

**HIGHWAY NO. 1 IMPROVEMENT AND UPGRADING PROJECTS:  
ANALYSIS ON APPLIED RESETTLEMENT POLICIES AND  
CONCLUSIONS FROM BIDDING PROCEDURES**

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**abstract:** Highway No.1 with about 2300 km long is one of the most importance ones in the road network of Vietnam for transport from northern to southern parts. The program on upgrading and improvement would be implemented in three phases with various projects. The first phase is now coming to the end, the second has begun and the third is now under preparation. The paper deals with

- A survey on resettlement problem, one of the big difficulties, based on an analysis the similar and the different points in policies of Vietnam and of international funding agencies,

- An analysis on the done bidding processes especially on what must be more considered through experiences from the first phase.

## 1. INTRODUCTION

### 1.1. Global investment in Transport infrastructure development

Some years after joining to ASEAN, from 14 Nov. 1998, Vietnam has become one full-member of APEC. On the threshold of becoming a member of Asian Free Trade Association (AFTA) by the year 2006 and joining WTO, Vietnam is in a position to be going to face with the new forces and tendencies of globalization. Following the renovation policy, the participation to international organizations offers to all business sectors a lot of advantages, but it put numerous challenges to this country, too.

To promote the nation's socio - economic development and to overcome these challenges, an adequate land transport infrastructure system is significant. The transport and communication industry must develop further to ensure the country's socio-economic development. Land transport infrastructure should be developed on the basis of a plan made in accordance with improving the relevant management structure. So, the Vietnamese government in last years has invested an amount of budget for infrastructure upgrading and improvement. The same trend of infrastructure development will be continued in coming years.

Table 1: Investment in Transport (Bill. VND-Vietnamese dong)

	<i>1995</i>	<i>1996</i>
Total Investment of Society	64 963	77 814
Transport and Communication	<b>10 951</b> (16.9%)	<b>11 446</b> (14.7%)

Table 2: Distribution of ODA resources:

<b>Total</b>	<b>5 Bill. USD</b>
Electricity	25%
<b>Transportation</b>	<b>19%</b>
Credit and structure regulation	16%
Agriculture, forestry, fishery	13%
Education, health and culture	11%
Water supply and waste water drainage	07%
Others	09%

### 1.2. Highway no. 1 improvement and upgrading projects

National Highway I is one of the main arteries in the country. The highway is 2,289 km long and is restored and constructed with capital from foreign and domestic loans. From 1996 to 2001, some road sections in Ha Noi's environs such as Ha Noi - Gie and those in HCM City's environs such as Xuan Loc HCM City - Tan An will be expanded to four lanes, and Bac Giang, Thi Can, Duong, Gianh, Quan Hau and My Thuan bridges constructed. From 2001 to 2020, the remaining sections will be restored and Can Tho Bridge will also be erected. Some sections such as Bac Giang - Ha Noi, Gie - Vinh, Dong Ha - Quang Ngai, Phan Thiet - Xuan Loc and Tan An - Bac Lieu will be expanded to include four lanes and those such as Xuan Loc - Tan An - HCM City will be upgraded to six lanes.

The whole program for Highway No.1 consists of a lot of projects, which are being carried out by the Ministry of Transport through two representative organizations: Project Management Unit No. 1 (PMU1) and PMU 18.

- PMU1 is responsible for all projects on road and small/medium bridges with foreign funding source from World Bank (WB), Asia Development Bank (ADB). These projects are divided in three phases: I, II and III. The first phase started on February 1996 and will complete on February 1999. The second phase started now and the last phase is in preparation.
- PMU18 is responsible for large bridges financing support from the Overseas Economic Co-operation Fund - OECF (Japan), France and Australia.

### 1.3. Some aspects of preparation and implementation stages

It is remarkable that up to now, this is the largest program of transport sector, and the first projects which managed according to international procedures, such as selection of consultants and bidding process for contractors. That is why the PMUs have confronted with a lot of difficulties for lack of experiences and lack of legal framework.

The another aspect consists of the long duration of the program, and therefore variations in the relevant policies are visible, especially, those on land acquisition/resettlement and bidding.

In the next sentences, an analysis on these topics will be presented.



## 2. ANALYSIS ON APPLIED LAND ACQUISITION/RESETTLEMENT POLICIES

### 2.1. Popular situation on the site: spotted

The land acquisition is one of the most challenges for projects. It is the cause for delay in implementation. The delay is so large that contractors must carry out their works in sections with only 300-400 meters for contract with decades of kilometers, *a spotted situation*. That's why an analysis is necessary to understand this situation.

### 2.2. Institutional analysis

In difference with many countries, in Vietnam, land is the property of the state and can not belong to individual's ownership. The Government shall on behalf of the state, uniformly administer land. *The sell/purchase of land is illegal*. But that can not do the land acquisition easier. The Land Law of Vietnam stipulated that those who are using land on a stable basis, as certified by the relevant authorities, shall be issued with a **certificate of the right to use land (RUL)**. Any household or individual shall have the right to exchange, transfer, rent, inherit, or mortgage this RUL. The law of land stipulates that where necessary for the purpose of public interest, the state recover possession of land which is currently being used. In such cases the land user shall be entitled to payment of compensation in respect of the recovery. But legal regulations in regarding compensation for the right to use land and subsidy policy for people without RUL are up to now not yet quite decided by relevant state bodies.

#### 2.2.1. Compensation according to the former legal documents

How much would be paid for the RUL owner? The first phase of Highway No. 1 projects started since 1996. Though the law of land has issued three years ago, in 1993, but it is lack of legal documents explaining the implementation of this law. Beside that, PMU are lack of experience. At that time, there were two other decrees and some provincial regulations. But the land price unit, calculated on the basis of these rules, reached approximately only 45% market price. Most people did not accept that price and the acquisition could not be implemented. In a lot of case, some forms of subsidy must be added through discussion between PMU and local authorities to reach acceptable level. Of course, that will modify conclusions of cost/benefit analysis, carried out in the preparation phase.

Land acquisition and resettlement cost is estimated based on the area of required land acquisition estimated in the preliminary engineering design and the estimated number of resettled families in the environmental study.

Unit costs are estimated in accordance with the following criteria

- a) Unit costs of land acquisition are decided based on the "Regulating Price Frame of Various Kinds of Land", Decrees No.87/CP, August 17, 1994.
- b) Resettlement costs are estimated based on discussion with PMU and houses up to 7.0 m from the toe of embankment or upper edge of cut were counted.

- c) Compensation cost for production is based on the following criteria:  
2kg paddy/sq.m/year x 1,800 dong/kg x 2 years = 7,200 dong/sq.m
- d) Other compensation (cost for preparing new house lots, paying 3 months subsistence allowance, relocating house materials to new site, providing training for one person of each household) is estimated as follows

(Number of households) x 6,000,000 dong/each

Unit costs of land acquisition and resettlement are shown in Table 3.

Table 3: Unit Costs for Land Acquisition and Resettlement

	Description	Unit	Unit cost (VND)
1	Land Acquisition/Compensation		
	Inhabited Land along Existing Road	Sq.m	150,000
	Inhabited Land in Rural Area	Sq.m	19,400
	Rice Field/Cultivated Area	Sq.m	12,100
	Forest Area	Sq.m	8,920
2	Crop Compensation		
	Rice	Sq.m	7,200
3	Resettlement/Compensation		
	Permanent House	Sq.m	1,300,000
	Temporary House		400,000
4	Other Compensation		
	Cost Relevant to Relocating House	Nos.	6,000,000

### 2.2.2. Compensation according to the existing legal system

Two years later, on 24 Apr. 1998, the Government promulgated the decree No. 22/1998/ND-CP on indemnification for actual losses when recovery of land. According to this decree, the RUL 's owner shall be indemnified for:

- Any loss of land,
- Any loss of existing assets in relation with the recovered land including technical infrastructure,
- Subsidy for living conditions and production if resettlement is needed,
- Any cost for profession change, when needed,
- Direct cost for implementation works: compensation, resettlement and land acquisition.

The regulations of this decree are not details enough to the practice. For example, the loss of land would be compensated according to:

$$P = L \times K,$$

P = Payment for loss of land,

L = Land price, determined according to each project on the basis of local RUL' price, approved by the local authorities,



K = Factor modifying the land price according to possibilities creating benefits. The determination of this factor must be done according to procedures stipulated by the Circular No. 145/1998/BTC dated 04 Nov. 1998 of the Ministry of Finance, and approved by the local authorities, too.

So the local authorities at provincial level have very important tasks:

- to approve land price and K-factors, most of which are up to now in preparation phase only.
- to get fund from central government for indemnification to organize the land acquisition and resettlement.

Because the Highway No.1 belongs to numerous provinces, the project implementation must be carried out in depending on the local authorities with various difficulty levels. That is one of cause for spotted situation.

### 2.3. Proposed rules on land acquisition and resettlement

Numerous studies have been carried out to find acceptable rules under sponsorship of Ministry of Transport. The aim of these studies is to form unanimous understanding in definition and comply with the policy of each region. Some results are presented as follows:

#### 2.3.1. Some definitions

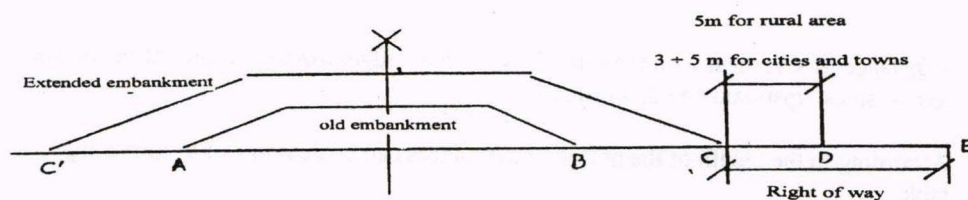


Figure 1: For definitions

#### - Permanent occupied land:

This is the area of land recovered to build roads or approaching road accessing the bridges. This area is calculated by the distance from the foot of the road talus (refer figure 1).

- In case of extended embankment, the eternal occupied land is area C'ABC.
- In case of new road, the eternal occupied land is area C'C.

#### - Temporary occupied land:

This is the area for by-pass constructions, temporary bridges to ensure traffic during construction period. This area is determined by the distance from the foot of road talus (C'C) and borrowed land for serving construction (the area of restricted corridor CD).

**- Restricted corridor:**

This is the area determined by the distance from the foot of embankment or outer edge of groove C

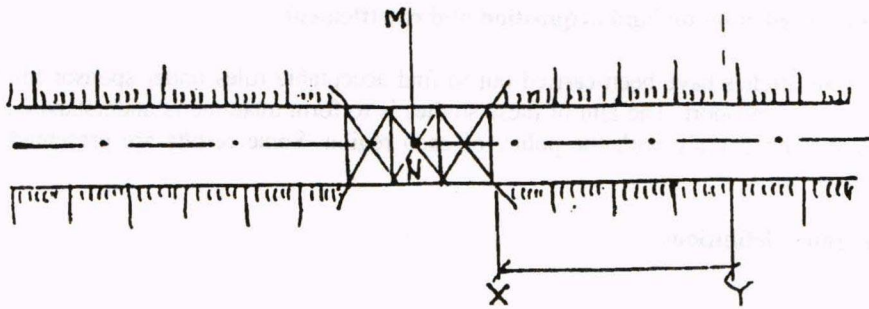
- This distance is 5 m when the road runs through rural area
- With the road running through towns, it may be vary within 3-5 m according to specific condition.

**- Right of Way (protection corridor) of road and bridge**

a) For national highway, right-of-way is CE = 20 m (figure 1)

b) Right-of-way of bridge is determined:

- For approaching road, this is the distance XY determined parallel with central line, from abutment tail (figure 2).



**Figure 2: For right of way of bridges**

- Distance MN vertical with the central line of the bridge, from the center of the bridge to two sides: upstream and downstream.

According to the length of the bridge, the distances can be determined as following table:

Bridge length	XY direction	MN direction
> 60 m	100 m	150 m
30m - 60 m	80 m	100 m
< 30 m	60 m	80 m

- **Resettlement Management Unit:** an unit belongs to local authorities at provincial level to help the People's committee in land acquisition and resettlement.



### 2.3.2. Compensation procedures

#### 2.3.2.1. Land compensation for resettlement

Only permanent occupied land will be compensated for. The land belongs to restricted corridor, which is still used for cultivated purpose will be compensated for recovering later according to the construction schedule assigned by the government.

##### a) For those who possess land legally

- The total area of land inside the restricted corridor will be taken and compensated 100% the value of recovering land.
- Houses located outside the 5m restricted corridor will not be moved.
- It is not allow to build new houses in the land area belong to right-of-way remained after destroying old houses for construction. However, in cities, towns or some special cases, due to difficulties in land resettlement, the Resettlement Management Unit has to propose for approval of province People's committee so that new houses may be built.
- Those, who have to resettle, will be provided new land according to decisions of local authorities (People's committee of province, district, town etc.)
- Those, who don't need to be provided land, will receive 100% compensation by cash.

**b) Those, who possess land illegally**, according to regulation, have to deconstruct and move without compensation. However, for some specific cases, Resettlement Management Unit reports to People's committee of the province to make decision of subsidy.

#### 2.3.2.2. Compensation for agricultural land, forest, pools etc.

- Conforming to the current law and regulations.

#### 2.3.2.3. Compensation for possessions, architect constructions, trees, agricultural plants, graves:

a) All houses, constructions located in permanent occupied land area or restricted area must be moved.

- Houses built legally will be compensated 100% for their value provided that all-legal papers, documents are shown.

- Houses built illegally will have to be deconstructed by their owners without compensations.

- Some special cases

- + Houses and constructions occupying the restricted corridor only less than 1m will not be deconstructed.

- + If ½ room of a house is destroyed the owner will get compensation of the value equivalent to one room

- + If 2/3 room is destroyed the owner will get compensation of the value equivalent to the whole house.

For other constructions, it is depends on specific situation to have suitable solutions.

b) For high-tension and low-tension electrical wares, telephone and broadcast wares, underground constructions etc., the compensations will be given only for the area of permanent occupied land adding 0.5m from the foot of the talus to restriction corridor.

c) For petrol, oil pipes, the compensations will be given for the area of permanent occupied lands adding 2m from the foot of the talus to restriction corridor.

d) For moving graves: like compensation for petrol, oil pipes.

e) Agricultural plants in the area of permanent occupied land will be compensated. Agricultural plants in the 5m restricted corridor will be compensated for the period of landing land for construction work. It is noticed that if the road is extended in one side the only plants in that side will be compensated.

f) Temporary occupied land (bypasses, temporary bridges): compensate for the whole value of trees, agricultural plants, constructions, houses, For high-tension and low-tension electrical wares, telephone and broadcast wares, graves etc.

If temporary constructions do not affect the underground constructions then it is not necessary to move underground constructions (with the agreement of the owners).

#### **2.4. Social analysis**

Mainly by interviewing householders, a lot of social studies were carried out in reference with:

- Attitude of people with the projects: if they support or not?
- Land acquisition /resettlement policies.

For the first topic, the survey results show that most people support the projects. The support ratio for bridge projects is at higher level in comparison with that of road (and small/medium bridges): 93.0 % and 85.7 %.

Regarding the second topic, the households know that after October 1993, individual land use policies became very open. Even though, in legal documents, the land still belonged to the government, RUL could be sold, provided the people concerned obtained the permission of the local authorities. The ultimate decision on transfers depends on the compatibility of the proposed use with the Master Plan for the area

On the social surveys undertaken in concerned area, there appears to be a preference by farmers for resettlement via compensation, and assistance in arranging their own resettlement. People resettled from other projects, which have been able to find new residences or build new houses by themselves, have been able to move and resettle themselves very quickly once compensation had been received. These households were frequently able to find new land in neighboring areas, and to continue earning their living from agriculture. Resettlement is more difficult for people living in towns, who need to be allotted land by the local government on which to build their new homes.



Local people in the concerned area appear to accept a high degree of personal responsibility for own resettlement, as in the community interest, provided adequate compensation is available.

All land acquisition on the proposed alignment should be completed and the occupants resettled, the construction contract for the bridge can be awarded.

The new Land Law guarantees the RUL to be compensated for loss of land use, where land is resumed or taken back. The most important issue is whether this compensation is sufficient to enable those resettled to rebuild a new house suitable to their requirements. Exact provisions unclear, but a major concern of local people was that compensation would be adequate for house to reestablish and survive until acquired new land became fully productive.

Amongst those spoken to during interviews, very few people expressed any opposition to the projects. There was a strong feeling, even among those directly affected, the projects are in the national interest, and that some people will have to move to make way for construction. The concerns expressed were not so much with the need to *move per se*, but with the need for adequate compensation to ensure that people could be resettled somewhere they consider appropriate.

The matter of resettlement must be dealt with carefully. The compensation is paid accordingly with the damage caused by resettlement. In practice, many areas are very poor. In some cases the value of a house is only about 150.000 – 200.000 VND. These households live under the poverty level. If the compensation value of some ten thousands VND are considered small and slowly paid, it will cause many difficulties for the poor families.

One issue that must be resolved very early in any resettlement process, is whether farmers relocated because of the bridge construction would receive compensation under the same scheme as that devised for the compensation of people dislocated by another projects. Not to observe the same procedures would clearly be a source of potential conflict.

The farmers' preference is that they receive compensation to enable them to resettle themselves possibly on farmland reasonably near to where they are living. They realize that a land shortage make this a difficult option to realize. While the issue of adequate compensation appears foremost in farmers' minds, several other issues such as building material prices, length of notice move and details of any proposed relocation area, need to be tackled as part of the resettlement process.

### 3. EXPERIENCES FROM BIDDING PROCESSES

The bidding procedures were quite new in Vietnam at the starting period of highway No.1 projects, in 1995. One year later, two legal important documents dated 16 July 1996 are issued: the decree No. 42/CP regarding *Regulation on investment and construction management* and decree No. 43/CP regarding *Regulations on bidding and consultant selection*.



The results from these bidding are positive. From the results, the winner offered a total cost with only 58% estimation of PMU and in other one, only 40%. In two years, 1997-1998, bidding procedures in the whole Vietnam saved for the Government 573 Mill. USD.

But there are a lot of topics in reference to the bidding procedures. A study team has studied and surveyed these problems. They are resumed in the next sentences.

### **3.1. Some meeting problems on bidding and its solutions**

#### **Floor price**

The World Bank regulates the ceiling prices but not floor price. At the beginning, there were many arguments on this matter. Many people think that if the floor price is not regulated, the construction quality may be not ensured. The floor price is based on the actual price of material, transport fee, labor on the local market at that time. But it is shown in the practice that due to many reasons the prices of material, equipment and even labor may be lower than minimal price. For example, the contractor with own road-roller needs not to lease and he puts only a price of 200.000d/shift in bidding document. While the contractor without own equipment put a price of 1 mill VND/shift. The contractors who have material left from previous projects gives a price much lower than the other contractor, who have to buy new material. For examples in one contract, there is a project with a value of 1.5 billion VND, the contractor bids only for 750,000VND. The reason is that the actual price of aggregate is 70,000VND/m<sup>3</sup>, he puts only 30,000VND/m<sup>3</sup>. The WB controls only the input and output. It means that the bidding price does not allowed to excess the ceiling price and the contraction quality must be strictly controlled. The Vietnamese side, PMU18 suggests a solution that if there is a contractor putting lower price, PMU 18 will negotiate with the contractor to check their estimate, quantity of material as well as price of material, labor and asks the contractor for an explanation for each items. The bidding document will be approved only when they can provide with a reasonable explanation.

#### **The arising quantity**

The arising quantity is allowed by 30%. Actually, some contractors do not understand well the arising quantity of work volume. The allowed arising quantity is 30%. But it does not mean that the contractor automatically can enjoy this quantity of work volume. The arising quantity of work volume must be appeared and shown in the construction diary with protocol certified by the consultants and provincial project management board. The arising quantity in the 2<sup>nd</sup> year of construction is allowed by 10% only. There are some construction units who intently make up a story of arising work volume for cutting 800 trees in a distance of 900m (it is to mention that the road is upgraded based on existing road!). And of course, such a made up story can not be excepted. It is clearly stipulated in the bidding document that a reserve of 5% of working days must be recorded. However, many contractors do not record these reserving days for reducing the value of the project with purpose of gaining the project. It is demanded by the PMUs that all contractors must put this arising quantity in their bidding document for ensuring the equality for every contractor.

#### **Mistakes in bidding documents**

In bidding document and payment document of contractors there are many mistakes, which should not have seen made such as wrongs calculation, conflating data between



estimate, payment records or done work volume. Many from sheets stipulated by projects are not correctly understand and the contractor invented their own form sheet without asking for permission of PMU or change the form sheets leading to obstacle in payment.

### **English translation**

The translation of project document from English needs a co-operation between interpreter and technical expert to get high accuracy in translating. For example, in the document there is a word "training works" in the sentence "calculate the expense for superstructure, sub-structure, foundation, approach and training works". If we don't pay attention to technical context, we may translate the word "training works" as "education works" etc... This kind of mistake has been happening in many cases.

## **3.2. Contractors in Transportation Project with bidding processes**

In recent year and at present, the international biding in transportation construction has been happening animatedly and sharply. The animation and severe competition are shown by the big price reducing of some contractors due to their concern of getting a job for their standing in Vietnam. On the other side, the project manager is worried about the possibility of the success of the Project before a contractor who puts lowest price. A succeeded constructor is still worried about his success. It may be happened that the success of biding may lead to the loss or bankruptcy of the company. However, there some contractors with suitable adjustment of project management they are really successful and develop.

### **3.2.1. Contractors in Vietnam**

At present, the contractors can be divided in to 3 groups:

- The foreign contractors: They are foreign companies carrying out the contraction project by sub-contractors or employment of the labor for operating their equipment brought to project.
- The Vietnamese contractors: They are co-operating or joint venture of some companies.
- The joint venture between foreign contractors and Vietnamese contractors.

It is necessary to work out a policy and create favorable condition for Vietnamese contractors, so that they can take part in biding independently.

It can be analyzed from the practice that the main working force for the project (worker, engineer, technical staff, construction machine, capital etc.) are Vietnamese ones. But, why in many cases they have to co-operate with a foreign company? Because there are some ties in international biding regulation, mainly du to their capacity in term of finance including the capacity of capital mobilization (require from 2.5 mill. to 5 mill. USD depend on project); financial capacity and assurance of project implementation; guaranty of pay in advance amount (up to 20% of contract value). For development of productive manpower of Vietnam, with the interference of the Government, this matter can be solved. It is essential that we get support of the banks in giving loan when

considering the capacity of Vietnamese Contractors and more priorities should be given to the domestic contractors.

This matter becomes more important in the actual cortex that in the joint venture between foreign contractor and domestic one, the foreign contractor earns more while they need to invest more capital in project only in few cases.

b) The group of contractor: joint venture between foreign and domestic contractor (joint venture).

It can be divided this group into various kinds according to their responsibilities as follows:

b.1. The joint venture lead by foreign partner the foreign partner > 50%.

b.1.1. The foreign partner manages and operates the project totally. The Vietnamese side is only sub-contractors although they are registered to share the loss and benefit accordingly agreed %.

In this case, because not taking part directly in project management and operation, thus, Vietnamese side can not get the benefit of the joint venture in the project excitedly duly. It will be really a big loss and failure if the Vietnamese sides in the joint venture fall in this state.

b.1.2. Although the Vietnamese side take part < 50% (normally from 50-30%), they take part directly in project management by sending their people to hold some positions of management board for control the activities of the project together with counterpart. This is a good and reasonable organization.

b.2. Joint venture lead by Vietnamese side.

Foreign side: < 50%  
Vietnamese side: > 50%

b.2.1. It is similar to the case b.1.2, where the sides of joint venture together manage and operate the project.

b.2.2. The foreign side takes part in only the bidding process and sending some staff working for project and earn an amount as agreed. This type of joint venture is still exciting due to some reasons they have to co-operate to gain enough points in term of capacity for bidding. At the joint venture succeeded in bidding, the Vietnamese side wants to have "free hand" to manage and operate the project by own staff.

### 3.2.2. Experiences in Joint venture

In any circumstances of joint venture that the joint venture exists only for implementation of a Contract (or Project), the following experiences are useful for Vietnamese side in dealing with the economic relation in the joint venture: Two basic problems in the joint venture are **clear fairness** and *keeping principle*. The troubles meet by Vietnamese in the business relation start from their main problems. This is why



it would be better to consider all concerning matter before submitting bidding document. Following are some experiences

**Direct expenses:** expense for labor, for material, for equipment. For the case that the management board of the joint venture manage through a intermediate agent (such as Team, Site Manager of Company, sub-contractor...) it is necessary to take the indirect expenses, obligation duty of this agent into account of bidding document.

The foreign side calculates normally these expenses by following methods:

- Calculation based on their experiences of themselves in other international bidding.
- Giving sub-bidding price for each item to local contractors. (according to the technical specification stipulated in bidding document).
- The Vietnamese side set up the price and consider acceptable price for each items when the bidding success. The negotiation process among the partners of the joint venture is to coordinate the 3 information sources mentioned above for deciding the direct expenses in bidding. In general, the foreign contractors in Vietnam always have to use the information provided by Vietnamese side. However, the Vietnamese counter parts do not have enough experiences of international bidding thus, their calculations may be not reasonable and in accordance with technological requirements of bidding document in spite of the fact that they are local people, who knows very well the quotation of material in the region. Therefore, the situation of putting lower price is due to not enough taking into account of all requirements. This is also a process for the Vietnamese counterpart to pay a price for himself when they committed to take part in project even the project is lost or gets profit. It is not unreasonable to say "worry in success".
- It is obviously that for solving this matter reasonably, it is necessary to employ the experts experienced in management and operation of information bidding project. To take part in calculating price.

**General expense of the joint venture** includes:

Expense for joint venture management board (office and on side), expense for oversea office (head offices of each side), expense for meetings of joint venture and other related expenses. This is an important expense of each side. The more clearly calculated is it when bidding, the more favorable is operation of the project management board in the future. During calculation and negotiation process of this expense, it is necessary to include the agreement on personal organization, expense level of each side together with detailed expenses. At the same time of the commitment, that all sides (often two sides) manage together all expenses (both sides are directors of the account). It means all expenses must be consented by both sides. There are some joint ventures lost in their business due to joined expenses, which the Vietnamese side could not control, or they didn't pay enough attention to there expenses before bidding and taken into account only after the bidding. It is certainly that the foreign partner is gains the success. The augment may last for years while the project is carried out slowly.

**Profit sharing**

The project is shared by percentage. However, it is to mention that for having enough capital for project operation, the profit is shared only after completion of the project.

**Last expenses:**

- Other expenses of the contractor according to regulation
- Reserve expenses for risk
- Interest payment for bank.

**4. CONCLUSION**

The highway No.1 projects bring not only contributions to the economic development of the country, but also a lot of problems for the transportation study, especially in the case of Vietnam, where the international investment management is quite new. The experiences from resettlement and bidding processes would be useful for the next phase of these projects and for the development of Vietnamese transport sector.

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