**How Public Procurement Policies Influence Sustainable Development Goals in Developing Countries. A Case Study in Vietnam**

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**ABSTRACT:** *This research explores the role of public procurement in promoting sustainable development in Vietnam, examining how procurement policies align with the United Nations' Sustainable Development Goals. As public procurement is a significant tool for achieving sustainable development, this study investigates the effectiveness of Vietnam's Law on Bidding, No. 22/2023/QH15 in integrating sustainability into public procurement practices. The study employs a qualitative case study method, utilizing primary data from document analysis, interviews with key procurement sector stakeholders, and secondary data from existing literature and governmental reports. The results indicate that although Vietnam has made progress in fostering green public and social procurement, the legal framework remains fragmented, with limited integration of comprehensive sustainability criteria across all procurement sectors. Challenges such as lack of institutional capacity, lack of market readiness, financial constraint and corruption continue to impede the successful practice of sustainable procurement. In comparison with other developing countries like South Africa, India, and Brazil, Vietnam's approach is still in its early stages of development. The study concludes that Vietnamese public procurement policies can generate greater sustainability but require further strengthening through more transparent regulations, enhanced institutional capacity, and market support. Strengthening the link between procurement and sustainable development goals contributes to the long-term environmental, social, and economic sustainability goals in Vietnam.*

**Keywords:** *economic growth, government spending, procurement regulations, procurement system, public procurement*

1. **INTRODUCTION**

Public procurement, a vital governmental function involving the acquisition of goods, services, and works from the private sector, is increasingly recognized as a strategic instrument for achieving sustainable development (Adjei-Bamfo et al., 2019; Ahmari & Brika, 2025). In most developing countries, which have experienced resource and development constraints, public procurement provides an effective instrument to incorporate sustainability principles in government actions, influencing broader societal, economic, and environmental outcomes (Ayarkwa et al., 2020; Manta et al., 2022). One of the most important global frameworks for promoting sustainable development is the 2030 Agenda for Sustainable Development adopted by the United Nations (UN, 2015), which includes 17 Sustainable Development Goals (SDGs) to eliminate poverty, protect the planet, and ensure prosperity for all. The connection between public procurement and the SDGs in developing countries, however, remains underexplored. While public procurement policies have the potential to foster sustainable practices across multiple sectors, how these policies contribute to the achievement of the SDGs is not systematically documented and explained (Bebbington & Unerman, 2018; Sengupta & Shukla, 2019). In this context, Vietnam presents a compelling case for examination. During the last decade, Vietnam has undergone rapid economic growth, lifting millions out of poverty while simultaneously grappling with challenges related to inequality, environmental damage, and resource conflict (Herr et al., 2016). The role of public procurement in advancing sustainable development in Vietnam is, therefore, of critical importance as the country seeks to balance economic growth with environmental and social sustainability (Cao & Dang, 2016; Pham et al., 2020). This study examines how public procurement policies in Vietnam influence the achievement of the SDGs (ARC Group, 2024), with a particular focus on aligning procurement practices with key sustainability targets (Nguyen & Do, 2020). While the potential for public procurement to drive sustainable development in Vietnam is acknowledged in policy discourse, there has been limited empirical research on the actual effectiveness of these policies in achieving the SDGs (Kajimbwa, 2023; Uehara, 2020). This gap is the focus of the current study, which seeks to provide a deeper understanding of how procurement practices in Vietnam align with and contribute to sustainable development. The paper examines some dimensions of this relationship, such as the incorporation of sustainability factors in the public procurement process, the contribution of procurement to social equity and environmental sustainability, and some risks and opportunities for Vietnam in seeking to align procurement policies with the SDGs (UNICEF Vietnam, 2022). Through this, the study seeks to make an empirical contribution to how public procurement can be harnessed as an instrument to achieve long-term sustainable development goals in a fast-growing economy (Wang et al., 2025). This study contributes to the increasing body of work on sustainable procurement with a case study on Vietnam, a country at the intersection of rapid growth and development challenges. The results are intended to provide policymakers and academics with insights into the role of public procurement in promoting the SDGs in developing countries (UNDP, 2021; OECD, 2025), along with successes and areas for further improvement (Kumar, 2022; Mota, 2024; Siwandeti et al., 2023). The study purposefully answers the following questions:

1. How do Vietnam's public procurement policies align with the sustainable development goals?
2. What role does public procurement play in advancing sustainable development in Vietnam?
3. What challenges hinder the integration of sustainability in Vietnam’s public procurement practices?
4. **METHOD**

This study employs a qualitative research approach utilizing the case study method, as proposed by Yin (2018), to investigate the relationship between public procurement policies and the achievement of SDGs in Vietnam. Specifically, the research examines Vietnam’s Law on Bidding, No. 22/2023/QH15 (VLB, 2023) alongside secondary resources related to public procurement regulations. The case study research is helpful when examining a complex phenomenon in real-life settings, providing an in-depth understanding of how procurement practices are operationalized and what their sustainability implications are. Thus, the study concentrates on this specific case to understand whether sustainable development is incorporated into the legal framework for public procurement and whether and to what extent the legal framework promotes the SDGs. By an overall review of both primary and secondary sources, the research provides an overview of procurement policies in Vietnam, identifying areas for improvement to better align with SDG targets. Ultimately, the results are expected to contribute to the available knowledge on public procurement and sustainability and provide practical suggestions for policy-making in Vietnam and other developing countries.

**III. RESULT AND DISCUSSION**

**Some analysis of public procurement policies in promoting sustainable development in Vietnam**

Public procurement plays an essential role in any country's economic and social development, and its capacity to foster sustainable development is recognised internationally. Public procurement in Vietnam has been increasingly developed in the last decades, especially with the integration of sustainable development goals. Vietnam has made considerable progress in integrating the principles of sustainable development into its procurement practices, increasingly emphasising economic, social and environmental sustainability. This transformation is deeply related to the country's participation in the SDGs of the UN and the national strategies of green growth, poverty reduction, and social equity.

**Legal and institutional framework for public procurement**

The public procurement system of Vietnam is regulated by transparent legal provisions and a regulatory framework. The 2023 Law on Bidding (VBL, 2023), which came into effect in 2024, serves as the primary legal instrument guiding procurement activities across the public sector. This law sets out the rules for tendering, contractor selection, and the overall management of public procurement, ensuring transparency, fairness, and accountability in the process. The 2023 Law on Bidding (VBL, 2023) is a cornerstone in Vietnam's effort to modernize its procurement system and align it with international best practices. In addition to the 2023 Law on Bidding (VBL, 2023), Vietnam has established several government regulations and decisions that specifically address sustainable procurement practices. For instance, Decision 889/QD-TTg of the National Action Plan for Sustainable Consumption and Production (SCP) (Decision No. 889/QD-TTg), adopted by the Vietnamese government in 2020, outlines what measures are needed to take account of sustainability in procurement, focusing on reducing environmental impacts and promoting social responsibility. Other government directives, such as Decision No. 280/QD-TTg (Decision No. 280/QD-TTg), specify the purchase of energy-saving products, and Decision No. 17/2019/QD-TTg (Decision No. 17/2019/QD-TTg), promote the concentration of procurement practice in public procurement to maximize cost savings and reduce the environmental footprint of public procurement. At the institutional level, the administration of public procurement regulations in Vietnam falls under the authority of the Ministry of Planning and Investment (MPI). Accordingly, the MPI has been important in developing the legal framework for procurement and ensuring its alignment with sustainable development principles. Furthermore, the Vietnam National Electronic Procurement System (VNEPS) established by the government enables bids to be submitted electronically and enables the contracts to be managed, helping to increase transparency and reduce administrative costs in the procurement process.

**Current situation of sustainable procurement in Vietnam**

Sustainable procurement refers to the process by which public entities select goods, services, and works that meet their needs while achieving value for money in a way that benefits society and minimizes harm to the environment. In Vietnam, sustainable procurement has gained increasing attention as a policy tool for achieving the SDGs. The country has integrated environmental, social, and economic sustainability into its procurement system, with a growing emphasis on GPP, social procurement, and inclusive procurement. GPP is a crucial pillar of sustainable procurement in Vietnam. GPP is based on the purchasing of products and services that have a reduced environmental impact and aims to reduce the environmental impact of public sector activities. This includes the procurement of energy-efficient products, renewable energy technologies, low-carbon infrastructure, and green building materials. The Vietnamese government has promoted GPP through various policies, such as the Green Growth Strategy (2021) (Decision No. 1658/QD-TTg) and the Vietnam Green Building Council (VGBC, n.d.), which encourages the construction of sustainable buildings and the use of energy-efficient materials in public infrastructure projects. The integration of environmental criteria into public procurement has been supported by specific regulations. For instance, Decision No. 280/QD-TTg requires government agencies to purchase energy-efficient products energy-efficient/devices ranging from lighting and office equipment to vehicles. This decision is necessary to reduce the public sector’s carbon footprint and promote the use of energy-efficient technologies. Additionally, the government has encouraged local businesses to adopt sustainable practices by integrating environmental standards into procurement contracts, incentivizing companies to develop and offer green products and services. Social procurement is another key feature of Vietnam’s green procurement policies. Social procurement refers to the practice of selecting suppliers and contractors based on their ability to contribute to social outcomes, such as poverty reduction, employment generation, gender equality, and the inclusion of marginalized groups. Vietnam also established policies to mainstream social factors in its procurement, with priority given to local employment, the promotion of fair wages, and the assurance that local procurement contributes to the development of disadvantaged communities. In recent years, there has been growing recognition of the importance of social procurement in achieving SDGs (VLB, 2023) related to poverty alleviation (SDG 1), decent work and economic growth (SDG 8), and gender equality (SDG 5). For example, public procurement contracts are increasingly being designed to require contractors to provide training and employment opportunities for local communities, especially in rural and underserved areas. Furthermore, the Vietnamese government has promulgated many policies to promote the active participation of women-owned businesses and marginalized groups in public procurement activities, helping to foster inclusive economic growth. Moreover, Vietnam is increasingly paying attention to inclusive procurement. This type of procurement seeks to address social inequalities by ensuring that procurement decisions contribute to social cohesion and the inclusion of marginalized groups in the economy. Inclusive procurement includes efforts to support small and medium-sized enterprises (SMEs), social enterprises, and businesses owned by women and ethnic minorities. The government has established programs to help these businesses, making it easier for them to access public contracts and participate in government tenders.

**Challenges and limitations in implementing procurement policies aligned with sustainable development goals in Vietnam**

Public procurement is now widely recognized as one of the most important instruments for fostering sustainable development, particularly for developing countries such as Vietnam. However, although there is an increasing focus on harmonizing public procurement with the United Nations’ SDGs (UN SDGR, 2024), Vietnam faces substantial challenges and limitations in fully integrating sustainability into its procurement policies and practices. These embedded challenges have implications for legislative, institutional, financial and market aspects, and their resolution is critical to ensuring that Vietnam’s public procurement system can effectively contribute to the achievement of the SDGs.

***Legal and regulatory challenges***

One of the main challenges in aligning procurement policies with the SDGs in Vietnam lies in the existing legal and regulatory framework. Although the 2023 Law on Bidding, which came into effect in 2024 (VLB, 2023), represents a step forward in modernizing public procurement, it still lacks specific, detailed provisions for the integration of sustainability criteria into procurement processes. While the law has provisions related to efficiency, transparency, and fairness, it does not consistently incorporate explicit criteria related to environmental sustainability, social inclusion, and responsible economic growth aspects of the SDGs. In the absence of clear and enforceable standards, procurement officials and government agencies may not have the guidelines to prioritize sustainability alongside other procurement objectives, such as cost-effectiveness and timeliness. Furthermore, there is a lack of comprehensive and specific green procurement policies. While the government has promoted energy-efficient procurement and initiated certain green procurement measures through decisions like Decision No. 280/QD-TTg, on energy-efficient products, these initiatives remain fragmented. There is no overarching policy or regulatory framework that addresses sustainable procurement comprehensively. This lack of coherence in regulations makes it difficult to implement consistent, nationwide, sustainable procurement practices. It also restricts the ability of public procurement officials to take a more comprehensive approach to embedding environmental, social and economic sustainability in purchasing decisions.

***Institutional capacity and governance issues***

Another significant challenge in Vietnam’s efforts to align public procurement with SDGs is the lack of institutional capacity and governance issues within the procurement system. Although public procurement in Vietnam is under the oversight of the MPI, the integration of sustainable procurement in practice is a cross-sectoral collaboration, which is often difficult to achieve. Sustainable procurement involves integrating environmental, social, and economic criteria into procurement processes, which requires expertise in multiple areas. However, Vietnam´s procurement workforce may lack the expertise and experience to assess sustainability factors effectively (Manta et al., 2022; Pham et al., 2020). Consequently, the procurement process remains heavily focused on the cost-efficiency of the products and services purchased, often overlooking the long-term benefits that sustainability can offer. Finally, there is inadequate ability to track and analyze the environmental and social effects of procurement decisions (Kajimbwa, 2023; Huong & Tu, 2020). Public procurement in Vietnam, especially at the local level, often lacks the technical expertise to assess whether suppliers meet sustainability criteria. Since monitoring capabilities are absent, even if sustainable procurement policies are in place, their implementation can be inconsistent or ineffective (Tran et al., 2018). Without robust monitoring and enforcement mechanisms, public procurement tends to focus primarily on price and may fail to account for the broader social or environmental implications of purchasing decisions (Gidigah et al., 2024; Zapatrina, 2016). Vietnam also struggles with problems of corruption and inefficiency in its procurement system. Despite efforts to increase transparency through the VNEPS, corruption and irregularities in public procurement still occur in some cases. Corruption in the procurement processes can also be particularly detrimental to ensuring the inclusion of sustainability objectives, as contracts may be awarded to suppliers based on political connections rather than their ability to meet sustainability criteria. The absence of a fully transparent and accountable procurement system makes it difficult to ensure that procurement decisions are aligned with the SDGs (Carvalho, 2025; Hochstetter et al., 2023).

***Market readiness and supply chain issues***

Vietnam faces challenges in implementing procurement policies aligned with the SDGs. There is increasing demand for sustainable products and services, but supply is still constrained, especially in some sectors. Vietnam's domestic market for green technologies, energy-efficient products, and sustainable services is still in its early stages. Local suppliers may lack the capacity to supply or liquidity to finance products or offers that meet certain environmental and social sustainability standards, preventing the government from purchasing such products. The price premium of sustainable products can be sustained by the procurement officers and the suppliers who fulfil the sustainability requirement, thereby obstructing the green public procurement policy. Furthermore, small businesses and local suppliers might not have the financial and technical capacities to achieve sustainability standards established for government procurement policies, reducing the population of possible eligible bidders. Nevertheless, Vietnam’s supply chains have not been fully integrated with international sustainability requirements, as many companies are in the early stages of reducing carbon emissions, minimizing waste, or ensuring fair labour practices. The country’s aspiration to drive SDGs through public procurement is, however, largely challenged because most of the local suppliers do not conform to sustainability objectives concurrently with the country's goals.

***Financial constraints***

Financial constraints are another key limitation in implementing procurement policies aligned with the SDGs. Like many other developing countries, Vietnam has budgetary problems and constraints on its public expenditure. This financial pressure often leads to a focus on short-term, cost-saving measures rather than long-term sustainability. In many cases, procurement officers are tasked with delivering public services and infrastructure within tight budget limits, which can result in an overemphasis on the lowest initial cost rather than the total lifecycle cost or environmental impact of products and services. The initial investment in sustainable goods and services can be perceived as a hurdle, particularly in a country where budget constraints are pervasive. Although the long-term savings and environmental benefits of sustainable procurement are well-documented, the initial cost premium can be a significant hurdle for both procurement officials and suppliers. Furthermore, limited access to financing for green technologies or sustainable initiatives can hinder the capacity of both the public sector and private suppliers to invest in sustainable practices. Without sufficient funding and support for sustainable solutions, public procurement will continue to prioritize short-term cost savings over the long-term benefits associated with sustainability.

***Lack of public awareness and stakeholder engagement***

Another obstacle to sustainable procurement policies in Vietnam is due to the low level of public awareness and engagement of relevant stakeholders. Although the importance of sustainable development and the SDGs has started getting attention among government officials and policy-makers, this awareness is not always shared by the general public or businesses. The private sector, in particular, may be reluctant to adopt sustainable practices without clear incentives or regulatory pressure. Additionally, businesses may not fully understand how to comply with sustainability requirements or may find the process of bidding for public procurement contracts too complex and burdensome. Furthermore, there is often insufficient engagement with civil society organizations, environmental advocates, and other stakeholders in the public procurement process. These groups can help promote sustainable procurement by providing insights, advocacy, and oversight. However, there may be an absence of constructive stakeholder engagement, which may hinder the establishment of sustainable, inclusive procurement policies that comprehensively provide for broader social, environmental and economic sustainability concerns. Without broad support and collaboration from various sectors, the effectiveness of sustainable procurement policies is likely to remain limited.

**Comparison of Vietnam's experience with public procurement and sustainable development goals to other developing countries**

Public procurement has been considered an important policy instrument to promote sustainable development, and more developing countries are realizing the opportunities to learn the UN's SDGs through public procurement. However, the experience of integrating sustainability into public procurement varies significantly across countries. In this context, comparing Vietnam's approach to public procurement with that of other developing countries is insightful. This comparison allows for a deeper understanding of the successes, challenges, and lessons learned in using public procurement as a tool for sustainable development.

***Public procurement in Vietnam: A growing focus on sustainability***

Vietnam also has reformed its public procurement system under the Law on Bidding, showing Vietnam's commitment to modernizing procurement practices and incorporating sustainability factors in such practices. The Bidding Law has provisions to promote transparency, efficiency, and accountability in procurement processes. However, while the law represents progress, it still lacks comprehensive regulations for incorporating sustainability criteria across all procurement processes. Green public procurement (GPP) has been receiving increased attention, but the integration of environmental and social sustainability remains fragmented. In terms of its practical application, Vietnam has made strides in some areas, such as energy-efficient procurement through regulations like Decision No. 1658/QD-TTg, which mandates the purchase of energy-efficient products by government entities. The Vietnamese government has also taken steps to promote sustainable construction practices through the Vietnam Green Building Council. Social procurement, however, has been less emphasized, although there are growing efforts to include social criteria in procurement decisions, such as promoting local employment and supporting businesses owned by women and minorities. Despite these efforts, challenges persist, particularly in terms of the market's readiness to supply sustainable goods and services. Local suppliers often lack the capacity to meet the sustainability standards set by the government, and financial constraints further hinder the widespread adoption of green procurement practices. Besides, there are substantial obstacles to the effective adoption of sustainable public procurement policies in the form of corruption and lack of transparency in the procurement process.

***Some reflections from other developing countries in the world***

Vietnam's experiences integrating sustainability into public procurement have similarities and differences with those of other developing countries. For example, countries such as South Africa, India, and Brazil have implemented sustainable public procurement policies at different levels with some achievements that could provide valuable lessons for Vietnam. First, South Africa provided guidance for developing countries by taking the lead in advancing sustainable procurement, with its government adopting a comprehensive framework for sustainable public procurement. The Public Procurement Policy Framework Act (South Africa, 2024) encourages the incorporation of social, environmental, and economic factors in procurement decisions. South Africa's commitment to green public procurement is reflected in the National Strategy for Sustainable Development (EAT, 2008), which integrates procurement into broader sustainable development objectives. The country's public procurement system prioritizes job creation and environmental protection, focusing on sourcing from local and marginalized suppliers. In comparison, Vietnam's approach is still evolving, and its procurement system lacks the level of detail and comprehensive regulations that South Africa has implemented (Cao & Dang, 2016; Nguyen, 2021; Tran et al., 2018). Vietnam, however, can gain insights from South Africa's experience on social procurement and using procurement policies as an instrument to support inclusive economic growth and address inequality.

Another example is India. India's exposure to sustainable public procurement comes from statutes and significant government initiatives. The National Action Plan on Climate Change (NAPCC, n.d.) has a dedicated mission for sustainable urban development, which includes promoting green procurement in public sector projects. India has introduced Energy Efficiency Financing for government buildings and encourages the use of environmentally friendly technologies in public infrastructure projects. The Public Procurement (Preference to Make in India) Order (POD, 2017) aims to promote local industries and foster sustainable production methods. India, like Vietnam, for both economic and cultural reasons, is a market that is not adequately supplied with sustainable products and services. The difference, perhaps, is in India's greater and more diverse procurement market, which allows for a broader range of sustainable options, even if they are not universally available (Lozano et al. 2024; Uehara, 2020; Wang et al., 2020). Vietnam, in contrast, has a relatively smaller market for sustainable goods and services, and consequently, green public procurement would not have the same impact as other countries. However, India's initiatives provide a model for increasing local production of sustainable products, an area where Vietnam could focus more attention (Ayarkwa et al., 2020; Pham et al., 2020; Sengupta & Shukla, 2019).

Lastly, Brazil has been a pioneer in integrating social procurement into public procurement. Brazilian Sustainable Procurement Program (Law No. 14.133/21) emphasizes public procurement as a tool to tackle pressing social issues like inequality and poverty. Brazil's public procurement policies also require public institutions to consider the environmental and social impacts of their procurement decisions, especially in large-scale infrastructure projects (Carvalho, 2021; Gidigah et al., 2024; Kullmann, 2018). Also, Brazil has implemented a Green Procurement Law, which mandates using sustainable products in public sector projects. Brazil's experience with social procurement is particularly relevant to Vietnam, as both countries share challenges related to poverty and inequality. The stimulating programme of inclusive procurement in Brazil, focusing on small businesses and socially responsible suppliers, offers valuable lessons for Vietnam where it can be applied as a more effective means to use public procurement grounded in social objectives, such as social equity, poverty alleviation and local economic development, among others (Mota, 2024; Williams-Elegbe, 2018; Zapatrina, 2016).

**Comparative analysis: Effectiveness of Vietnam’s procurement system in promoting sustainable development**

From comparing Vietnam’s experiences to those of other similar developing countries in its endeavor to infuse sustainable development into public procurement, several key themes emerge, highlighting both the successes and limitations of Vietnam’s approach. Firstly, Vietnam’s Law on Bidding provides a legal foundation for public procurement but lacks the comprehensive integration of sustainability criteria that is seen in countries like South Africa and Brazil (Carvalho, 2021; Kullmann, 2018; Mota, 2024). While Vietnam has made progress in introducing green procurement measures, the legal framework does not consistently mandate sustainability across all sectors. Other countries, such as South Africa and Brazil, have established more detailed and enforceable regulations that explicitly require the consideration of environmental and social factors in all procurement processes. In comparison, Vietnam’s legal framework is still in the process of evolving to integrate these principles fully (Huong & Tu, 2020; Tran et al., 2018). There is a need for more specific regulations that cover a broader range of sustainability issues, including climate change mitigation, biodiversity, labour rights, and gender equality, which are well-defined in the procurement systems of countries like South Africa and Brazil (Komakech, 2016; Manta et al., 2022; Zapatrina, 2016). The second issue is about institutional capacity and governance. Vietnam faces challenges in terms of institutional capacity and governance within the public procurement system. While efforts have been made to increase transparency and efficiency through the VNEPS, the capacity to integrate sustainability into procurement decisions is still limited (Nguyen & Do, 2020; Pham et al., 2020; Herr et al., 2016). Institutional coordination among various government agencies and stakeholders, including the MPI, remains challenging in Vietnam. In contrast, countries like South Africa and India have institutionalized sustainable procurement through dedicated agencies and departments responsible for overseeing and implementing sustainability in public procurement. These countries have invested in training procurement officials to evaluate sustainability criteria effectively. Vietnam could enhance its institutional capacity by increasing training programs for procurement officials and fostering greater coordination between government departments (Nguyen, 2021; Cao & Dang, 2016; Jimenez et al., 2019).

Other issues are market readiness and supplier capacity. Currently, Vietnam has undergone many significant challenges related to the supply of sustainable goods and services (Ayarkwa et al., 2020; Mota, 2024; Pham et al., 2020). The local market for green products and services is still underdeveloped, and many suppliers cannot meet sustainability criteria. This is a common challenge in developing countries, but countries like India and Brazil have begun to address this issue by incentivizing local producers and encouraging the use of sustainable technologies. Vietnam could benefit from programs that incentivize local suppliers to develop and offer sustainable products (Ambe, 2019; Uehara, 2020; Wang et al., 2020). For example, Brazil relies on public procurement to support local industries and promote sustainable production methods, which is an approach Vietnam could adopt. This would help address the supply-side challenges and encourage local businesses to adopt more sustainable practices. Notably, financial constraints are another key limitation in Vietnam’s ability to implement sustainable procurement effectively. Procurement officers are usually discouraged by the price premium of sustainable goods, and the same is true for budget concerns (Pham et al., 2020; Sengupta & Shukla, 2019; Wang et al., 2025). In countries like India, financial incentives and mechanisms, such as Energy Efficiency Financing, have helped overcome these barriers by providing financial support for adopting sustainable practices in public procurement. Vietnam may follow India’s approach of offering financial incentives to public agencies and suppliers to adopt sustainable products. This might help to level the economic playing field between sustainable and conventional products and make it easier for public procurers to favor sustainability. The last aspects are Social Procurement and Inclusive Growth. Vietnam has made some progress in promoting social procurement but has not yet fully maximized its potential for achieving social objectives such as poverty reduction, gender equality, and local economic development (Ambe, 2019; Ayarkwa et al., 2020; Manta et al., 2022). Brazil’s focus on inclusive procurement, which supports small businesses, women-owned businesses, and marginalized groups, provides valuable lessons for Vietnam. Incorporating social criteria more systematically into procurement practices could help Vietnam address its pressing social challenges.

1. **CONCLUSION**

The study investigates the potential of public procurement for sustainable development in Vietnam, focusing on how policies can align with the United Nations' SDGs. The study reveals that despite Vietnam's great strides in sustainable procurement, several obstacles remain, such as legal, institutional, financial and market barriers. The study compares Vietnam with other developing countries in order to learn from the successes and limitations of sustainable procurement policies. Vietnam's public procurement system, regulated by the 2023 Law on Bidding, has notably improved transparency, efficiency, and fairness. The law, however, fails to integrate the sustainability criteria in all areas, resulting in fragmented implementation. The lack of normative development in this legal context allows for improvement, particularly by strengthening regulations with regard to the sustainability aspect of public procurement decisions. Institutionally, Vietnam has made efforts to streamline procurement through the VNEPS, but the capacity of public procurement officials to effectively incorporate sustainability criteria remains a challenge. Procurement officials frequently do not have the knowledge and required skills to consider and incorporate the environmental, social and economic sustainability of procurement decisions. The absence of a dedicated agency overseeing the integration of sustainability into procurement further complicates the effective implementation of sustainable practices. The challenges of Institutional capacity in Vietnam are hindered by governance issues such as corruption and inefficiency in procurement processes. Whilst there has been a trend toward e-procurement, the problem of corruption persists and threatens the competitiveness and transparency of the procurement system. Procurement practices based on political connections or favouritism hinder the achievement of the SDGs. If transparency and accountability components are not secured, sustainable procurement practices risk being sidelined for expedient, cost-driven decisions. Financial constraints also pose a significant barrier to the successful implementation of sustainable procurement policies in Vietnam. Public procurement is often constrained by tight budgets, and this can result in short-term cost savings to the detriment of longer-term environmental and social benefits. Additionally, limited financial support for suppliers and government agencies to transition to sustainable practices makes it challenging to implement green procurement effectively. The use of financial incentives, such as subsidies or tax breaks for sustainable technologies, could help bridge this gap and encourage sustainable practices in public procurement and supply chains.

In pursuing sustainable procurement, Vietnam has encountered challenges from the lack of a well-developed sustainable market for goods and services at the local level and the capability of suppliers to comply with environmental and social requirements. This presents a significant challenge for procurement officers, who must choose between affordable, sustainable products and traditional alternatives. Developing countries, such as Brazil and South Africa, have made a great deal of fostering local, sustainable industries through targeted policies and incentives for suppliers. Vietnam could follow these examples by supporting local businesses, creating innovation incentives, and expanding the availability of sustainable products in the domestic market. The lack of capacity within suppliers, in particular SMEs, to meet sustainability requirements represents an obstacle to expanding green public procurement in Vietnam. The provision of financial support, technical assistance, and market incentive schemes to the suppliers for the adoption of sustainable practices will help in bridging this gap. Public procurement can also be adapted to support SMEs and their participation in green procurement, promoting local economic development and environmental sustainability. Vietnam has made progress in addressing social inclusion through its procurement practices but has yet to fully integrate social criteria such as gender equality, poverty reduction, and local economic development into public procurement. The positive experience of Brazil in public procurement, with priority given to small businesses, women-owned enterprises, and marginalized groups, is a good example for Vietnam. Integrating social considerations into procurement decisions can significantly contribute to achieving SDGs related to social equity, such as SDG 1 on poverty reduction and SDG 5 on gender equality. Vietnam could strengthen its social procurement policies by setting clear targets for social outcomes, providing incentives for local hiring, and ensuring procurement processes are inclusive of small businesses and marginalized groups. Notwithstanding the above challenges, Vietnam enjoys significant opportunities to improve its public procurement system in support of sustainable development. The legal and regulatory framework may also be strengthened by embedding more detailed sustainability requirements in procurement policies to ensure that the SDGs are more explicitly mandated in public procurement decisions. The development of financing mechanisms for sustainability procurement, such as subsidies, tax reductions, or low-interest financing, may encourage public bodies and, respectively, private suppliers to give priority to sustainability.

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