

*- Smart City supported by Japan ASEAN Mutual Partnership- Smart JAMP
APPLICATION for researching and setting up a smart city project*

1. Project digest

(1) Project title: Building a model of Smart Urban Area in Da Nang Hi-tech Park

(2) City name: Da Nang, Vietnam

(3) Category of the study: A, D, E

(4) Justification of the Project

- Current status of a smart urban project in the target city:

Vietnam has three national-level multi-functional hi-tech parks established by the Prime Minister. In the North, Hoa Lac Hi-tech Park was established in 1998 in the capital city - Hanoi. In the South, Ho Chi Minh City Hi-tech Park was established in 2002. Da Nang Hi-tech Park was the third to be established in Central Vietnam in 2010. Three hi-tech parks, located in the North, Central and South of Vietnam, play their roles as a science-technology center of the region, a development engine to promote the development of science - technology of Vietnam; as well as the enhancement of competitive position of Vietnam in the international arena.

Da Nang Hi-tech Park was established under Decision No. 1979 / QD-TTg dated October 28, 2010 by the Prime Minister; is one of the three national multi-functional hi-tech zones of the country. The main goal of the Hi-tech Park is to become an attractive destination for domestic and foreign investors, creating a driving force for the scientific and technical development of the whole Central-Central Highlands region and Da Nang city in particular, promoting technology innovation, technology incubation, hi-tech business incubation; forming and developing hi-tech industries, making an important contribution to improving economic efficiency and competitiveness for products, goods and services of Da Nang city, towards the direction of building a highly competitive Hi-tech Park in the region and all over the world.

Da Nang Hi-tech Park is constructed in Hoa Lien Commune and Hoa Ninh Commune, Hoa Vang District, Da Nang City and is located in the Northwest of Danang City. It is 17km from Da Nang International Airport; 22km from the city center; 25km away from Tien Sa port (seaport); and 5km from Lien Chieu Port (This port will become the main freight port in the future). The total planned area of Da Nang Hi-tech Park is 1,128.4 ha with 06 functional subdivisions including 202.58ha production area; Hi-tech enterprise research and development, training



and incubation area: 99.93 ha; Logistics, logistics and hi-tech services: 27,45ha; Residential area (including area for hi-tech workers, residential area for experts and public service construction): 31,40 ha; The key technical infrastructure area: 9.75 ha and the administration area: 28.35 ha.

Da Nang Hi-tech Park has attracted investment since 2012 with a total investment of VND 8,841 billion. The capital source allocated for the project from 2010 to 2019 is 2,510.2 billion VND, of which national capital: 1,482.018 billion VND (59%), local budget capital: 1,028.18 billion VND (41%). Up to now, Da Nang Hi-tech Park has synchronized infrastructure with routes connected following the checkerboard box, which is convenient for traffic and goods transportation; Hoa Trung lake water plant with capacity of 20,000 m³ / day and night; 110 / 22kV transformer station, capacity of 40MVA; Information technology infrastructure is invested to build up to the bottom of the enterprise fence; Wastewater treatment system with a total capacity of up to 18,000m³ / day and night (currently 4,500m³ / day and night); The underground optical cable system is invested and built from the city center to Da Nang Hi-tech Park.

From the constructing and completing infrastructure phase with an area of 400ha clean land to attract investment, in the period 2012-2013, Da Nang Hi-tech Park has received two first FDI projects from Japan, they are Tokyo Keiki Precision Technology and Niwa Foundry Vietnam with total investment capital of 70 million USD. In total, the Hi-tech Park has attracted 24 projects, including 12 domestic projects with investment capital of 6,291 billion VND and 12 FDI projects with investment capital of 545.1 million USD.

Regarding mechanism and policies, the Management Board has advised the Government to promulgate Decree No. 04/2018/ND-CP dated January 4, 2018 on preferential mechanisms and policies for Da Nang Hi-tech Park. This Decree prescribes the mechanism for mobilizing investment capital for the development of hi-tech parks; Preferential policies on land rental, corporate income tax, import tax, investment credit, and fee for using infrastructure. This is an important policy that facilitates the mobilization of resources and legal basis to promote investment attraction in Da Nang Hi-tech Park, building Da Nang Hi-tech Park to develop and reach the Contribution of at least 15% to the city's GRDP by 2030.

- Urban / local government sector development policies on smart city projects and goals:

- Decision No. 6439/QĐ-UBND dated December 29, 2018 of the People's Committee of Da Nang city on the promulgation of the project to build smart cities in Da Nang city, period 2018-2025, orientation by 2030.

- Overall architecture of smart city in Da Nang city (Issued together with

Decision No. 164 / QD-UBND dated January 11, 2018 of the People's Committee of Da Nang city).

- Program No. 29-CTr / TU dated May 10, 2019 of the Da Nang City Party Committee on the implementation of Resolution No. 43-NQ / TW dated January 24, 2019 of the Politburo on building and developing Da Nang to 2030, with a vision to 2045;

- Program No. 35-CTr / TU dated December 16, 2019 of Da Nang City Party Committee on the implementation of Resolution No. 52-NQ / TW dated September 27, 2019 of the Politburo on a number of major directions, policies to actively participate in the Fourth Industrial Revolution.

- The Resolution of the Twentieth Congress of the Party Committee of Da Nang City for the term 2020-2025 identifies one of the three key and breakthrough tasks in the period 2020-2025 as “Strongly renovating the growth model, restructuring the economy, focusing on strongly developing hi-tech industries and information technology, associating with building an innovative start-up city, smart city, creating a foundation to promote development of other industries and new sectors, especially digital economy, digital society and digital government”.

- Outline of the Study:

Part 1: Rationale and Necessity of Project Construction

Part 2: Assessment of smart city construction in some localities / Science Zone / Hi-tech Park of Japan

Part 3: Assessment of Danang Hi-tech Park current status

Part 4: Select a smart city building model for Da Nang Hi-tech Park

Part 5: Implementation solutions

Part 6: Risk Assessment of the Project



- Purpose (short-term goals)

- Support research on master plan of Da Nang Hi-tech Park to become a smart urban area in the Northwest of Da Nang city.

- Through capacity building programs such as organizing training courses and seminars (which can be done online) to gain a better understanding of digital solutions like robot, IoT, AI or big data in smart city building.

- Support to develop digital planning maps for Da Nang Hi-tech Park to promote investment; Building smart management systems in Da Nang Hi-tech Park in the fields of urban management

- Develop 5G network coverage for the entire Da Nang Hi-tech Park.
- Allow Hi-tech Park staffs to participate in short-term training programs in Japan and conduct research on successful smart city models in Japan.

- Objective (long-term goal) of the Study or the whole project

- Set up a smart urban area in Da Nang Hi-tech Park: applying technology solutions in: human, infrastructure, and internal traffic management, managing activities of projects and other enterprises, water supply flow management and waste treatment, energy management, and network infrastructure management.
- Support the foundation of a Data Center for Da Nang Hi-tech Park.

- Other relevant projects if any

It can be connected to the IT Park Phase I project with a total planned area of 131 hectares, which is located adjacent to Da Nang Hi-tech Park.

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Subscriber



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