villages, commercialization of crafts as tourism products (Nam Dong and A Luoi are potential areas in Hue) ● Restoration of village houses (garden houses) ● Awareness of residents (hospitality) ● Support for initial cost, organizational / institutional issues for the private sector ● Could be integrated with project No.6. | |
| 14. Development of Old Hoi An Port (newly proposed by Quang Nam) | - | - | Very High | <ul style="list-style-type: none"> ◆ Commercial port in 16th – 17th century ◆ Educate and inherit to the young generation ◆ Could be integrated with project No.10 | |
| 15. Development of Ky Anh Tunnel (newly proposed by | - | - | Very High | <ul style="list-style-type: none"> ◆ Historical museum ◆ Need for tourism development in the south and west, avoid concentration of tourism projects in | ◆ Funding from Central Government |

| Name of Project | Priority ¹⁾ | | | Comments on the Project ²⁾ | Related Projects ³⁾ |
|--|------------------------|--------|-----------|---|---|
| | T. T. Hue | Danang | Quang Nam | | |
| Quang Nam) | | | | the east | planned |
| 16. Development of Nuoc Da Ecotourism Site (newly proposed by Quang Nam) | - | - | Very High | <ul style="list-style-type: none"> ◆ Located in southwest of Quang Nam ◆ Integration with Phu Ninh, etc. | ◆ Funding from Central Government planned |
| 17. Tourism Development in Northwest Quang Nam (newly proposed by Quang Nam) | - | - | Very High | <ul style="list-style-type: none"> ◆ Bo Hon ethnic village, Gia Ra Silk Weaving Village, Grang Waterfall, Song Thanh Natural Reserve, etc. ◆ Connection with Quang Nam (Tay Giang District) and Hue (A Luoi District) via HCM road ◆ Connection with Danang via PR 604 ◆ Connection with Tam Ky to Northwest Quang Nam area via NH14E | |

1) Priority is ranked from "Very High", "High", and "Medium".

2) ● = Comments from Thua Thien Hue, ◻ = Comments from Danang, ◆ = Comments from Quang Nam

3) ● = Projects in Thua Thien Hue, ◻ = Projects in Danang, ◆ = Projects in Quang Nam

5) Implementation Program and Action Plan

5.7 Given the feedbacks from the provinces and through discussions held with VNAT, 2 comprehensive programs have been proposed.

(a) Program 1: Inter-provincial Tourism Promotion and Human Resource Development

(i) Background

5.8 It is needless to say that strengthening inter-provincial cooperation in the tourism sector is important for the overall economic development of the region. However, promotion and marketing of tourism as a region have not been adequately undertaken in Central Vietnam. This is mainly due to 3 reasons: i) the region lacks a body in which such cooperation be initiated by, ii) tourism promotion is undertaken rather separately among key stakeholders, failing to enhance a collective image as a major tourism destination, and iii) promotion materials for regional tourism are also not prepared in coordinated manner.

5.9 In 2006, the Tourism Association, a coordinating mechanism among the three provinces comprising representatives from the Department of Sports, Culture, and Tourism (DOSCT) of Thua Thien Hue, Danang, and Quang Nam, was established for the overall cooperation in the tourism sector. Though the association prepares an action program for each year, it has not been fully implemented due to i) lack of central body to take the lead of the program, ii) human resources, and iii) budget. Another important issue is that the association lacks the involvement of leaders at the national level. The members of the association from the 3 provinces are in broad agreement that this association will not be effective in real terms if the said problems prevail.

5.10 Nevertheless, the need for such mechanism has been strongly identified by both the public and private sector in the course of this study. For the former, all leaders from DOSCT of the 3 provinces have not only stressed this issue, but have also selected these projects, also raised as shortlisted projects by the Study Team, as one of the highest priority projects for implementation. For the latter, a tourism survey conducted in the course of the study display results that "marketing policies and programs of the area" is the aspect which its gap between "importance" and "satisfaction" was the largest - this

indicates that effective measures are yet taken in spite of the overall agreement of its significance.

5.11 Another issue in the region is that not only is there a shortage of workers in the tourism industry, but the quality of training schools and systems are still low. This has been proposed by provincial governments as well, but to this day effective measures have yet been taken. Given the popularity of the region for international tourists as well as the remarkable domestic tourism boom in recent years, human resource development is a prime issue in which all provinces are in agreement on. Individual efforts can be seen in the private sector, but usually lacks in budgets and trainers to meet the needs.

5.12 In this context, the Study Team is proposing the “Inter-provincial Tourism Promotion and Human Resource Development” as a priority tourism program for implementation.

(ii) Objectives

5.13 The objectives of the program are the following:

- To strengthen the Tourism Association especially through involving the Central Government who will take initiative in its activities;
- To establish a collective image of the region and appeal to tourists as a major tourism destination;
- To develop high-quality human resources to meet the needs of the growing tourism industry in the region.

(iii) Program Components

5.14 The proposed components of the program are the following:

Component A: Strengthening and Reorganization of the Tourism Association

- Involvement of the Central Government (MOSCT, VIAP, etc.) and administrative restructuring of the association
- Development of a concrete and sustainable budget acquirement plan for the association’s future activities
- Development of Professional Certifications (tourist operators, hotels, restaurants) by the association
- Participation in an international green labeling program

Component B: Promotion and Marketing Activities

- Development of new tourism routes / circuits
- Development of a tourism destination inventory for the region
- Development of tourism maps (regional, city maps, and site specific)
- Development and improvement of sign boards (on tourist site, in cities and between cities on major roads)
- Selection of a common tourism brand name (or slogan)

Component C: Establishment of Tourism Training Center

- Establishment of a Tourism Training Center (including student dormitories)
- Development of a training course (manager training and worker training)
- Cooperation with local hotels, restaurants, banquet halls for on-the-job training

(iv) Context to the Project Shortlist and Overall Study Results

5.15 This program is combination of priority project no.1 and no.2, consisted of individual projects as shown below.

Table 5.2.14 Composition of Program 1

| Priority Project | Original ID | Original Project from the Longlist |
|--|-------------|---|
| 1. Strengthening Tourist Organizations and Information | A-1 / F-3 | Tourism Information centers and visitor centers |
| | A-2 | Tourist Map Improvement |
| | A-3 | Signboard Improvement |
| | A-6 | Improvement of Tourism Association |
| | B-4 | Professional Certification |
| | I-1 | Tourism Complex and Route Development |
| | I-2 | Tourism Promotion via Cham Culture |
| | F-2 | Cultural Museum network |
| | new | Develop a green label for tourism business |
| | G-11 | Development of Heritage Inventory |
| | H-4 | Biodiversity and tourism in central region |
| 2. Development of the Tourism Institute of Vietnam – Branch of Central Vietnam | B-1 | Tourism Institute of Vietnam |
| | B-2 | Development of a Human Resource Training Center |
| | B-3 | Development of Training School and Hotel |
| | B-5 | Improve English Language for tourism staff |
| | B-1 | Tourism Institute of Vietnam |

(b) Program 2: Community and Eco – Tourism Supporting Program

(i) Background

5.16 To this day, tourism has been mainly developed in coastal areas in Central Vietnam, owing much to the abundant natural resources in the region and the active involvement from the private sector to exploit them. However, all three provinces of Thua Thien Hue, Danang, and Quang Nam share the problem that opportunities for tourism development have been limited primarily to the eastern side, and infrastructure investments have been heavily concentrated on this side of the region as well.

5.17 In the western side of the region, there are many potential kinds of tourism resources / destinations such as culture (handicrafts) and living style of ethnic minorities in beautiful landscape, forests, mountains, etc. Village tourism, in which tourists can enjoy indigenous culture and calm environment, is getting popular in the world tourism market and adds to the diversification to tourism activities in the region resulting in longer staying tourists. Nonetheless, tourism development in this region has not been, and will not develop if it only relies on the market context. This is because the region still lacks basic infrastructure to satisfy tourists, such as access roads, sufficient sanitary, accommodations, well-organized tourism industries, etc., and this has so far been an obstacle for tourism development in the area.

5.18 It can therefore be said that tourism development in these areas will be the prime responsibility of the government, especially since it can also contribute to enhancing the livelihoods of the people in this region, through the provision of public services, education,

and stable economic basis.

5.19 Another significant point is that there is a high potential for inter-provincial cooperation in this region, as all three provinces share mountainous areas on its west side connected by the Ho Chi Minh trail. The provinces are also in general agreement that tourism development in these areas are strongly in need.

5.20 In this context, the Study Team is proposing the “Community and Eco – Tourism Supporting Program” as a priority tourism program for implementation.

(ii) Objectives

5.21 The objectives of the program are the following:

- To diversify tourism opportunities in the region to attract more tourists and encourage longer stays;
- To improve the livelihoods of the people through the provision of public services, education, and stable economic basis.
- To enhance inter-provincial cooperation in the tourism industry for the three provinces.

(iii) Program Components

5.22 The proposed components of the program are the following:

Component A: Development of Access Roads to Destinations

- Development / improvement of direct access roads to remote destinations
- Ensuring road safety (landslides protection on selected sections, structural works on appropriate containment / protection methods)

Component B: Improvement of Rural Water Supply and Sanitation

- Development / improvement of water supply facilities (connection to centralized water supply system, groundwater or surface water development)
- Development / improvement of wastewater treatment system (small scale collection / treatment system or septic tank)
- Development / improvement of solid waste system (extension to current system to rural area or independent system)

Component C: Infrastructure Upgrading along Ho Chi Minh Trail

- Formulation of tourism development plan (covered districts)
- Development of tourism map and guide booklets and website (covered districts)
- Development / improvement of tourism facilities along the trail (information signboards, pedestrian roads, etc.)
- Ensuring road safety (landslides protection on selected sections, structural works on appropriate containment / protection methods)

Component D: Capacity Building for Villagers

- Improvement of traditional handicraft
- Commercialization of tourism products (handicrafts, agricultural products)

- Assistance in alternative tourism activities generating revenues for poor residents

(iv) Context to the Project Shortlist and Overall Study Results

5.23 This program is a combination of priority project no.6, no.8 and no.9, partly related to no.5, consisted of individual projects as shown below.

Table 5.2.15 Composition of Program 2

| Priority Project | Original ID | Original Project from the Longlist |
|---|-------------|---|
| 5. Improve tourism safety and develop disaster preparedness | G-12 | Disaster Protection for Rural Tourism Sites |
| 6. Village tourism supporting program | F-1 / G-10 | Traditional Handicraft Improvement |
| | D-7 | Access Road Improvement to Rural Tourism Sites |
| | G-13 | Alternative Tourism Activities Generating Revenues for Poor Residents |
| 8. Rural water supply and sanitation improvement | H-1 | Waste water treatment at tourism sites |
| | F-11 | Small Scale Rural Water Supply in support of project 6 and 9 |
| 9. Infrastructure upgrading along HCM trail | new | Road improvement |
| | new | Identification of tourism potential |
| | new | Water supply and electricity |
| | new | Waste and sanitation |

5.24 The above contents have been discussed with VNAT, and VNAT has shown their general agreement on the contents. They should be followed-up by the Vietnamese Government as well as JICA for next steps after the completion of DaCRISS.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

6.1 In spite of the fact that it can be concluded that the tourism potential in the CFEZ zone is under developed and not fully exploited. The regions contains 6 out of 7 of the in Vietnam listed World heritage sides, combined with a stunning coastline, mountains and natural resources. When they are properly developed, this region can become the number 1 tourism destination in Vietnam and one of the best in Asia.

6.2 However inadequate infrastructure, insufficient human resource and lack of information, promotion and understanding of tourism needs and behaviour seriously hinder further development in the region. However due to its present under development there are opportunities not to make the mistake many other regions in the world made and therefore the suggested vision for CFEZ is to become an “eco-tech region,” one that promotes economic development, ecological balance, and harmonious coexistence of different ethnic groups based on the maximum use of modern technology is an important suggestions that needs to be worked out further during the follow up on this report.

6.3 Recent increases in tourist arrivals have created expansion of the local economies in the form of investments and jobs, with tax revenues for local governments. However, tourism increases in the last decade have clearly outpaced human resource development and added pressure to already poorly managed natural sites. Threats are identified largely as environment threats, whereby over-exploitation of some natural sites and the frequent damage caused by severe storms are both serious concerns.

6.4 Danang City is the gateway to Quang Nam and TT Hue provinces, with an international airport in the processes of expansion. Aside from a Cham cultural museum, however, the city offers few cultural tourism opportunities. The strength of the province, and partially the reason why tourism arrivals have increased at 9.1%/year, is the strategic location as gateway to the region. Farther growth as a competitive urban centre together with strengthening of gateway function will not only expand new tourism opportunities such as MICE, but also contribute to increase in tourist arrivals for neighboring provinces.

6.5 Quang Nam and TT Hue province attract the majority of the tourists through Hoi An Town, My Son Holy Land and in and around Hue. Natural sites and craft villages in the province attract very little tourism activity due to a lack of adequate infrastructure services, promotion and marketing. This one sided focus on cultural tourism limits the duration of stay of tourists and therefore does not fully exploit the economic opportunities which otherwise tourism normally offers.

6.6 Cultural heritages and precious ecosystems are becoming increasingly in danger due to increase of tourist arrivals and investment activities. Many of valuable tourism destinations in the region are vulnerable to natural and human impacts. Their carrying capacities need to be adequately assessed and proper measures be undertaken.

6.7 The existing tourism association has struggled to develop an effective joint-promotion plan due to varying budget and personnel commitments from the provinces and a general lack of leadership. The strategy for improving the Association includes assigning leadership responsibilities to Danang and placing the Association under the Vietnam National Administration of Tourism (VNAT).

6.8 In general the three provinces should increase coordination and consistency of information. This includes harmonized signs, possibly with pictographs, and the design of common promotional materials with a common brand. The establishment of tri-province tourist police would also help increase the comfort level of tourists.

6.9 While road networks connecting the city centres are currently sufficient, many provincial roads in the region are too narrow for large vehicles. In Quang Nam, several of the bridges need to be strengthened. Rail lines also connect the major cities and future high speed railways are planned. Rivers, such as the Huong River in Hue, also offers opportunities for river transportation for tourists.

6.10 All three provinces are struggling to finance infrastructure to improve water supply, drainage, wastewater and solid waste treatment. Drainage is a priority concern due to the frequency of typhoons and floods in the region. In the heritage cities of Hue and Hoi An, flooding due to heavy rainfall and poor drainage is a serious threat to tourists and the heritage sites.

6.11 Some of the most serious concerns from development include excessive use of water resources, water pollution, solid waste disposal, deforestation, and illegal trading (e.g furs, meat). Fragmented approaches to environmental assessment and management predominate and weaken the efficiency of protection measures.

6.12 In general, environmental impact assessments are necessary in tourist areas, as can be witnessed along the waterfront in Danang where hotel plans are approved individually without consideration of the cumulative impact. An integrated coastal management project in Hue, with another integrated lagoon management project in the planning stages, helped coordinate development in these areas and reduce conflicts for natural resources. Tourism presents an opportunity to protect specific natural resources and increase enforcement of existing regulations. Lastly, eco-tourism can help to increase sustainable management in sensitive locations.

6.2 Recommendations

6.13 Inter-provincial tourism linkages with neighbouring provinces should be strengthened, increasing tourist arrivals and expanding the average length of stay of tourists. To achieve this it is proposed to focus on strengthening and improving the following three main demand issues.

- (i) Improve accessibility of sites and connections between provinces and sites.
- (ii) Improve hospitality and services
- (iii) Improvement and protection of environmental conditions

6.14 The region has to make an effort to develop economically competitive, socially harmonized and environmentally sustainable tourism that will result in tourism where people will stay longer, spend more and return to Vietnam more often. This can be done by diversifying tourism destinations in the field of culture, art and nature through much enhanced inter-provincial coordination. This needs a lot of efforts and investments in the next 5-10 years. Investment in infrastructure but certainly also in human sources and capacities of the public but also the private sector need to be enhanced. Infrastructure investment should therefore always go hand in hand with technical assistance and capacity building.

6.15 At the moment the government takes control over most of the tourism activities while the private sector makes use of the business opportunities but does not actively get involved in the planning of tourism development in the region. Since tourism is mainly a private sector activity, more active involvement of the private sector should not be ignored and the private sector should play a more important role. The government should be a facilitator and develop the framework and rules of the game rather than getting involved in the implementation. At the moment there is general distrust between the two parties.

6.16 A total of eleven integrated projects have been identified. It is recommended that the government of Vietnam consider the 2 programs formulated in this Final Report, and take the next steps towards their realization in cooperation with JICA.

- (i) Strengthening tourist organizations and information
- (ii) Development of the tourism Institute of Vietnam – Branch of Central Vietnam (pilot)
- (iii) Hue – Danang tourism train operation (future extension to Tam Ky)
- (iv) Improvement of waterways linking Danang and Hoi An
- (v) Improve tourism safety and develop disaster preparedness
- (vi) Village tourism supporting program
- (vii) Integrated lake and marine protection
- (viii) Rural water supply and sanitation improvement
- (ix) Infrastructure upgrading along HCM trail
- (x) Sustainable development program for Hoi An
- (xi) Expansion of international partnership between HDQ and qualified cities / economies

