

THE PRIME MINISTER

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No. 1636/QĐ-TTg

Hanoi, September 22, 2015

DECISION

Approving the adjusted master plan on socio-economic development of Lao Cai province through 2020, with a vision toward 2030^(*)

THE PRIME MINISTER

Pursuant to the December 25, 2001 Law on Organization of the Government;
Pursuant to the Government's Decree No. 92/2006/ND-CP of September 7, 2006, on formulation, approval and management of socio-economic development master plans;

Pursuant to the Government's Decree No. 04/2008/ND-CP of November 1, 2008, amending and supplementing a number of articles of the Government's Decree No. 92/2006/ND-CP of September 7, 2006;

At the proposal of the People's Committee of Lao Cai province,

DECIDES:

Article 1. To approve the adjusted and supplemented master plan on socio-economic development of Lao Cai province through 2020, with a vision toward 2030 (below referred to as the adjusted master plan), with the following principal contents:

I. DEVELOPMENT VIEWPOINTS

1. The master plan on socio-economic development of Lao Cai province through 2020, with a vision toward 2030, must conform to the national socio-economic development strategy, the master plan on socio-economic development of the northern midland and mountainous regions and be in line with sectoral development master plans nationwide.

2. To step up economic reform and restructuring, and renew the development model; to attach importance to growth quality so as to restore and maintain a high economic growth rate; to ensure social progress and equality and narrow the gap of living standards between the rich and the poor and difficulties among all social strata and areas in the province.

3. To bring into play provincial strengths and comparative advantages for development; to economically and efficiently use the province's resources, especially natural resources. To tap internal resources and concurrently attract more external resources for fast and sustainable economic development.

^(*) *Công Báo Nos 1017-1018 (29/9/2015)*

To prioritize investment in developing spearhead economic sectors and dynamic economic regions associated with hunger eradication and poverty reduction and improvement of material and spiritual lives of ethnic minority people in border, mountainous and difficulty-hit areas in the province.

4. To strive for socio-economic development toward further promoting international economic integration and cooperation, especially with Yunnan province (China) and other ASEAN member countries. To closely cooperate and coordinate with other provinces and cities in the country in ensuring the development of the northern midland and mountainous regions and the country's renewal process for high-quality economic development.

5. To combine economic development with conservation of traditional culture of ethnic groups, environmental protection and ecological balance maintenance without harming and degrading natural landscapes. To closely combine economic development with the consolidation of national defense and security and building of a strong political system and administration.

II. DEVELOPMENT OBJECTIVES THROUGH 2020

To adjust the development objectives through 2020 as follows:

1. Overall objectives

To build Lao Cai province into an economic center of the region and the whole country in mineral mining and intensive processing and an import and export center on the Kunming - Lao Cai - Hanoi - Hai Phong - Quang Ninh economic corridor providing border-gate and tourist services and developing agriculture with hi-tech application; and into an important area for international cooperation with Yunnan province (China); maintain and uphold the beauty of multi-ethnic cultures; sustainably protect the natural environment; ensure political stability, security, social order and safety and national sovereignty.

Lao Cai will become a developed province of the northwestern region by 2020 and a developed province of the country by 2030.

2. Specific targets

a/ Economically:

- To strive to attain an average annual added-value growth rate of around 10.5-11.5% in the 2016-2020 period, in which agriculture-forestry-fisheries sectors will increase by 6.0-6.5%/year; industry-construction sectors, 12-12.5%/year; and services, 11-12%/year. The average per-capita GRDP (at current prices) will be VND 75 million by 2020;

- By 2020, agriculture-forestry-fisheries, industry-construction and services will make up 13%, 44.5% and 42.5%, respectively, of the economic structure.

b/ Socially:

- The natural population growth rate will be around 1.2%/year and the urban population ratio will be around 25% by 2020. To reduce the rate of poor households by 3-5% per year. The

rate of poor households will be lower than the region's average rate by 2020.

- The rate of trained workers will reach more than 65% (including vocationally trained workers, 55%); to create new jobs for around 5,500-6,000 people annually;

- To speed up the implementation of the new countryside building program: around 50 communes, or 34.7% of the province's total communes, will satisfy the new-countryside criteria by 2020;

- To maintain national defense and security and social order and safety.

c/ Environmentally

- To achieve the forest coverage rate of 56%;

- Basically, the urban population will have access to clean water; more than 95% of the rural population will have access to hygienic water; all industrial parks will have centralized wastewater treatment systems and all solid waste will be collected and treated.

III. VISION TOWARD 2030

1. Overall objectives

- By 2030, Lao Cai province will become a modern service-industrial economic and hi-tech applied agricultural production province and a large tourism center of Vietnam and Southeast Asia. To sustainably develop all fields from services to production, mining and urban development; efficient provision of social services in such fields as healthcare, education, training, culture and sports. To narrow the development gap among residential areas, assure social order and safety and social security; to maintain national security.

- Environmentally: To prevent and push back increasing environmental pollution, the degradation of natural resources and bio-diversity; to improve the quality of the living environment; to proactively cope with climate change; to create basic conditions for green, low-emission and low-carbon economy for prosperity and sustainable development. All waste will be basically treated by 2030.

- A number of major targets: To strive for an annual GRDP growth rate of around 9-10%. By 2030, the average per-capita GRDP will be around USD 6,500-7,000; the natural population growth rate will be reduced to under 1%/year, vocational workers will make up more than 80% of the total trained labor force; to annually create new jobs for more than 6,000 people; the entire population of the province will have access to high-quality basic social services.

2. Orientation for development

- Services will contribute more than 50% to the total GRDP with the main driving force being tourism, slowly shifting toward hi-class users of supporting services such as wholesale, retail, financial and education services.

- Processing and manufacturing industry will develop toward deep processing with the establishment of high added-value, clean development and hi-tech industrial clusters.

- Mining industry will become cleaner and more sustainable.

3. Urbanization and development of infrastructure system

a/ Urbanization

- For rural areas: To apply new country models with convenient transport and developed information infrastructure systems for sustainable development; to gradually narrow the living standard gap between urban and rural areas according to the criteria of income, education and healthcare;

- For urban areas: To basically form and stabilize the urban network. Lao Cai's urban center system will be developed toward the combination of modernity and environment-friendly spaces and the conservation of traditional cultural values in architecture. Areas outside urban centers will have developed infrastructure facilities, ensuring urban civilization with the development of high-quality and high-level basic social services.

b/ Infrastructure development:

- To basically complete a synchronous and modern infrastructure system in the whole province, ensuring convenient linkage between the development centers and regions, territories and residential quarters in the province and an easy connection with other regions in the country (especially northeastern and northwestern border provinces) and foreign countries. The information infrastructure system with high and stable service quality will cover the whole territory of the province and reach other regions, areas and foreign countries. To promote the development and application of communications and information technology and modern science and technology in building and developing a synchronous and efficient socio-economic infrastructure system;

- Large urban infrastructure in the province will be invested with modern works; the water supply system up to international standards will satisfy the consumption demand; to ensure high-quality, stable and efficient electricity supply.

IV. ADJUSTMENT OF ORIENTATIONS FOR SECTORAL DEVELOPMENT

1. Agriculture, forestry and fisheries:

- To develop hi-tech agriculture production zones in Sa Pa and Bac Ha covering more than 500 ha, a center for plant variety production (rice, potato, vegetables, flowers, temperate fruit trees, herbal plants, etc.) and high-quality commodity farm produce for the country; to combine agricultural production with processing industries and outlets, aiming to develop the commodity production in the production, supply and consumption chains.

- To develop and well protect head-water protection forests, especially Hoang Lien National Park. To preserve and develop non-timber forest plants that can be developed in commodity forest product regions. To consider forest protection and development as high-value economic activities, ensuring stable income for workers, raising the living standards and forest protection and development responsibility. To arrange inland and border residents to ensure their adaptation to climate change, develop the economy and firmly defend the border.

- To develop and diversify commodity products of a number of aquatic products of high economic value and marketability such as freshwater fish breeds suitable to the province's climate conditions.

- To combine rural and agricultural economic development with the new countryside building program. To strive for an average production value per hectare of land of over VND 75 million by 2020.

2. Industry and handicrafts

- To develop a centralized industry in the direction of establishing allied industry clusters; to study the establishment of an industrial park on around 500 ha in the west of Lao Cai city; to intensify investment in technical infrastructure facilities in existing industrial parks and clusters.

- To prioritize the development of intensive processing industries using mineral resources as raw materials, focusing on mineral mining and processing, construction material production, hydropower generation, fertilizer and chemical production. To continue maintaining the mining and processing capacity of the operating mines.

- To attach importance to developing processing industry: To complete the construction of the 10,000-ton-per-year Bao Yen paper pulp mill; a base paper mill with an annual output of 3,000 tons of products in Ban Vuoc commune - Bat Xat district, a household wooden furniture and MDF particle board plant with an annual output of 30,000 cubic meters of products in Phong Hai - Bao Thang township; and a household and export wooden furniture plant with an annual output of 10,000 cubic meters of products in Lao Cai city. To intensify investing in upgrading and renovating technologies to raise the quality of processed products to meet export requirements: to build tea processing plants of Phong Hai and Thanh Binh tea companies, and beer breweries, animal feed and herbal plant processing factories.

- To develop crafts and craft villages producing textile and apparel and brocade embroidery items in Van Ban, Sa Pa, Si Ma Cai and Bac Ha districts; rattan and bamboo weaving items in Sa Pa, Bao Yen and Van Ban districts; to increase the production scale of, and make fresh investments in, speciality liquor production establishments in Sin San, Nam Pung, Thanh Kim, Coc Ngu, and Lang Moi.

3. Services and tourism

- To focus on developing border-gate economic zones and the border gate system, with Kim Thanh commerce-industry zone in Ban Vuoc as the central one; to form a cross-border economic cooperation zone to well function as a "connection" bridge between Vietnam and other ASEAN member countries and China's southwestern provinces' market (toward Bat Xat). To expand the Lao Cai border-gate economic zone. To further improve technical infrastructure and services in the Lao Cai border-gate economic zone and focus on improving the quality of border-gate services.

- To further develop transport, banking, finance, insurance, post and telecommunications services.

- To develop tourism into a spearhead economic sector with high-quality leisure, ethnic culture, traditional festival and ecological tourist products. To attract investment in developing tourist infrastructure facilities in Sa Pa, Lao Cai city and Bac Ha. To supplement the master plan to invest in golf courses in Bat Xat and Bao Thang districts to attract tourists. To prioritize tourism development cooperation with Yunnan province (China); and promote tourism promotion and attraction through the Lao Cai international border gate.

4. Social fields

a/ Health and public healthcare

- To improve the medical system from provincial and district to communal level and raise service quality. To expand and synchronously modernize the provincial general hospital into a grade-II hospital (with 1,000 patient beds); and establish an oncology center of the provincial general hospital. To build a new obstetrics and pediatrics hospital, a traditional medicine hospital, a provincial endocrinology hospital, a hospital for tuberculosis and lung diseases, a mental hospital, the second branch and third branch of the convalescent and physical rehabilitation hospital in Sa Pa and Bac Ha, the Muong Khuong General Hospital and the food hygiene and safety sub-department; to upgrade district and regional general hospitals into grade-III hospitals; to invest in upgrading physical foundations, facilities and equipment of obstetrics and pediatrics, endocrinology and traditional medicine hospitals.

- To encourage and create favorable conditions for economic and private sectors to develop general and specialized hospitals and clinics.

b/ Education and training:

- To continue implementing and completing the school and class solidification and teacher housing program before 2017; to apply the boarding school model for ethnic minority people to mobilize and maintain the rate of schooling children.

- To diversify school, class and training forms. To mobilize all sources of capital for education-training development to meet the learning demand; to speed up the second-phase building of national-standard schools.

- To form a network of modernity-oriented human resources training institutions. In the immediate future, to establish the branch of the Thai Nguyen University in Lao Cai and Phan Xi Pang University (Lao Cai University) based on the reorganization of a number of training and research institutions in the locality. To combine teaching, learning and scientific and technological research focusing on hi-tech agricultural development with the aim of tapping research institutions and human resources and developing a new model of combined scientific training and research and production and business; and apply preferential mechanisms to administering and lecturing staff and lecturers so as to effectively develop universities.

c/ Culture and sports

- To upgrade cultural institutions in provincial, district and city centers such as museums,

central cultural houses and stadiums, and build a national sports and physical training center in Sa Pa;

- To intensify the professional training for cadres in charge of grassroots cultural work, the mobilization, dissemination and instruction of formation of art troupes imbued with ethnic identity, and organize cultural and artistic activities rich in ethnic identity at the grassroots level. To develop Lao Cai province into a high-quality national athlete training center.

d/ Environmental protection:

To further make economic activities “cleaner” and mitigate their environmental impacts. To restructure the economy and increase economic growth rate toward “green” industries, particularly tourism and services; to minimize environmental degradation due to activities of energy-inefficient sectors with great environmental impacts, such as mineral mining.

5. Infrastructure development

a/ Transport:

- To coordinate with central agencies in implementing road and railway transport infrastructure investment projects in the locality;

- Roads: To build the second-phase Noi Bai-Lao Cai expressway. To study the construction of a bridge spanning the Red River between Vietnam and China; to upgrade national highways 70, 4D, 4E, 4 and 279. To invest in provincial roads, develop urban and rural road transport (inter-communal roads, upgraded inter-village roads to all villages); to build bridges spanning the Red River: Ban Vuoc-Bat Xat, Bac Cuong-Pho Moi and Pho Lu 2;

- Railways: To restore and upgrade the Yen Vien-Lao Cai railway route; to study the construction of the Lao Cai-Hanoi-Hai Phong railway route with a double-track of gauge of 1,435mm;

- Waterways: To restore and upgrade the 166-kilometer Yen Bai-Lao Cai section of the Hanoi-Viet Tri-Lao Cai waterway into a grade-III two-fairway one;

- Airways: To invest in building the Lao Cai Airport meeting the 4C standard of the International Civil Aviation Organization (ICAO) with a 2,800 m-long and 30 m-wide runway before 2020.

b/ Electricity supply

To invest in the power grid infrastructure in hamlets and villages not yet connected to the national power grid; to build new small- and medium-sized hydropower plants with a total output of 454.65 MW;

c/ Irrigation and clean water supply:

- To solidify reservoirs, dams and residential water supply works in mountainous areas in Muong Khuong, Bac Ha and Si Ma Cai districts;

- To invest in the river and stream embankment system along the borderline in order to

ensure border safety and security and facilitate people's production and life.

- To expand the scope and improve the quality of water supply service. To rationally exploit existing water supply works, and expand, upgrade and build works suitable to the urban development. To efficiently bring into play the management of the existing water supply system. To improve technology lines and production, service and administration processes in order to increase water volume and quality to serve consumption demand and minimize water wastage. To protect and rationally use water sources.

d/ Information and communications:

To ensure information infrastructure and improve information safety and security for development of an e-government and information infrastructure for national defense and security and synchronous development of socio-economic infrastructure. To strive for the target that by 2020 all state agencies from provincial to communal level will be connected to LAN networks and have WAN connection to the provincial information network; all communes, wards and townships will be connected to broadband Internet and the connection will be expanded to villages; all state agencies will be equipped with specialized facilities and measures to ensure information safety and security. All communes, wards and townships will have public address stations using frequencies under the FM radio broadcasting master plan through 2020.

6. National defense and security and external relations

- To combine socio-economic development with national defense and security, building of firm defensive areas, making the province a firm defensive area of the country; to ensure political security, maintain social order; to firmly maintain all-people defense and people's security postures.

- To enhance the managerial work and guide external activities in the province. To formulate and organize external affair programs and plans of the Party. To work out and implement cross-border environmental protection measures.

- To implement border management policies to ensure stability and development. To upgrade border-guard posts and stations and border patrol roads; to arrange residential areas and invest in the infrastructure of 26 border communes; to upgrade Thanh Phu-Suoi Thau (Sa Pa) - Hoa Mac (Van Ban) road to connect Sa Pa district with Van Ban defensive area in order to serve security and national sovereignty protection.

V. ORIENTATIONS FOR TERRITORIAL SPACE ORGANIZATION

1. Urban and rural system

- To build the system of urban centers and rural residential areas in the cooperation-support form, ensuring equal interval arrangement among district, provincial and national transport road networks; to develop border-gate service and trade urban centers into dynamic and nucleus urban centers to link, support and promote the development of other urban centers, especially communal centers or centers of communal clusters in the region.

- To build and develop urban centers and clusters functioning as the nation's important border-guard spots directly associated with intersections of the economic, technical and urban corridor toward Hanoi and the East-West border belt in national and international relations via the Vietnam-China border gates.

- To combine the establishment of economic-defense zones with the construction of technical and social infrastructure system along national highway 279 . To form an urban system on this route to connect urban areas in mountainous and midland areas.

- To upgrade and complete the system of townships and centers of commune clusters and communes, and create development nuclei of rural residential areas or support the development of rural areas.

2. Economic zoning

- Industrial regions: To form and develop industrial regions and axes along the Noi Bai - Lao Cai expressway and national highway 70; to develop a number of industrial clusters in townships.

- Agricultural regions: To form intensive farming areas, especially hi-tech agriculture, temperate fruit tree areas in Sa Pa, Bao Thang, Bat Xat, Bac Ha and Lao Cai city. To develop existing flower-growing areas in Lao Cai city, Sa Pa and Bao Thang; to form herbal plant development areas in Sa Pa district.

- Forestry regions: To preserve and develop forests in Hoang Lien National Park, and Van Ban, Bao Thang, Bat Xat and Bac Ha areas.

- Tourist regions associated with the preservation and promotion of natural resources, especially forest resources including:

+ Natural landscape protection forest region: Hoang Lien National Park and Bac Ha;

+ Tourist attraction region: Muong Vi grottos and caves, Ta Phin cave, Thac Bac waterfall, stone park (Sa Pa), Ham Rong waterfall (Si Ma Cai), Thien Long cave (Bac Ha), Dau Nhuan waterfall (Bao Thang);

+ Convalescent areas: Sa Pa, Bac Ha, Cam Duong mineral water tourism areas and Y Ty;

+ Historical and cultural relic regions: Cam Duong revolutionary base, Bao Ha temple, Nghi Lang ancient citadel.

VI. LIST OF PROJECTS PRIORITIZED FOR INVESTMENT STUDY

(See attached Appendix)

VII. SOLUTIONS FOR THE MASTER PLAN IMPLEMENTATION

1. Investment capital

- To identify investors prioritized for major sectors and target projects, explore investors' demands, update the list of prioritized projects together with guidance of investment requirements.

- To provide sufficient and accurate information to potential investors; to guarantee the transparency of long-term policies; to adopt solutions to remove hindrances for investors.

- To reform investment licensing procedures so as to shorten time and cut costs for investors; to support and facilitate investors during the implementation of projects and timely solve arising problems.

- To maintain close relations with current and potential investors via the online databases; to promote images and brand names through communications media and investors' opinions to raise their confidence in Lao Cai province; to consolidate investment promotion agencies' activities.

2. Human resources development

- To build up a contingent of capable provincial- and district-level cadres. To improve workers' skills for current jobs to increase productivity.

- To attract laborers with professional qualification and high skills to satisfy increasing requirements of management, techniques and direct production. To train new graduates and workers under vocational training programs elaborated to meet the working position demand; to improve the management quality of the education system. To assign a human resources management agency to manage the labor force in a comprehensive manner.

3. Land use

- To improve the efficiency of land use according to the master plan. To properly implement the close coordination among farmers, scientists, enterprises and the State and develop industries, handicraft products and services in rural areas. To develop farmers' associations and agriculture, forestry and fisheries promotion organizations and facilitate the practical and efficient operation of such organizations.

- To stabilize rice land according to the master plan, ensure national food security and increase rice export value; to strictly protect the protection and special-use forest areas and natural reserves; to increase urban land use coefficient to meet development requirements; to encourage investment in developing industrial parks in mountainous areas, far from urban and residential areas, in association with infrastructure development.

4. Science and technology

- To effectively conduct scientific research programs in industrial, agricultural and service development. To invest in information technology and communications infrastructure; to raise scientific and technological potential in surveying, assessing and using fuel resources.

- To enhance cooperation with other localities in the country and foreign countries, especially regional countries and advanced nations with high scientific and technological potential so as to further speed up the province's major scientific and technological activities. To adopt policies to attract a contingent of highly qualified scientists and technicians.

5. Enterprise development and development cooperation

- To step up investment promotion and call on large enterprises to involve in development investment, especially in industrial production in industrial parks, tourist development projects

and provision of other basic social services.

- To facilitate the development of the province's enterprises in both their number and competitiveness; to encourage enterprises to invest in agriculture, consultancy services and science and technology. To encourage the official development of enterprises from business households and unofficial sectors so as to create conditions for controlling, supporting and improving production and business quality and the competitiveness of commodities and services.

- To speed up the administrative reform so as to facilitate business registration, the establishment of enterprises, and access to capital sources and financial and other public services. To promote and expand training in enterprise and business administration knowledge so as to build up a contingent of capable and knowledgeable entrepreneurs in the locality. To well organize enterprises and socio-economic information to create conditions for enterprises to easily access information to conduct marketing and increase the efficiency of enterprises' operation.

6. Mechanisms and policies

- To encourage investment in expanding intensive processing of iron, copper and apatite minerals and concurrently adopt measures to stop the export of unprocessed iron and copper ores to reserve materials for developing steel industry in Lao Cai; to adopt policies to attract investment in the Lao Cai border-gate economic zone to be developed into a major border-gate economic zone and a development nucleus of the country.

- To formulate appropriate policies to attract Chinese tourists. To enhance the application of coercive measures against those who fail to comply with Vietnam's laws, bilateral agreements and documents signed between Vietnam and China to reduce smuggling and illegal border crossing.

- To establish ethnic boarding schools (lower and upper secondary schools) in the locality to assist and create favorable conditions for ethnic minority children; to concurrently adopt mechanisms and policies on exemption from or reduction of tuitions and living costs for boarding and semi-boarding students and students in special difficulty-hit communes.

- To implement the mechanism of coordination among localities in the Red River basin, and promote international cooperation in environmental protection in the Red River basin.

Article 2. Organization of the master plan implementation

1. After the adjusted master plan on socio-economic development of Lao Cai province through 2020, with a vision toward 2030, is approved, the province shall make public the master plan to Party Committees and administrations at all levels, sectors, mass organizations, enterprises and people in the province. Based on its contents, the province shall formulate specific action plans for effective implementation.

2. To concretize the objectives set in the master plan with five-year and annual plans for effective implementation and assessment. Based on the results, to review the master plan and

submit it to competent authorities for timely adjustments and supplements in line with the local socio-economic development tasks in each period. To study and implement sectoral development master plans and specific plans and elaborate plans for effective implementation of the master plan. All levels, sectors, socio-political organizations and people in the province shall inspect and supervise the implementation of the master plan.

Article 3. The adjusted master plan on socio-economic development of Lao Cai province through 2020, with a vision toward 2030, serves as a basis for formulating, submitting for approval and implementing sectoral master plans (construction master plan, land use master plan and plans and other relevant plans); and investment projects in the province.

Article 4. To assign the People's Committee of Lao Cai province to base itself on the province's socio-economic development objectives, tasks and orientations under the approved master plan to coordinate with related ministries and sectors in guiding the formulation, approval and implementation of:

1. Socio-economic development master plans of districts; construction master plan; land use master plan and plans; the master plan on development of sectors to ensure a comprehensive and synchronous development between socio-economics and national defense and security.

2. Long-, medium- and short-term plans, key socio-economic development programs and specific projects for focused investment and rational allocation of capital sources.

Article 5. Related ministries and sectors, within the ambit of their functions, tasks and powers, shall:

1. Guide and assist the People's Committee of Lao Cai province during the implementation of the master plan.

2. Coordinate with the People's Committee of Lao Cai province in adjusting and supplementing sectoral master plans to ensure synchronism and consistency with the master plan; consider and assist the province in mobilizing domestic and foreign investment capital to implement the master plan.

Article 6. This Decision replaces the Prime Minister's Decision No. 46/2008/QĐ-TTĐ of March 31, 2008, approving the master plan on socio-economic development of Lao Cai province through 2020.

This Decision takes effect on the date of its signing.

Article 7. The chairperson of the People's Committee of Lao Cai province, ministers, heads of ministerial-level agencies and government-attached agencies shall implement this Decision.-

Prime Minister
NGUYEN TAN DUNG