The "Planning Study on the Coordinated Development of the Greater Pearl River Delta (PRD) Townships" (the "Greater PRD Study") is the first strategic planning study undertaken with the agreement among the Hong Kong and Macao Affairs Office of the State Council and the governments of Guangdong Province, Hong Kong Special Administrative Region (SAR) and Macao SAR. It is conducted under the framework of "One Country, Two Systems" by the Construction Department of Guangdong Province, Development Bureau of Hong Kong SAR and Secretariat for Transport and Public Works of Macao SAR under the steer of the Expert Group on Hong Kong/Guangdong Town Planning and Development and the Expert Group on Macao/Guangdong Town Planning and Development. This is also the first study in China on coordination of spatial planning involving different systems. It demonstrates an innovative and important step in the cooperation between Guangdong, Hong Kong and Macao from a "non-institutional" approach led mainly by market to an "institutional" approach led by both government and market.

"The Greater PRD Study" commenced officially in March 2006 and took three years for completion, after undergoing the stages of topical study, technical study and consolidation of findings. The topical study stage (from March 2006 to November 2007) involved 26 topics. The findings of topical studies were refined in the technical study stage (from December 2007 to April 2009), during which the key study issues were substantiated to address the significant changes in the macro-economy of China and overseas since the second half of 2007 and the implementation of the "Outline of the Plan for the Reform and Development of the Pearl River Delta" ("the Outline"). In the consolidation of the findings (from May 2009 to July 2009), the characteristics of the study were highlighted, emphasizing the forward-looking and innovative approach as detailed in this report. The study was monitored by the Expert Groups on Hong Kong/Guangdong and Macao/Guangdong Town Planning and Development. Furthermore, comments from a group of specialist advisors comprising 31 renowned experts in the Mainland, Hong Kong and Macao had been sought. The findings of the study were endorsed at a joint meeting between the Expert Groups on Hong Kong/Guangdong and Macao/Guangdong Town Planning and Development.

The findings of this study serve as a high-level strategic outline of recommendations on key planning issues for the reference of the governments of Guangdong, Hong Kong and Macao in formulating policies in regional cooperation and cross-boundary matters. However, the implementation of the recommendations should be subject to the policies and resource allocations of the Central Government and governments of Guangdong Province and the two SARs. In addition, given the different systems of Guangdong, Hong Kong and Macao, further discussions, studies and public consultations by the respective governments should be carried out before the recommendations are implemented.
Background of the Study

The Greater PRD region is one of areas in the world witnessing the most rapid development in the last 20 years of the 20th century. Such rapid and continuous growth was driven by China's reform and open door policies, as well as the long-term and stable cooperation between Guangdong, Hong Kong and Macao, both officially and non-officially. As a result, the economic, social and cultural development of the three places has gone past the long-established administrative boundaries, even beyond the control of individual governments. The topic on the "Coordinated Development of the Greater PRD Townships" first originated from the common vision of Guangdong, Hong Kong and Macao to establish a "closer cooperation relationship" and their consensus to build "one of the most prosperous and vibrant economic centres in the world" under the "One Country, Two Systems" framework. It was under this background that the Hong Kong/Guangdong Cooperation Joint Conference decided at its 7th plenary (August 2004) to jointly commission the "Greater PRD Study".

The 21st century is a century for cities, during which the formation of "city-regions" (see Column 0-1) is an important form of urbanization, and "city-regions" have become the most important geographical units in global competition. In the Technical Report of this Study, it is demonstrated that in the era of globalization, the well developed "city-regions" in the world are also major spatial units of a country participating in the international competition, the leaders in division of labour in global economy and the most important economic centres. Whether those functions of a "city-region" can be brought into play depends on whether the concerned cities are administered under a co-ordinated framework of the city-region. This requires closer integration in planning, service provision and policy formulation as opposed to the unco-ordinated administration of cities in the past. In this perspective, the undertaking of the "Greater PRD Study" jointly by Guangdong, Hong Kong and Macao serves to pave way for all the cities in the Greater PRD to achieve prosperity and improve global competitiveness.

Column 0-1: "City-region"

"City-region" has been used in Mainland China as a planning term in the past 10 years referring to the regions undergoing rapid urbanization, such as the PRD, Yangtze River Delta and Beijing-Tianjin-Hebei regions. This concept originates from the concepts such as the "Metropolitan Area", "Megalopolis" and "Megacities", as referred to in overseas urbanization studies. "City-regions" are formed by the clustering of numerous cities and towns around one or more larger "centres" and are generally known to be the areas of a country which are socially and economically most developed. These cities and towns are adjacent to each others geographically and are linked together functionally. They exist as independent entities with distinct administrative boundaries, but are integrated in terms of social, economic and environmental interaction beyond the boundaries. They are linked by intensive flow of people, goods and information, which is made possible by advanced and modern transport and communication facilities, forming a functional city-region not bound by administrative boundaries.

1 The 6th plenary of the Hong Kong/Guangdong Cooperation Joint Conference (5 August 2003) and 2003 Macao/Guangdong Cooperation Joint Conference (9 December 2003).
3 Technical Report of the "Greater PRD Study".
4 Same as note 3.
5 Same as note 2.
Objectives of the Study

Based on a series of studies and analyses, the "Greater PRD Study" serves to recommend on the ways through which Guangdong, Hong Kong and Macao can coordinate or cooperate with each other to establish the Greater PRD City-region as an integrated region for meeting new opportunities and challenges, and satisfying the increasingly strong demand for cooperation in the social, economic and environmental aspects under a common development vision.

The major objective of the study is to formulate strategies, action plans and mechanisms for coordination in spatial development of the Greater PRD City-region under the "One Country, Two Systems" framework, by taking a forward looking approach and with emphasis on issues including regional spatial structure, cross-boundary transportation, cooperation among cross-boundary areas and ecological and environmental protection. The study serves to put forward spatial development strategies that can promote economic development, social integration and environmental improvement in the region; provide a framework for establishing the region as the most prosperous and vibrant economic centre of the world; and serve as a reference for the governments of Guangdong, Hong Kong and Macao in formulating regional cooperation policies and determining the way forward.

Scope of the Study

The Greater PRD City-region has all along been China's leading region pioneering reform and open door policies, and is also the major area of cooperation among Hong Kong, Macao and the Mainland. The successful cooperation among Guangdong, Hong Kong and Macao in the past 30 years has created a city-region which is one of the most unique in the world. In co-ordinating development, the region has dealt and will continue to deal with numerous complicated issues.

One of the basic principles underlining the "Greater PRD Study" is that the recommendations to be made should be based on the established development plans of the concerned cities, with necessary adjustment and consolidation, and should be specific to the special needs of the city-region and implementable. On this basis, the study began with a focus on the key issues involving "cross-boundary" coordination, including mainly the overall development strategies of the Greater PRD City-region, strategies for cross-boundary transportation and cooperation, regional strategic environmental impact assessment and protection/utilization of resources, mechanisms for coordination in development, and imminent major tasks of coordination. In late 2008, a topical study on co-ordinated development between Macao and the west bank of Pearl River Estuary was also launched. There were thus five special topics undertaken in the study (see Column 0-2).

After the completion of the topical studies, there have been major changes in various circumstances, such as the adjustment of China's trade
policies in outward processing of manufacturing products, the pressure exerted by international markets regarding the export of outward processing products, global financial crisis caused by the sub-prime mortgage crisis of the United States of America (USA), and the promulgation of "the Outline". The original scope of the study had been adjusted to address these changes. Since "the Outline", which sets out a comprehensive planning framework from the national perspective on the development objectives, strategies and actions for the PRD region in the next 10 years, has given unprecedented emphasis on the cooperation among Guangdong, Hong Kong and Macao, the "Greater PRD Study" has enriched the analysis of the issues with significance in "cross-boundary" cooperation with a view to providing guidance for closer cooperation among the three places as emphasized in "the Outline". The ultimate focus of the study is on the regional spatial structure, cross-boundary transportation and protection of ecology and environment. The enhancement

**Column 0-2: Major scope of the topical studies**

- **Topic 1 — Study on the overall development strategies**: by analyzing the development history, characteristics and existing problems of the Greater PRD City-region, this topical study served to assess in a scientific manner the development trend, opportunities and challenges of the City-region; identify the differences with other developed city-regions in the world and the causes behind; and set out suggestions on the regional development objectives and strategies for further study.

- **Topic 2 — Study on the strategies for cross-boundary transportation and cooperation**: by analyzing the coordination in cross-boundary transport arrangement and development of areas adjoining the boundaries among Guangdong, Hong Kong and Macao, this topical study aimed to explore the ways to relieve the constraints for cooperation among the three places due to differences in systems; promote regional integration; bring into play the roles of the three places to complement each other; and enhance the overall regional competitiveness. This study also explored the ways to develop high quality and multi-level transport network to strengthen the accessibility within the Greater PRD City-region and extend its influence outward; and improve the management and coordination modes in land utilization and development/protection of resources among the cross-boundary areas.

- **Topic 3 — Strategic environmental impact assessment and the protection and utilization of resources**: by analyzing the characteristics of the environmental resources in the Greater PRD City-region, this topical study aimed to evaluate the capacity of the regional environmental and eco-system, assess the potential environmental impacts that may be brought about by the existing and future social and economic developments, formulate corresponding environmental measures and feasible remedy options, with a view to setting a reasonable balance between development and environmental protection. It also sought to improve the quality of living environment, implement ways of sustainable development, formulate regional greening plans for the Greater PRD City-region, and formulate relevant protection and management plans for selected areas with important ecological value.

- **Topic 4 — Recommendations on the mechanisms of coordination in development and key coordination work in short term**: by conducting comparison study on the mechanisms of regional coordination, this topical study aimed to make recommendations on the mechanisms for coordination in regional development, and formulate short-term action plans and medium and long-term coordination strategies to facilitate coordination.

- **Topic 5 — Study on the coordinated development of Macao and the west bank of PRD**: by studying Macao’s development history, characteristics, current conditions and linkage with other areas in the Greater PRD City-region, this topical study aimed to capture new development opportunities arising from the implementation of Hong Kong-Zhuhai-Macao Bridge and the development of Hengqin Island, and make recommendations on the spatial pattern and development strategies for the coordinated development between Macao and the west bank of PRD.
of these three issues is recommended as the strategies for realizing the overall development objectives of the Greater PRD City-region in the next 10-20 years.

Characteristics of the Study

**A cross-boundary study based on the framework of "One Country, Two Systems":** "One Country, Two Systems" is China's special arrangement to ensure the long-term prosperity and stability of Hong Kong and Macao after their return to Chinese sovereignty. Under this arrangement, the Greater PRD City-region enjoys unique locational advantages but is also subject to unique constraints (Column 0-3), which do not exist in other regions of China. The need to deal with a "cross-boundary" region under the "One Country, Two Systems" framework is the basic characteristic of this study.

**Column 0-3: The unique locational advantages and constraints**

In spite of the differences in the systems between Guangdong and Hong Kong, and between Guangdong and Macao, the highly open and liberal mode of economic operation of Hong Kong and Macao and the PRD's "early and pilot implementation" scheme of reform could be organically integrated through cooperation and mutual complementation. The integration will result in unique locational advantages for the Greater PRD City-region enabling Hong Kong, Macao and all the cities in the PRD to benefit. On the other hand, the key production factors in the region, notably labour, are not freely mobile, thereby increasing the costs for individuals, enterprises and public administration for joint development in the Greater PRD City-region. This has become a unique constraint for the Greater PRD City-region to improve its overall regional competitiveness, which does not exist in other regions in China.

**A regional study focused on the spatial aspect:** unlike the planning studies on other city-regions in the Mainland, which may involve a wide range of issues, the "Greater PRD Study" focuses on three key spatial aspects, namely the regional spatial structure, cross-boundary transportation and ecology/environment, and emphasizes on the possible joint actions for Guangdong, Hong Kong and Macao. This is not only because of the differences in administrative and economic systems among the three places, but also due to the fact that "the Outline" has explicitly set out the functional roles of the PRD and its cities from the national perspective, and comprehensive and systematic arrangements on the reform and development of the economy, society and environmental management in the region.

**A study for coordination and cooperation on a win-win basis:** "the Greater PRD Study" focuses on coordination in development with a view to easing the flow of key economic factors, rather than an integration of administrative jurisdictions. The future prosperity of the concerned cities will increasingly depend on their ability to cooperate with each others when participating in global competition. Of course, this does not mean that all cities should replace individual objectives and benefits with the regional goals, but it means that while seeking to realize individual objectives and benefits, all cities should cooperate to achieve mutual benefits and resolve conflicts. As such, this study has paid more attention to the problems that exist in the coordination among Guangdong, Hong Kong and Macao and need to be solved jointly by...
the three places. It is also concerned about the importance of balancing the responsibilities and benefits among Guangdong, Hong Kong and Macao in the coordinated development of the Greater PRD City-region. In this regard, the established development plans of the concerned cities were taken as the basis of this study, and the establishment of coordination mechanisms is one of the key study issues.

The Greater PRD City-region has become a well-known economic miracle in less than 30 years, and has proved to the world the possibility of extraordinary growth. However, the global financial crisis in 2008 caused by the sub-prime mortgage crisis of USA also reminds the world that future economic development is highly uncertain. All these suggest that the path of future development of the Greater PRD City-region may not be unfolded as forecast in the "Greater PRD Study". Guangdong, Hong Kong and Macao would need to make timely adjustments to the recommendations in this study through collective actions and capitalizing on individual advantages.