

From Acceleration to Impact: Sustaining Momentum in Public Procurement for the People in the republic of Korea

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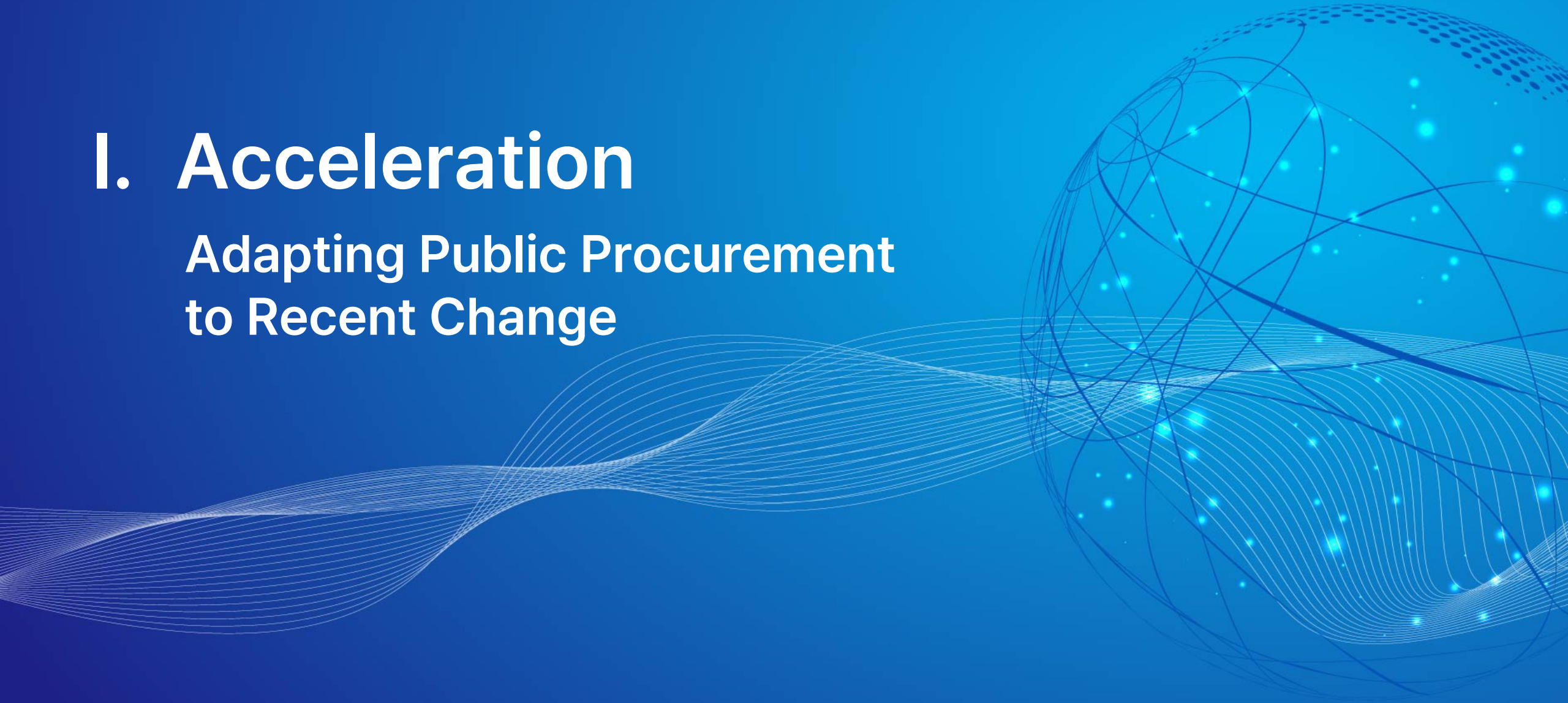
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I. Acceleration

Adapting Public Procurement
to Recent Change



01 Adapting Public Procurement to Recent Change

Public procurement has continuously evolved to respond to rapid global shifts such as the COVID-19 pandemic, supply chain disruptions, and digital transformation.



✓ Key challenges in this transformation include

- Integrating innovation into procurement
- Ensuring fair value for money
- Strengthening accountability in public spending

✓ Sharing Korea's experience for meaningful insights in this forum:

- Expanding Accessibility in Public Procurement
- Designing for Sustainable Procurement
- Enhancing Transparency and Efficiency through e-Procurement

II. Impact

Korea's Experience
in Public Procurement
for the People



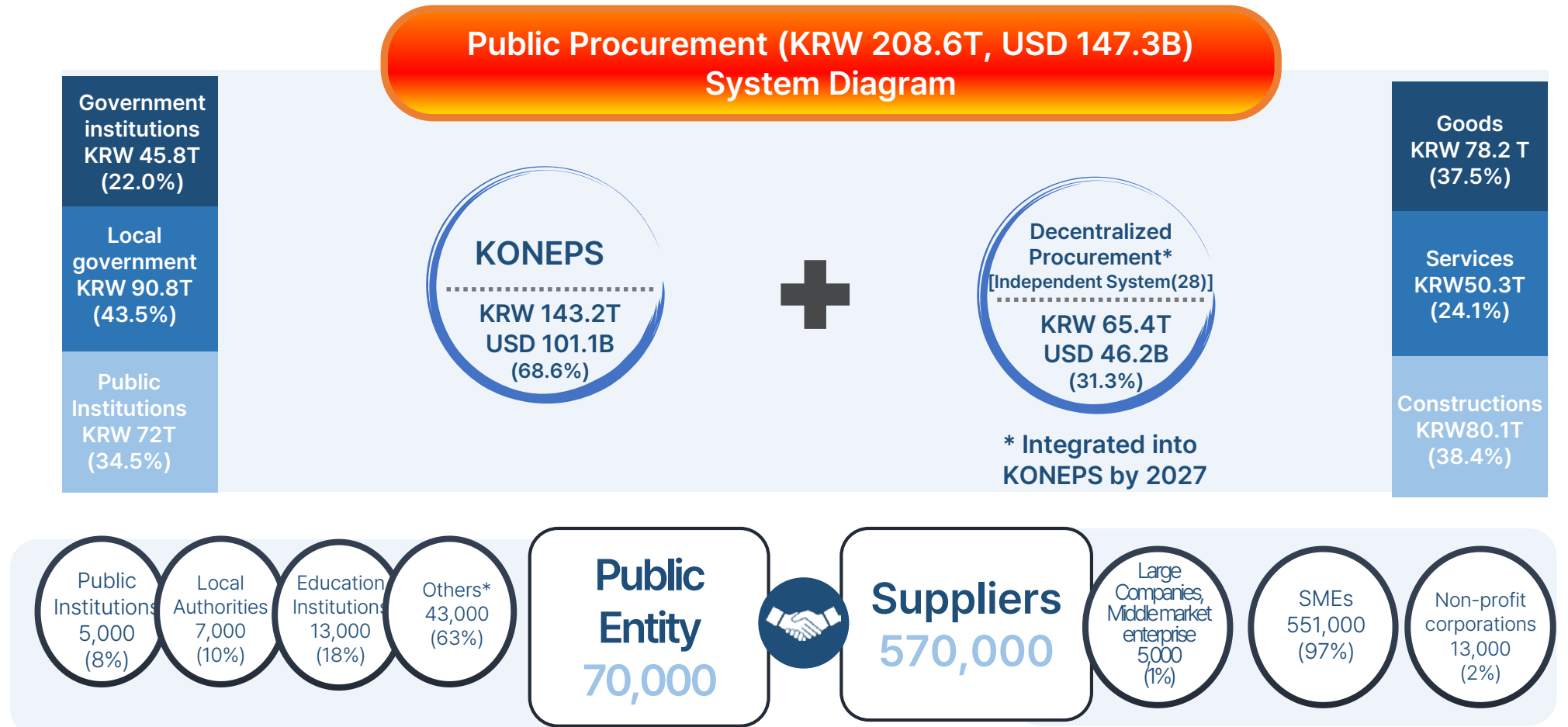
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Public Procurement Service of Korea



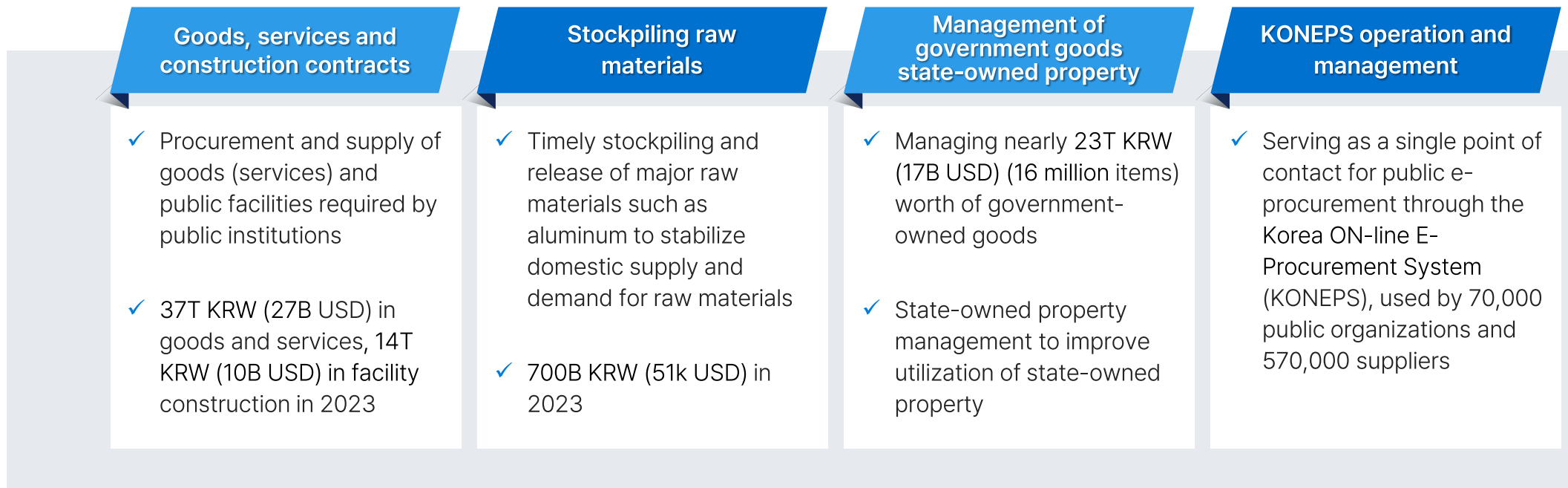
01 Public Procurement in Korea



* Others : Public institutions, Private schools, Foundations, Corporations etc.

• SME contracting ratio in Public Procurement: ₩112.3T = \$79.3B, (78.5%)

02 Introduction of Public Procurement Service



03 PPS Achievement in 2024



Support the Economy by Establishing Public Procurement Basics



A Dynamic Procurement Marketplace Full of Vitality

A friend to SMEs and venture companies

- ▶ Stabilize the economy and accelerate economic recovery
 - Provided customized / tailored consulting for startups
- ▶ Create a favorable environment for business with a regulatory reform
 - Identified 102 regulations that hamper efficient procurement and Conducted regulatory reform

Public procurement with principles and fundamentals

Back to basics

- ▶ Establish a fair and transparent procurement order by eliminating unfair procurement practices
 - Build Three-Tier Evaluation Committee Management System
- ▶ Manage procurement materials with quality and safety as a priority

Advancing public procurement infrastructure

- ▶ Build advanced procurement infrastructure in response to structural change
- ▶ Secure procurement platform and successfully launch the next generation KONEPS
 - Leverage Cloud, AI and Big data
- ▶ Hold MMGP (Multilateral Meeting of Government Procurement) for the first time in five years

CHAPTER

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Principle Policy - I

- Expanding Accessibility in Public Procurement -



01 Guide to Public Procurement for SMEs to Expand Their Access to Procurement Markets ("Procurement Sherpa")



강원조달청, '동양아이텍' 이음장터 입점... 공공조달 길잡이 '첫 성과'

머니투데이 | 강원=허재규 기자

2024.03.29 13:55

<https://news.mt.co.kr/mtview.php?no=202403291319146444&type=1>

기사주소 복사

! 공공조달시장 진입부터 성장까지 든든한 기반 갖출 수 있도록 지속 지원



이병철 강원지방조달청장(왼쪽 첫번째), 강정희 공공조달길잡이(왼쪽 두 번째), 고광안 동양아이텍 대표(왼쪽 세 번째) 등이 강원지방조달청 '공공조달길잡이' 상담실에서 동양아이텍의 공공조달시장 첫 번째 진출을 축하하기 위해 기념촬영을 하고 있다. /사진제공=강원지방조달청

Objective

- ✓ Actively identify companies that want to participate in public procurement and provide one-stop consulting services from experts for the entire market process (venture ⇒ innovation ⇒ excellence ⇒ MAS ⇒ G-PASS company)

Features and Benefits

- ❖ Helping excellent tech companies access public procurement Full-scale consultation via visit, phone, and email
- ✓ Providing consulting and information for novice suppliers
 - Customized consulting for company needs
 - Operating a specialized consulting room and information center
- ✓ Establishing a responsible post-management system
 - Providing feedback on post-consulting status
 - Actively detecting procurement site regulations
 - Providing information on support policies from ministries and local governments

Achievements

- ✓ Mar. 13, 2024 : Guide to Public Procurement Launching Ceremony
- ✓ Mar. 29 : First success case of entering the E-um Marketplace through customized consulting from the PPS' Gangwon Regional Office

02 Enhancing Social Value Through Incentives

✓ Empowering Women and People with Disabilities

- ▶ Incentives are offered to companies led by women and individuals with disabilities during contract processes.

✓ Supporting Fair Employment and Workplace

- ▶ Additional incentives are granted to companies that promote good employment practices and maintain a positive working environment.

✓ Future Focus on ESG Factors

- ▶ Plans to encourage companies to enhance carbon neutrality and social responsibility by identifying and supporting ESG-related elements.

03 Regulatory Reform in Procurement



Objective

- ✓ A vigorous regulatory reform to create a better place to do business

Features and Benefits

- ✓ Drastic changes to key regulations that require fundamental changes to the system
(Uniform application of unfair regulations, newcomer assessment, etc.)
- ✓ Accelerate on-site regulatory mitigation for suppliers
(double paperwork, redundant procedures, etc.)

Achievements

- ✓ In 2024, 102 out of 102 found issues resolved
(138 in '22 and 206 in '23)
- ✓ Establishment of the "Voice of Site Responsibility Implementation TF"
to track regulatory reform (2024)
- ✓ Reviewing all 700 procurement-related regulations and elimination any
unreasonable restrictions. (2025, ongoing)

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Principle Policy - II **- Designing for Sustainable Procurement -**



01 Policies | Excellent Product

Select and supply
products with excellent quality

Excellent Product



(Introduced in) 1996
(Size of Supply) 4.6T KRW(3.4B USD)
(No. of Products) 251

(2024, annual)

Introduction

- ❖ A system to support public sales of products with outstanding technology, quality, and performance manufactured by SMEs and drive technological development
 - Basis : 「 Government Procurement Act 」 Article 26, 「 Enforcement Decree Of The Act On Contracts To Which The State Is A Party 」 Article 26

Strategy

- ❖ Improve contract system to strengthen the technical capabilities of excellent procurements
 - Introduce a technology history system and set new metrics for tech utilization, usability, etc.
- ❖ Ease the burden of Excellent Government Procurement Products companies by helping crisis recovery
 - Extend support period for production disruptions due to natural disasters, raw material shortages, etc.

02 Policies | Innovative Procurement

Utilizing Public Purchasing Power to Support
Technology Innovation and Growth

Innovative Procurement



(Introduced in) 2019

(Size of Supply) 2.7T KRW(2.0B USD)

(No. of Products) 2,280

(2024, cumulative)

Introduction

- ❖ The government serving as the first buyer of innovative products, driving innovative growth and improving the quality of public services, including technological innovation and greater market access.
- **Basis :** 「 Government Procurement Act 」 Article 27, 「 Enforcement Decree of the Act On Contracts To Which The State Is A Party 」 Article 26

Strategy

- ❖ **Maximize business effectiveness by improving the identification, purchase, and after-sales management of innovative products**
 - Identify strategic demand areas and products for public convenience, establish a comprehensive plan for pilot purchase of innovative products, and check qualification maintenance
- ❖ **Support innovative products' export through overseas demonstration and expansion of ODA projects**
 - Significantly expand overseas demonstration projects and link ODA projects with overseas expansion of innovative procurement companies

03 Green Procurement & KONEPS

Green Procurement Statistics and Impact

- **Share of Green Products in Total Public Purchases (2023)**
 - ▶ Total: 336.9 billion KRW (≒238 million USD)
 - ▶ Green: 60.2 billion KRW (≒42.5 million USD)
 - ▶ Share: 17.9%
- **Policy Impact Example (2017)**
 - ▶ CO₂ reduction: 665,000 tons
 - ▶ Environmental savings: \$35 million
 - ▶ Green jobs created: 4,415

03 Green Procurement & KONEPS

Korea's Green Procurement System Overview

- Operated by the Public Procurement Service (PPS)
- Core platforms
 - ▶ Green Purchasing Information Network: certification information, regulations, statistics
 - ▶ KONEPS: Korea's e-procurement platform with an integrated green product shopping mall
- KONEPS Shopping Mall
 - ▶ Over 11,000 green-certified items available for purchase
 - ▶ Enables direct purchasing and comparison of certified products
 - ▶ Real-time integration with certification data and procurement records

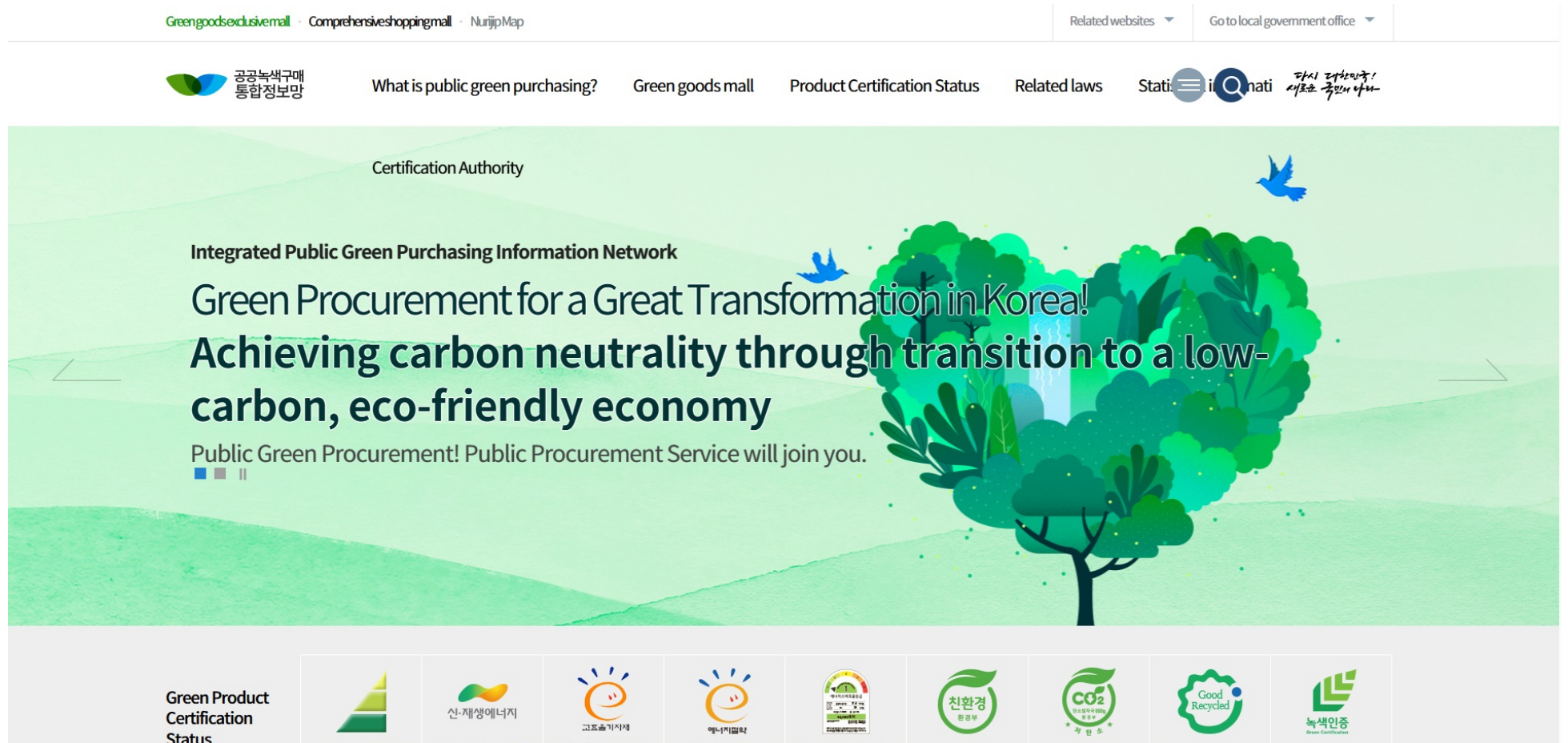
03 Green Procurement & KONEPS

Green Purchasing Information Network: Key Features

- Provides centralized access to:
 - ▶ Product specifications, supplier information, and certification records
- Covers 9 major certification systems, including:
 - ▶ Korea Eco-Label, Energy Efficiency Label, Standby Power Label
 - ▶ Good Recycled Product Mark, Green Technology Certification, and others
- Database is updated daily with the latest certified data
- Fully integrated with KONEPS to support actual procurement

03 Green Procurement & KONEPS

Green Purchasing Information Network



Green goods exclusive mall · Comprehensive shopping mall · Nurijip Map

Related websites ▾ Go to local government office ▾

공공녹색구매 통합정보망 What is public green purchasing? Green goods mall Product Certification Status Related laws Stati i nati 다시 대한민국! 새로운 국민의 나라

Certification Authority

Integrated Public Green Purchasing Information Network

Green Procurement for a Great Transformation in Korea!

Achieving carbon neutrality through transition to a low-carbon, eco-friendly economy

Public Green Procurement! Public Procurement Service will join you.

■ ■ ■

Green Product Certification Status

신·재생에너지 고효율기아재 에너지기밀 친환경 CO2 Good Recycled 녹색인증

03 Green Procurement & KONEPS

KONEPS Shopping Mall

Public Procurement Service National Marketplace Venture Nara Innovation Marketplace Digital Service Mall Defense Commercial Goods Yimjang Market Report Center

log in

customer service center



나라장터 종합쇼핑몰

entire



Detailed Search



Shopping Mall Assistant

Category

Certification Mall

Theme Mall

Discount Event

Special Exhibition

Exclusive Mall Main

Green goods

에너지, 자원 투입과 온실가스 및 오염물질 발생을 최소화 하는 제품들에 대한 녹색인증

certification Exclusive mall possession certification

High-efficiency equipment

Energy saving

GR(Good Recycling)

Eco-label products

Energy consumption efficiency grade 1

Low-emission vehicle certification

Green Technology Product Verification

Low carbon certified products

Quick Search

Full certification of green p...

Additional optio...

entire

check

Category

Road/Railway/Facilities	Traffic Safety	* Traffic Safety Signs	* Floor-mounted pedestrian signal light	* Eye-catching stick
Office/Education/Furniture	Road dividers and guardrails	* Design fence	* steel rail	

04 Public Procurement Capacity Development Institute



PPCDI operates a variety of educational programs to improve procurement capacity and skills such as contracting, public works, e-procurement



PPCDI was founded in 2010 and relocated in Gimcheon as an independent training center in 2014



For PPS officials, Public entities, Suppliers and Foreign Public Officials



CHAPTER

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Principle Policy - III

- Enhancing Transparency and Efficiency through e-Procurement -



01

Introduction of KONEPS

1. KONEPS(Korea On-line E-Procurement System)?

Representative e-Government System in Korea opening in 2002

- [A single window for public procurement](#) that electronically handles the entire procurement process
- The entire procurement process from bidding to payment is processed on one site
- [On-line shopping mall](#) with ordering and payment


The Innovation of Procurement Administration through KONEPS

- [Strengthen anti-corruption](#) of procurement process
 - Achieved [costs savings of 8 trillion won\(≒ 6 billion USD\)](#) in annual procurement by converting procurement into electronic form
-

01 Introduction of KONEPS

2. Key Features of KONEPS





02 Overview of New KONEPS

2. Key Changes

Stability & Reliability

Adopt a future-oriented cloud infrastructure with equipment multiplexing and real-time monitoring to improve system's stability & reliability

User-oriented

Provide convenient and personalized service(ex. AI Chatbot, real-time notifications, mobile optimization service) to make KONEPS accessible and useful to all users

Business-friendly

Offer various simple and secure authentication methods and online application & registration to make companies save operational costs and substantial time

Integration

Integrate each agency's e-procurement system into KONEPS to unify the e-procurement window

03 Overview of New KONEPS

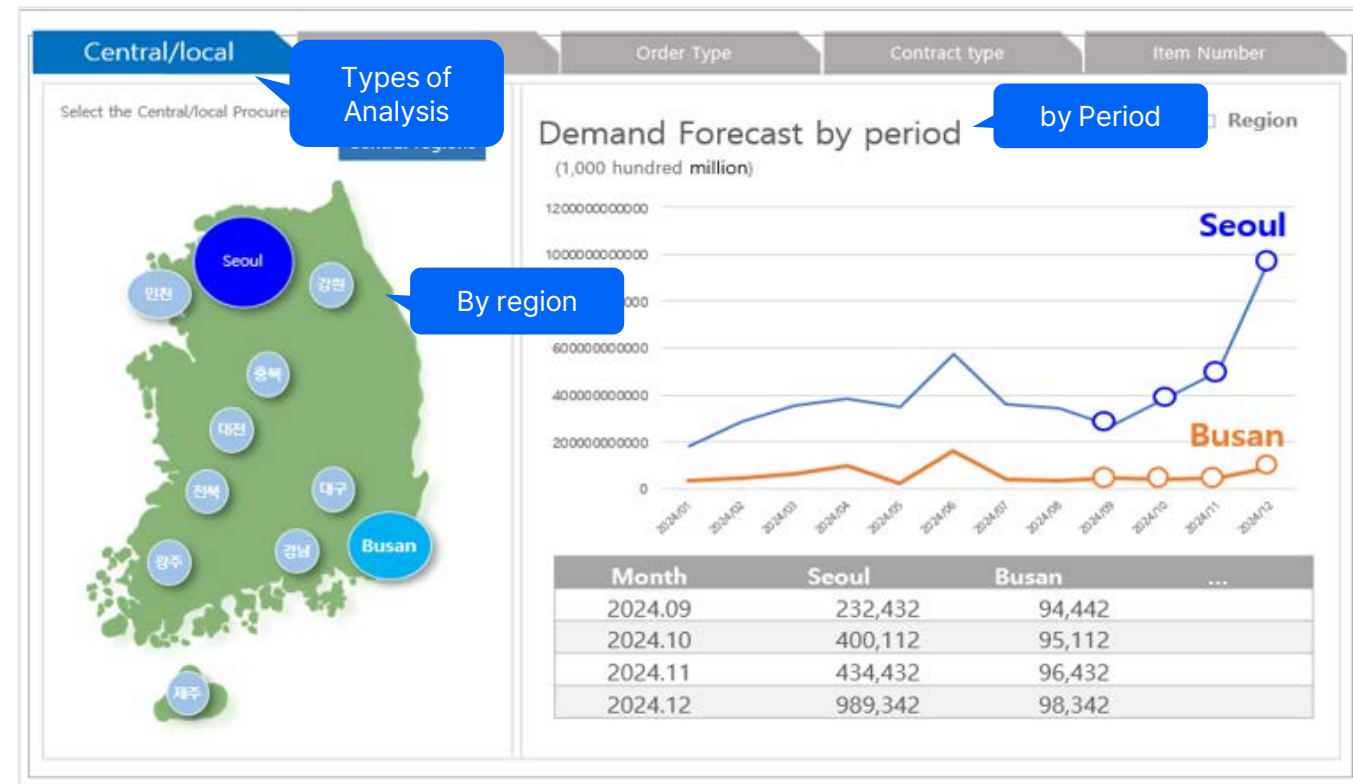
3. Data-hub in the Public Procurement Sector

Data Accessibility

- Integration 25 other procurement systems to KONEPS

Scientific Decision-Making

- Customized bidding information and trends
- → product recommendation to public entities,
bid announcement recommendation to suppliers



III. Conclusion

Procurement Beyond Procedure



Rethinking Procurement as a Driver of Public Value

- ☐ Global Challenges Are Intensifying
 - Climate change and environmental crises
 - Declining birth rates and demographic shifts
 - Trade tensions
- ☐ Redefine procurement as a strategic enabler of public value
 - By promoting sustainability, inclusiveness, and resilience in the face of global challenges.





Public Procurement
Service

Thank you

