

PLANNING WITH CERTAINTY: KEY ENHANCEMENTS UNDER VIETNAM'S 2025 PLANNING LAW

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Legislative Status and Objective

On 10 December 2025, the National Assembly adopted Law No. 112/2025/QH15 on Planning ("2025 Planning Law"), to enter into effect from 01 March 2026, repealing and replacing in full the 2017 Law on Planning.

The stated and evident objective of the 2025 Planning Law is not to redesign Vietnam's integrated planning model, but to:

- stabilise implementation after the first national planning cycle (2021–2030);
- correct hierarchy and conflict-resolution weaknesses; and
- improve planning operability as a legal basis for investment decisions.

Strategic framing: The 2025 Planning Law functions as a second-generation implementation statute, not a policy reset.

Fundamental Planning Principles (Investor-Relevant Reinforcement)

Planning principles are set out with particular relevance to investors:

- consistency with socio-economic development strategies;
- hierarchy, synchronisation, and long-term stability of planning schemes;
- transparency and public participation;
- independence between planning formulation and appraisal;
- fair competition and prohibition on using planning to distort markets or pre-select investors.

Comparison with 2017: principles are more explicit and investor-facing, reflecting lessons learned where planning was perceived to influence market structure, including in energy and infrastructure.

Planning System Structure and Hierarchy

Components of the Planning System

Planning system comprises:

- national master planning;
- national marine spatial planning;
- national land-use planning;
- national sectoral planning;
- regional planning;
- provincial planning;
- sectoral detailed planning;
- urban and rural planning.

Mandatory Hierarchical Conformity

It imposes binding conformity rules, including:

- national master planning as the apex instrument;
- sectoral planning conforming to national master, land-use, and marine spatial planning;
- regional planning conforming to national-level planning;
- provincial planning conforming to national and regional planning;
- urban and rural planning conforming to provincial planning.

2017 comparison: Hierarchy existed in principle, but the 2025 law converts hierarchy into enforceable legal obligation, materially reducing interpretive uncertainty.

Resolution of Conflicts Between Planning Schemes (Major Structural Reform)

It further introduces a comprehensive conflict-resolution framework, including:

- automatic adjustment of lower-ranking plans where inconsistent with higher-ranking plans;
- Prime Minister authority to resolve inter-sectoral and inter-provincial conflicts;
- ministerial authority for conflicts within a single sector;
- mandatory use of simplified adjustment procedures to remove inconsistencies.

2017 comparison: The 2017 law lacked a clear workable statutory conflict-resolution mechanism. This reform directly addresses planning deadlock experienced by nationally significant infrastructure and power projects.

Planning Period and Vision (Codified Stability)

- a 10-year planning period; and
- a 30-year planning vision.

Strategic relevance: This statutory horizon aligns with the economic life and financing structures of power plants, transmission assets, LNG terminals, and large-scale infrastructure.

Formulation, Appraisal, and Approval of Planning Schemes

Planning Formulation

2025 Planning Law regulates formulation, including requirements for strategic environmental assessment, integration of climate change, disaster prevention, and resource efficiency. Further, inter-agency coordination and data consistency.

Appraisal and Approval

The said law further strengthens appraisal by clarifying appraisal council composition and responsibilities, reinforcing independence between formulation and appraisal, requiring consultation with relevant ministries and local authorities.

Disclosure, Planning Databases, and Digital Governance

- require public disclosure of approved planning schemes.
- establish the national planning information system and planning database as mandatory implementation tools, including obligations for data sharing and access.

Use of Planning in Investment Decisions (Critical Clarification)

- only one relevant planning scheme should be used to assess conformity for an investment decision;
- certain upgrades or replacements of existing works may not require reassessment;
- urgent or nationally important projects may proceed first, with subsequent planning adjustment.

Important clarification: This provision does not override sector-specific approval regimes under laws such as the Electricity Law or PPP Law; it clarifies sequencing and planning reliance only.

Assessment, Review, and Adjustment of Planning Schemes

- periodic assessment of implementation;
- grounds for adjustment, including inconsistency, emergency needs, or changed assumptions;
- simplified adjustment procedures to accelerate alignment.

2017 comparison: Adjustment mechanisms were slower and procedurally fragmented.

Sectoral Implications – Focus on Power and Energy

Power Development Planning

Power development planning remains a form of sectoral planning and must conform to national master planning, national land-use planning, relevant regional and provincial planning.

Effect: Provincial discretion to deviate from national power orientations is more tightly constrained.

Grid and Transmission Infrastructure

Conflict-resolution powers and simplified adjustment materially improve the feasibility of cross-provincial transmission projects.

Renewables and Energy Transition

Mandatory integration of environmental protection and climate objectives in planning formulation strengthens the legal foundation for renewable and transition-related projects.

For the power sector, the law reduces structural planning risk and improves bankability, without diluting sector-specific regulatory control.

Comparative Study - 2017 vs 2025

Topic	2017 Law on Planning	2025 Planning Law	Key Change / Impact
Legislative intent	Transformational reform introducing integrated planning	Stabilisation and correction of implementation issues	Shift from conceptual reform to operational certainty
Planning model	Integrated, multi-level planning introduced	Same integrated model retained	Continuity preserved for existing investments
Scope of regulation	Planning system, formulation, approval, implementation	Same scope, expressly reaffirmed	No disruption to existing legal architecture
Definitions	Core planning concepts defined	Definitions consolidated; digital planning infrastructure expressly defined	Planning data and systems gain clearer legal status
Planning principles	General principles, including consistency and transparency	Principles strengthened; explicit fair competition and anti-market distortion rule	Stronger investor protection against planning-driven market shaping
Planning hierarchy	Hierarchy stated in principle	Mandatory, enforceable hierarchy with clear conformity rules	Reduced interpretive risk; clearer supremacy of plans
National master planning	Introduced but less operationally dominant	Clearly positioned as apex planning instrument	Stronger central coordination, especially for national infrastructure
Sectoral planning	Exists; alignment obligations less explicit	Must strictly conform to national master, land-use, and marine plans	Sectoral plans (incl. power) more tightly integrated
Regional planning	Introduced; coordination challenges in practice	Binding conformity with national planning clarified	Improved inter-provincial coordination
Provincial planning	Integrated but subject to interpretation	Explicitly subordinate to national and regional planning	Limits provincial deviation from national policy
Urban & rural planning	Linked to planning system	Expressly required to conform to provincial planning	Cleaner downstream alignment
Conflict between plans	No effective statutory conflict-resolution mechanism	Dedicated conflict-resolution regime with assigned authority	One of the most significant reforms
Authority to resolve conflicts	Unclear; ad hoc administrative handling	Prime Minister / ministers expressly empowered	Faster resolution for major projects
Adjustment of plans	Possible but procedurally slow and fragmented	Simplified and expedited adjustment mechanisms	Critical for fast-moving sectors (energy, infrastructure)

Topic	2017 Law on Planning	2025 Planning Law	Key Change / Impact
Planning period	Conceptually 10 years	Statutorily fixed at 10 years	Greater legal certainty
Planning vision	Not clearly codified	Statutorily fixed at 30 years	Aligns with long-life assets (power plants, grid)
Environmental integration	SEA required but uneven application	Climate change, disaster resilience expressly integrated	Stronger basis for renewables and transition projects
Digitalisation	Encouraged at policy level	National planning database and information system mandated by law	Transparency becomes a legal obligation
Disclosure of plans	Required, but implementation uneven	Mandatory public disclosure with statutory backing	Better due diligence and investor access
Use of planning in investment decisions	Planning conformity required, often duplicative	Only one relevant planning instrument to be used	Reduces regulatory friction
Urgent / national projects	No clear sequencing rule	Investment may proceed first, planning adjusted later	Helps emergency power and grid projects
Investor pre-selection via planning	Implicitly discouraged	Explicitly prohibited	Stronger competitive neutrality
Power development planning	Sectoral planning under integrated system	Same, but hierarchy and conformity tightened	Less room for inconsistent provincial interpretation
Transmission projects	Often delayed by inter-provincial conflicts	Conflict resolution and simplified adjustment available	Improved bankability of grid projects
Renewable energy projects	Supported, but planning rigidity caused delays	Greater flexibility through adjustment mechanisms	Better alignment with energy transition needs
Relationship with sectoral laws	Implicit	Explicitly preserved (planning does not replace sectoral approvals)	Avoids regulatory confusion
Overall investor impact	High reform ambition, high uncertainty	Lower uncertainty, stronger predictability	Net positive for long-term investment

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