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Country Procurement Report of Vietnam

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Chapter 1 General Country Profile

- > (1) General Information of Country
- ➤ Socialist Republic of Vietnam (Vietnam) is a Southeast Asian country located on the eastern edge of the Indochina Peninsula with a long coastline of 3.260km. The capital city is Hanoi. Vietnam has undergone remarkable socio-economic transformation over the past years. Here is an overview:

	2022	2024
Population	Over 98 millions	Over 100 millions
GDP	Over 410 billions (USD)	476 billions (USD) Ranks 4 th Southeast Asia and 33 rd global
Income level (GNI/capita)	4.010 USD (lower middle-income)	4.700 USD
Happiness index	ranks 65 th in the 2020-2022	ranks 46 th

- ➤ GDP growth is at 7.09% in 2024 (the processing and manufacturing industry contribute over 25% GDP, while the digital economy accounts for about 20%).
- ➤ Health and life expectancy: life expectancy has risen to 75 years, with 93% of the population covered by national health insurance.
- Education: Vietnam has achieved universal primary education, with secondary enrollment rate above 95%

Chapter 1 General Country Profile

- > (2) National Polices & Strategies on Public Procurement & e-Procurement
- ➤ Vietnam has undergone significant economic transformation, transitioning from a centrally planned economy to a market-oriented one. Public procurement plays a crucial role in this development, ensuring transparency, efficiency, and sustainability in government spending.
- ➤ Legal framework: Vietnam's procurement system is governed by various laws and regulation, including: Law on Public Procurement (Law No. 22/2024/QH15, Law No. 57/2025/QH15), Decree No.24/2024/ND-CP, Decree No.17/2025/ND-CP and circulars.



Chapter 1 General Country Profile

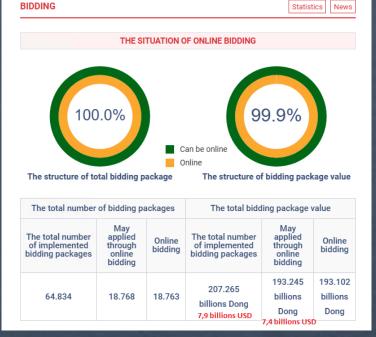
- > (2) National Polices & Strategies on Public Procurement & e-Procurement
- ➤ Strategies on Public Procurement: crucial aspect of government operation, ensuring transparency, efficiency, and compliance with international trade agreements. Some key strategies as:
 - Strengthening Regulatory Framework
 - Digital Transformation and e-Procurement
 - Enhancing Transparency and Accountability
 - Encouraging Sustainable and Ethical Procurement

Vietnam is actively working to improve its public procurement system, with efforts to professionalize procurement functions and align with global standards. International Trade Agreements (CPTPP, AFTA, UKVFTA...) enhances procurement standard.

Chapter 2. Current Status & Perspectives on e-Procurement

Organization of government agency managing bidding

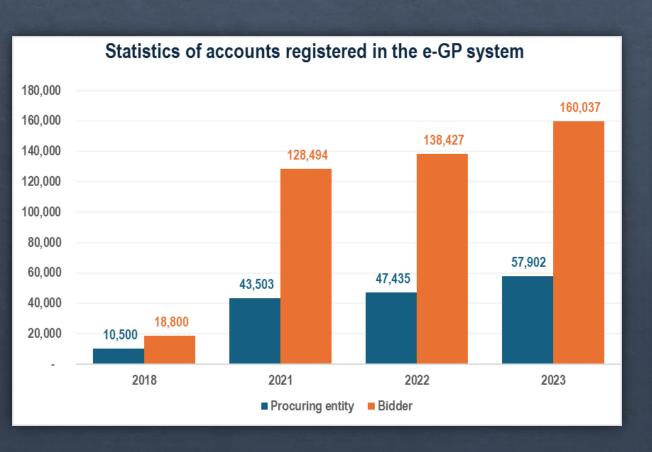


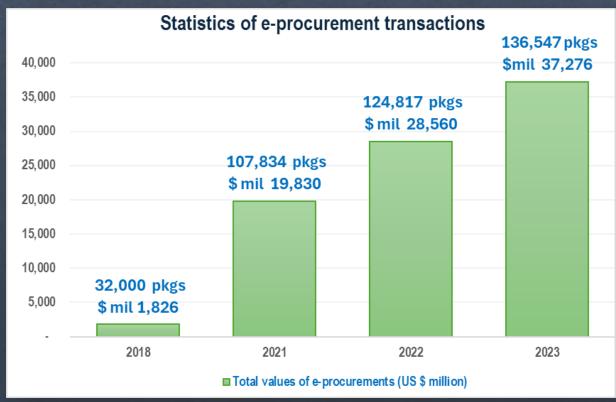


- Jan to Mar/2025
- Total Budget: around 41 billions USD and 160.000 tender packages per years
- Percent of e-Procurement: 99% of tenders, 95% of value

Size of e-Procurement (National Budget/Percent)

Past & Current Level of Stage on e-Procurement, Legal & Regulatory Component Relevant to e-Procurement > Past & Current Level of Stage on e-Procurement, Legal & Regulatory Component Relevant to e-Procurement





2009-2011

POLICY

VNEPS

- ➤ Elaboration of guidance on application of e-procurement for public investments;
- Piloting e-procurements at three government entities

2012-2015

- Upgrading legal framework on the use of e-GP for public investments (PPL);
- ➤ National wide expansion on piloting e-procurements

2016

Selection of

Investor for

development of

new e-GP system

➤ VIE Gov formalized application of e-GP for public procurements with master plan and roadmap for period 2016-2025

2022 (New roadmap on application of e-GP)

- 2022: minimum 80% of packages and 70% values to be e-procured.
- ➤ 2023: minimum 90% of packages and 80% values to be e-procured.
- 2024 onward: minimum 95% of packages and 90% values to be e-procured.

2015-2019

Signing of the BOT contract with FPT Information System Co., Ltd for development of the new e-GP system.

2022

The new e-GP system deployed in replacement of the "Old" system from 16 Sep 2022.

2024

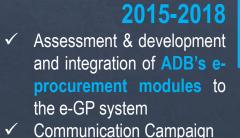
➤ VIE Gov enacted the Bidding Law No.22/2023/QH15 and Decree No.24/2024/NĐ-CP to replace Law No.43/2013/QH13 and Decree No.63/2014/NĐ-CPI

2025

e-GP system has been upgrade to comply with new legal regulations

2009

The Government of South Korea through KOICA helped for development of the 1st e-GP system with core-base of Korean e-GP system (KONEPS)



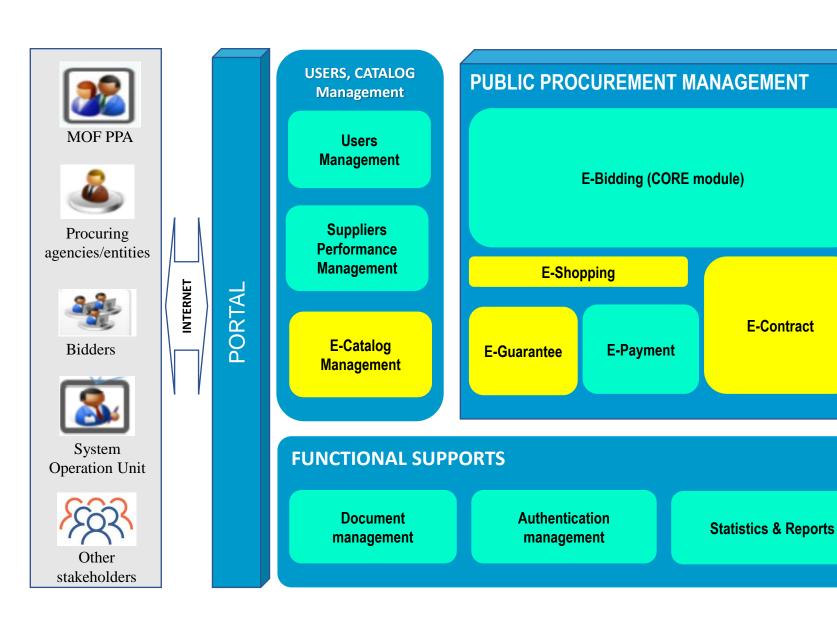
2019-2023

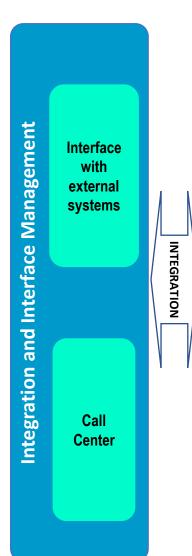
- ✓ Jan-May 2019: First pilot in 8 packages under 4 projects
- ✓ July 2019: Expand the use of e-GP system to 10 on-going projects.
- ✓ Oct 2020: Final assessment of the usage of e-GP system
- ✓ 1/1/2021: Roll-out application of e-GP to all N-OCB contracts for goods and works

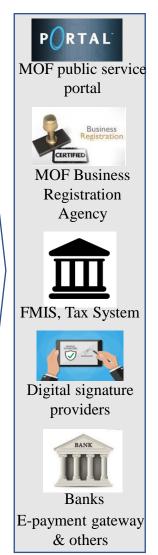


Roll-out modules for ADB's e-procurement for NCB/OCB nationally advertised Works and Goods contracts in the new e-GP system.
Procurement in the "Old" e-GP system stopped.









e-Government Procurement in Viet Nam

Compliance Assessment using MDB e-Tendering Guidelines

- The e-GP System offer an electronic payment facility, such as bank transfer or payment gateway.
- all records and documents encrypted using digital certificates and PKI-based
 - 10. Authentication

9. Information Security Management

- Security tier 3 & disaster recovery data center in Hoa Lac
- ISO and CMM level III certified;

digital signature key pairs.

the client and the server is

secured through a Secured

Socket Layer (SSL)

protocol. Two-factor authentication verifies the identity by using an SMS.

Communication between

- robust encryption protocols for data and file encryption along with the role and rule-based security for authentication and authorization
- The bid evaluation is carried out outside the system.
- Bid evaluation result is published in the system.
- E-contract module developed.

8. Bid evaluation & Contract award

7. Public Bid Opening

- Online opening by procuring entity/authorized opener.
- Bid opening minutes immediately generated and public at the portal.

1. System Access

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- A fully internet-based system publicly accessible through all popular web browsers.
- interoperable with external government services and support systems;
- Integrated with government and other commercial system, e.g.
 Business registration, bank, etc.

VIET NAM E-GP COMPLIANCE ASSESSMENTS

- Offline issued Bid security, scanned and uploaded with bids;
- E-Guarantee modules

6. Bid Security

2. Advertising

 Bid notices and advertisements are publicly disclosed.

- 3. BD Distribution
- Bidding Documents are publicly downloadable by walkthrough guess.

4. Correspondence, Amendment, and Clarifications

- Clarifications, amendments, pre-bid minutes are posted with the associated Bidding Documents for (public) download;
- Alert messages are sent through email.
- An audit trail is kept for all actions on the system.

5. Bid Submission

- PKI-based encryption techniques, ensuring bidders' bids confidentiality.
- Bidders can withdraw or modify bids before the bid submission deadline.
- Supports multi-currency for quoting at the item level.



➤ In 2025, Vietnam celebrates 50 years of national reunification, marking 40 years of nation-building and development. Beside achievements, Vietnam is facing demands for change to develop even more strongly. At the moment, the country is undergoing strong institutional reforms, with a focus on scientific and technological advancements. Specifically, the government is reducing administrative procedures, merging provinces, and eliminating one level of local government to streamline governance.

> Detail:

- Provinces and Cities reduced the number from 63 to 34;
- Amend the Constitution;
- Eliminate the district-level administrative unit as part of major government (around 700 district-level units will cease operations);

(effective from July 1, 2025)

- > These impact the entire governmental structure and bidding activities.
 - VIE Gov set a growth target of GDP more than 8% in 2025
 - Avoid the lower middle-income trap
 - Consolidate version of Bidding Law in July/2025

- > (1) Identifying Major Challenges & Pending Issues on e-Procurement
- Regulatory Complexity: multiple laws and decrees create challenges for business
- ➤ How to encouraging eco-friendly products and services and implementing sustainability criteria in bidding invitations.
- ➤ Challenges in the selection of contractor for invest projects applying science and technology. Low price is not the priority, but rather ensuring the selection of modern technology (without turning the country into a technology dumping ground), while also not imposing restrictive criteria in bidding.
- > Transparency Issues: It's still requires improvement to addressing red-flag concerns.

- > (2) Analyzing Challenges & Issues by Five Whys methodology
- > 2.1 Regulatory Complexity: multiple laws and decrees create challenges for business
- Regulatory Complexity is challenge because there are many overlapping and conflicting regulations.
- Regulations overlap and conflict because the different government agencies create rules independently without full coordination.
- Agencies operate independently because policies are developed based on specialized sector needs rather than a unified legal framework.
- There is no unified legal framework because balancing industry-specific concerns with broader governance is difficulty and sensitive.
- Balancing governance is challenging because economic, social and technological factors evolve rapidly.

- > (2) Analyzing Challenges & Issues by Five Whys methodology
- > 2.2 How to encouraging eco-friendly products and services and implementing sustainability criteria in bidding invitations.
- It is difficult to encourage sustainable procurement because organizations prioritize shortterm cost saving over long-term environmental and social benefits.
- Organizations prioritize short-term costs because financial constraints and budget limitations push them toward cheaper options with lower sustainability standards.
- Sustainable option are more expensive, costly because eco-friendly materials and ethical sourcing require higher upfront investments and economies of scale have not been fully developed.
- Economies of scale have not made sustainable procurement more accessible because demand for sustainable goods and services is still growing and regulations don't always enforce strict sustainability criteria.
- Regulation are not enforcing stronger sustainability criteria because policy must balance economic growth and environment concerns, making enforcement complex and sometimes inconsistent.

- > (2) Analyzing Challenges & Issues by Five Whys methodology
- ➤ 2.3 Challenges in the selection of contractor for invest projects applying science and technology.
- It's difficult to select the best science and technology because traditional procurement process often prioritize cost over technological advancement.
- Procurement processes prioritize cost over technology because budget constraints and financial efficiency drive decision-making, making affordability a primary factor.
- Budget constraints limit the selection of high-tech contractors because high-quality technology often comes with higher upfront investment, and procurement documents may not account for long-term value.
- Procurement documents do not consider long-term technological benefits because shorttern project goals and regulatory limitations discourage a forward-thinking approach to contractor selection.
- Short-term goals and regulations hinder high-tech contractor selections because there is a lack of flexible and adaptive procurement models that integrate innovation assessment, R&D strength, and future scalability into decision-making.

- > (2) Analyzing Challenges & Issues by Five Whys methodology
- ➤ 2.4 Transparency Issues: It's still requires improvement to addressing red-flag concerns.

We aim to learn from countries that have developed effective red-flag indicators (use advanced data analytics and AI to detect anomalies in process, experience in open data, public monitoring...)

Chapter 4. Future Strategies and Solutions on e-Procurement

Vietnam continues to refine procurement system to improve efficiency and transparency, future developments may include:

- > Sustainability Initiatives: green procurement policies are gaining traction.
- ➤ Improved Transparency: Increased adoption of e-procurement platforms, using AI enhance accountability and addressing red-flag concerns to strengthening anti-corruption measures.
- ➤ Expanding procurement opportunities for Small and Medium Enterprises, enhancing collaboration with societal resources.
- Preferential bidding policies for the development of science and technology.
- ➤ Adjust the scope of Bidding Law concerning business investment capital and non-budgetary funding sources to promote development and economic growth.
- ➤ Evaluate the effectiveness of bidding implementation for large-scale, National key priority projects with strictly deadline requirements.
- ➤ Eliminate the mindset of banning what cannot be managed and regulating what is not understood.
- Consolidate version of Bidding Law in 2025.

THANK YOU