Presentation for 11th APPeN

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Strategic Public Procurement and the Professionalization of Procurement

- Focusing on the Korean Case -

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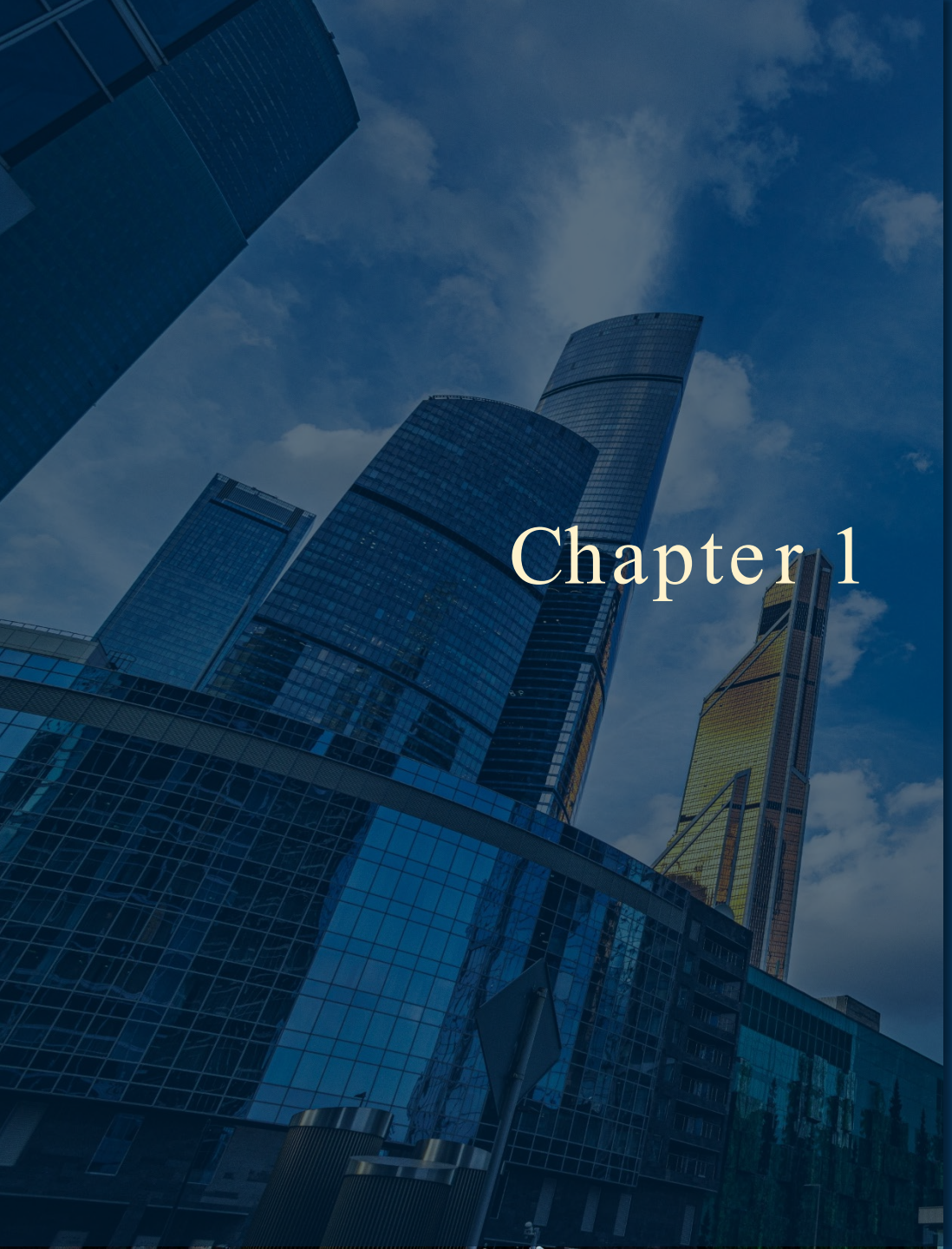
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Chapter 1 Achievements of Korean Public Procurement

I Achievements of Korean Public Procurement

1. Expansion of Public Procurement and Its Growing Strategic Importance

Korea has made public procurement a key tool for achieving national policy goals

Overview of Public Procurement in Korea (2025)

KRW 238.5 trillion
Annual procurement expenditure

Approx. 9%
Share of GDP

Approx. 630,000
Registered suppliers

Approx. 75,000
Procuring entities

Public procurement is now more than public spending; it is a policy instrument for shaping markets.

[Note] Korea's Public Procurement: Volume and Trends

(Unit: KRW trillion, %)

Category	2016	2018	2020	2022	2024	2025
Nominal GDP(A)	1,740.8	1,893.5	2,058.5	2,328.2	2,564.2	2,676.7
Procurement(B)	117.8	141.3	175.8	196	225.1	238.5
Intensity(B/A)	6.8%	7.5%	8.5%	8.4%	8.8%	8.9%

※ Source: BOK; PPS

Structure and Role of Public Procurement

- Broadening the supplier base rather than protecting specific firms
  Expanding opportunities for participation instead of protecting selected companies
- Promoting competition through supplier diversity
  Expanding the supplier pool → reducing market concentration and strengthening competition
- Adopting an industrial strategy approach, beyond social welfare
  Enhancing supply chain diversity and resilience

- Key market for SMEs (over 75%)
- Increasing participation by women-owned, disability-owned, and start-up businesses
- Enhancing the role of inclusive procurement

[Note] Inclusive procurement ratio in Korea

SMEs	76.8%
Innovative product	17.1%
Women-owned business	10.1%
Disability-owned business	1.6%
Start-up procurement	3.3%

2. Business Growth through Innovative Procurement

Participating firms outpaced comparable firms in sales and employment growth, and overseas pilot program led to exports

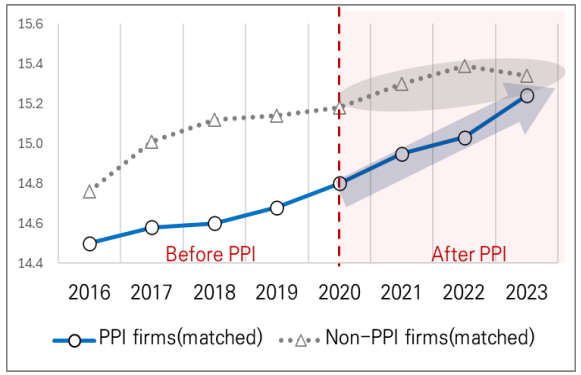
Firm Growth Impact (PSM-DID)

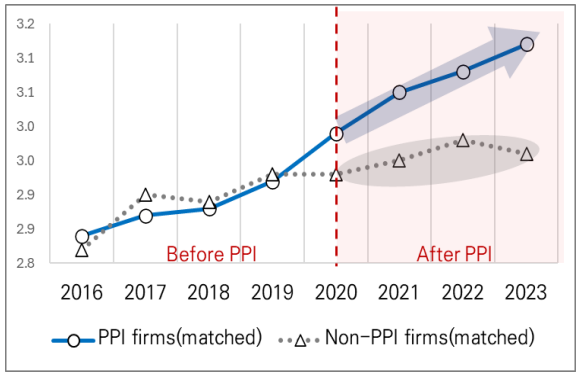
+12.75%
Sales growth

+11.91%
Employment growth

※ *Growth before and after participation, compared with similar non-participating firms*

Participating firms achieved higher sales and employment growth than comparable firms over the same period.





Overseas Pilots → Export Growth

- Tangible post-pilot outcomes
  Increased export value, overseas market expansion etc.
- Average annual export value per firm: +228.1%
  (Before) USD 222,672 → (After) USD 730,629
- Effect on overseas market expansion
  Market diversification and new sales channels, etc.

The public sector acts as a 'First Buyer', providing early market opportunities, validation and track-record.

(Unit: USD, %)

Period	Firms	Average annual export value per firm		Export value change (B-A)	Export growth rate ((B-A)/A)
		Before (A)	After (B)		
'23-'24	36	222,671.8	730,629.3	507,957.6	228.1%

※ *Based on 36 firms participating in overseas pilot program during 2023 –2024*

3. ADB e-Procurement Education program in Asia and Pacific Region

Objectives: To strengthen the capacity of Asia-Pacific countries in e-Procurement system and to build an international e-Procurement community based on the best practices of Korea.

Duration

2024-2026

3 years

Participants

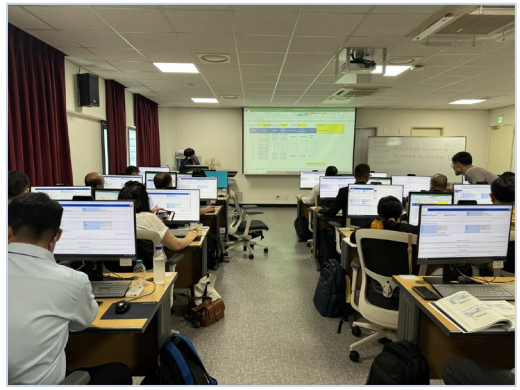
Approx. 16

participants from ADB DMCs

Main activities

- KONEPS hands-on practices and demonstrations
- Study visit (PPS, PPCDI)
- Country report and action plan activities

Program photos ('24-'26)



KONEPS Hands-on Practice



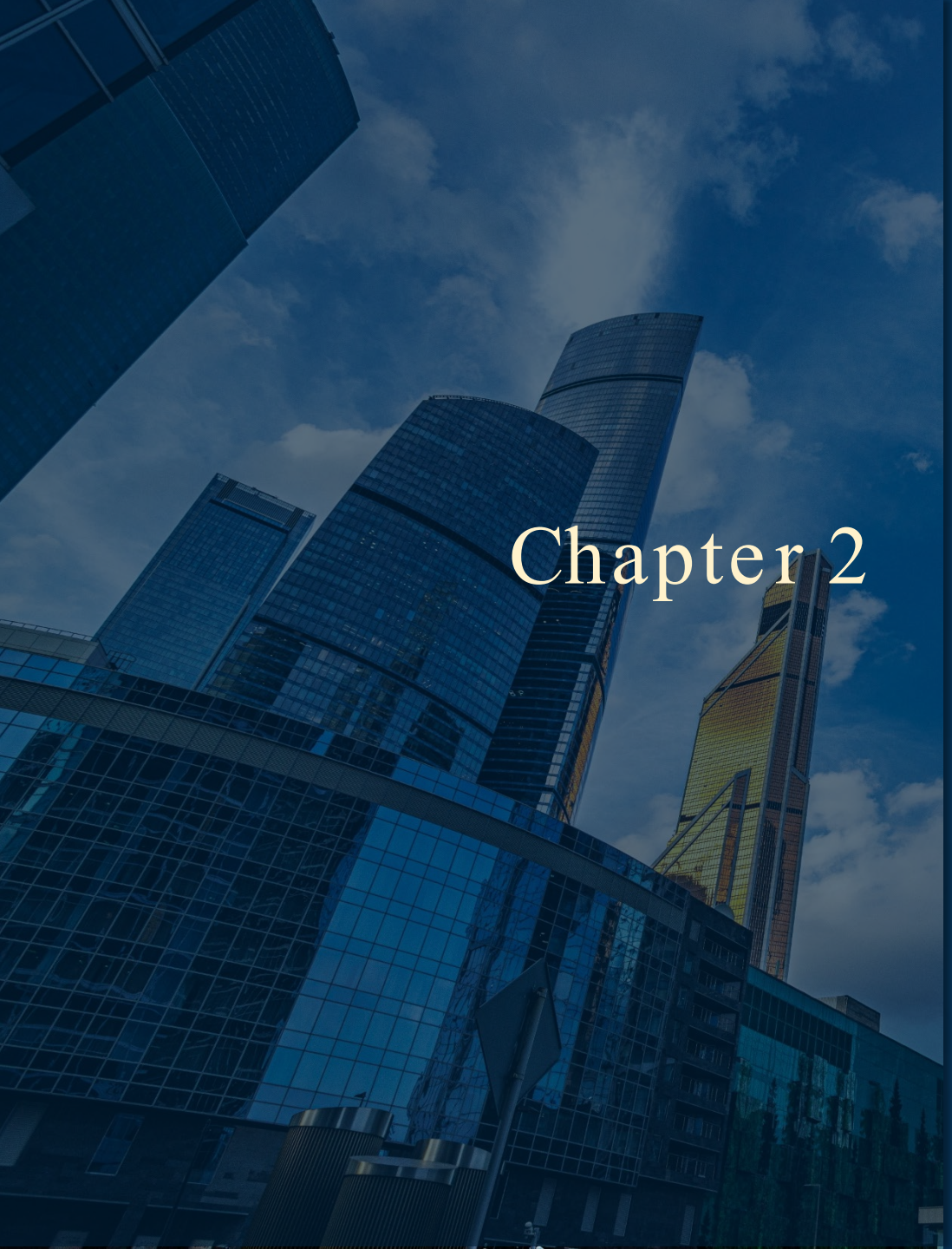
Action Plan Group Workshop



Country Report Presentation



Program Completion Group Photo



Chapter 2

The Shift to Strategic Public Procurement (SPP)

II The Shift to Strategic Public Procurement

1. Shift to Strategic Public Procurement and Professionalization

These achievement were no coincidence, but reflected a shift from purchasing to market shaping and policy implementation

Strategic Public Procurement (SPP) Using public procurement to advance the green transition, social value, technological innovation, and other policy goals

- Public demand directly influences business activity → A strategic policy tool that shapes markets and industrial structures—not just a purchasing activity
- Strategic Public Procurement ⇨ connecting public procurement with innovation, industrial, social and environmental policies

Professional capacity building in public procurement is essential for effective strategic procurement

Professional Competence for SPP

Skilled public procurement workforce

- Beyond purchasing: evaluating technology, cost, performance, and risk

Performance assessment and data management

- Measuring the number of participating firms, new market entrants, market concentration, firm growth, innovation, and environmental outcomes
- Ensuring sustainability through an evidence-based feedback loop

Policy judgment and needs identification

- Building momentum for innovation through active engagement
- Turning problem-solving needs into procurement demand and market creation

"For public procurement to drive innovation, government must be a capable buyer, and the market must be ready to respond."

Both depend on 'skilled professionals' → Professionalization is essential for strategic public procurement.

III Professionalization of Public Procurement

1. Why Professionalization Matters: Broader Roles, More Complex Demands

Professionalization is essential as public procurement expands and its demands become more complex

Strategic policy tool	Innovation, SMEs, regional development, green transition, and social value
Contract complexity	From goods to services, digital solutions, and performance-based contracts
Market stewardship	Supplier identification, competition design, and balanced management of price, quality, and risk
Digital transformation	Beyond e-Procurement: data analytics, automation and use of AI in decision making
Supply chain management	Supply disruption risks involving essential goods, raw materials, and national security
Enhancing accountability	Accountability for policy outcomes and public value—not only fairness and transparency

Korea's Response: Three Pillars of Procurement Professionalization

Institutions

Public Procurement Competency Development Institute
Korea Institute of Procurement (KIP)

Dedicated institutions for procurement training and research

Education

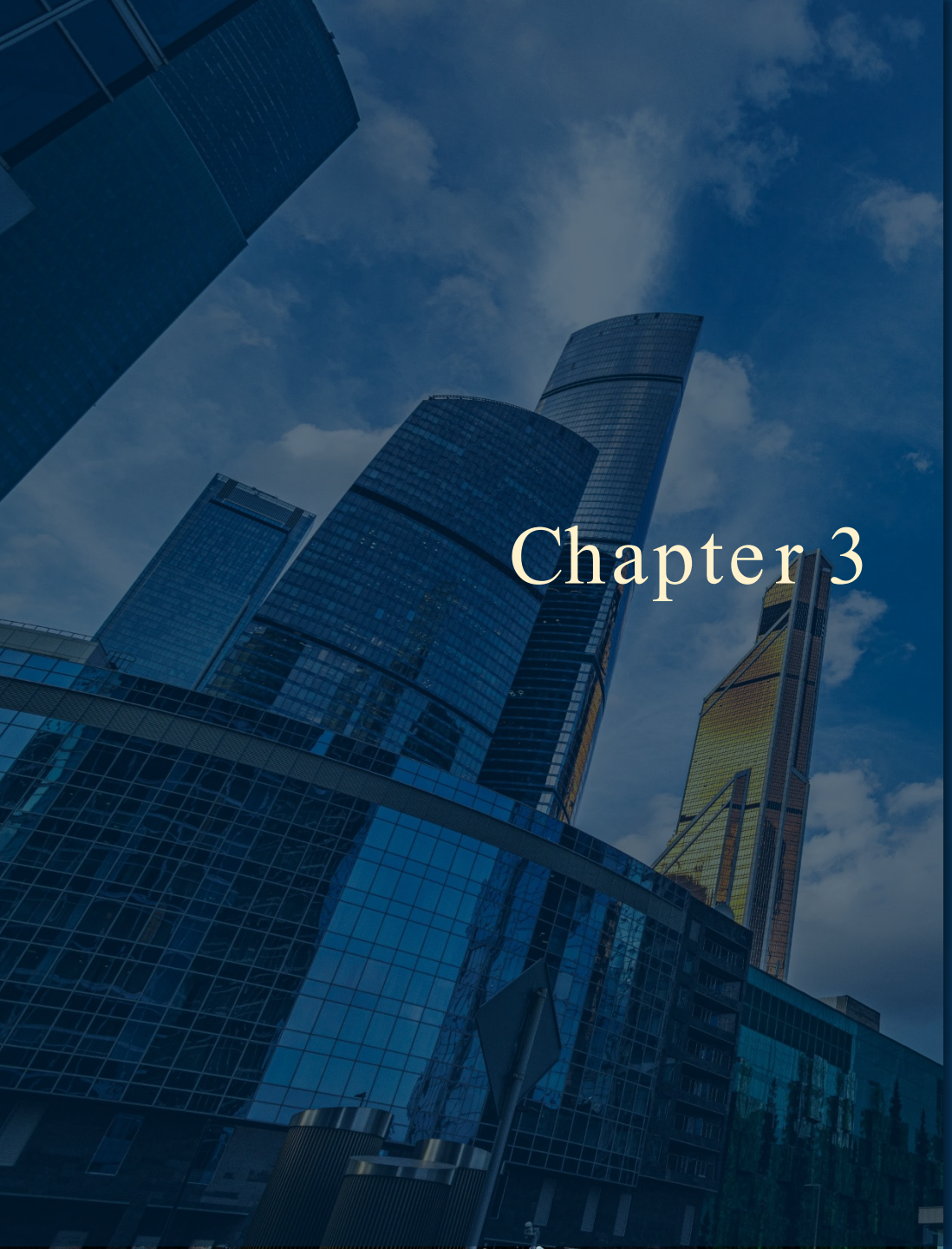
Public Procurement at Colleges
Major in Public Procurement

Formal degree programs for developing procurement professionals

Qualification

Public Procurement Manager
as an National Technical Qualification

Introduction of national qualification based on standardized competencies



Chapter 3 Professionalization of Public Procurement

2. Institutions: Building and Sharing Procurement Expertise

Korea develops procurement expertise through two pillars: training and research.

Public Procurement Competency Development Institute · Training

Training institute under the Public Procurement Service (PPS)

- **Established as an independent institute in 2014; renamed in 2022**
  Formerly: Public Procurement Training Institute
- **Annual public procurement training plans**
  For PPS officials, procuring entities, and supplier employees
- **Over 10,000 trainees annually**
  Classroom training only; e-learning excluded
- **Support for public procurement manager qualification**
  Free standard textbooks and video lectures
- **Contract officer · cost analyst management**
  Professional qualification system for procurement practitioners

Korea Institute of Procurement (KIP) · Research

Established in 2005 | Specialized public procurement research institute

- **Around 90 staff, including 17 staff with PhDs**
  Korea's largest pool of specialist researchers in public procurement, as of August 2026
- **Research on procurement policy and systems**
  Strategic procurement, legislation, public contracts, institutional design, and policy evaluation
- **Korea innovative Procurement Competence Center**
  Product designation, needs identification, pilot projects, and performance analysis
- **Public Procurement Support Center**
  Specialized support for defense procurement and product cataloguing
- **Procurement policy support across government**
  Policy research, performance evaluation, and institutional reform proposals

Training strengthens practitioners' skills, while research strengthens institutional design.
This two-pillar approach ensures that professional expertise feeds into procurement policy.

3. Education: Public Procurement in Formal Degree Programs

Public procurement is now offered as a university major and degree program.

Public Procurement Degree Programs in Korea (Six universities)

University	Program	Level	Launched
Chungbuk Health & Science University	Department of Public Procurement	College	Around 2025
Ansan University	Department of Public Procurement	College	2026
Yeungnam University College	Department of Public Procurement	College	2026
Geoje University	Department of Public Procurement	College	2026
Keimyung College University	Department of Public Procurement	Undergraduate major	2026
Namseoul University	Department of AI Public Procurement	Graduate school	Currently offered

Key Curriculum Areas

Foundations	Procurement objectives, structure, and policy
Law · Contracts	National and local government contracts, procurement law
Contract Types	Goods, services, works, and negotiated contracts
E-Procurement	KONEPS and the online shopping mall
Market-Access	MAS, bidding, certification, and market analysis
Management	Accounting, cost analysis, taxation, and finance
Strategy·Technology	Innovation, green procurement, AI, data, and supply chain management
Practice·Qualification	Linkage of field training with public procurement manager qualification

Public procurement is evolving from experience-based practice into a profession supported by formal education.

Source: Official university program information, admissions materials, and press releases, as of August 2026.

4. Qualification : Public Procurement Manager as a New National Technical Qualification

Procurement has become a professional field integrating law, markets, contracts, and digital systems.

(Public Procurement Manager) A procurement professional capable of managing the full procurement cycle, including bidding, contracting, delivery, inspection, and dispute resolution

Competency and Professionalization

Professional expertise

- Expertise across the procurement process and practical capability to perform core procurement functions

Credibility and applicability

- Recognition as a national technical qualification ensures both credibility and practical value

Core procurement workforce

- Key professionals supporting a fair and transparent procurement ecosystem

Qualification Overview

Administered as a National Technical Qualification

Competent authority: PPS
Qualification administration: Ministry of Employment and Labor
Examination administration: HRD Korea

Enforcement Decree amended in March 2025

First examination in 2026

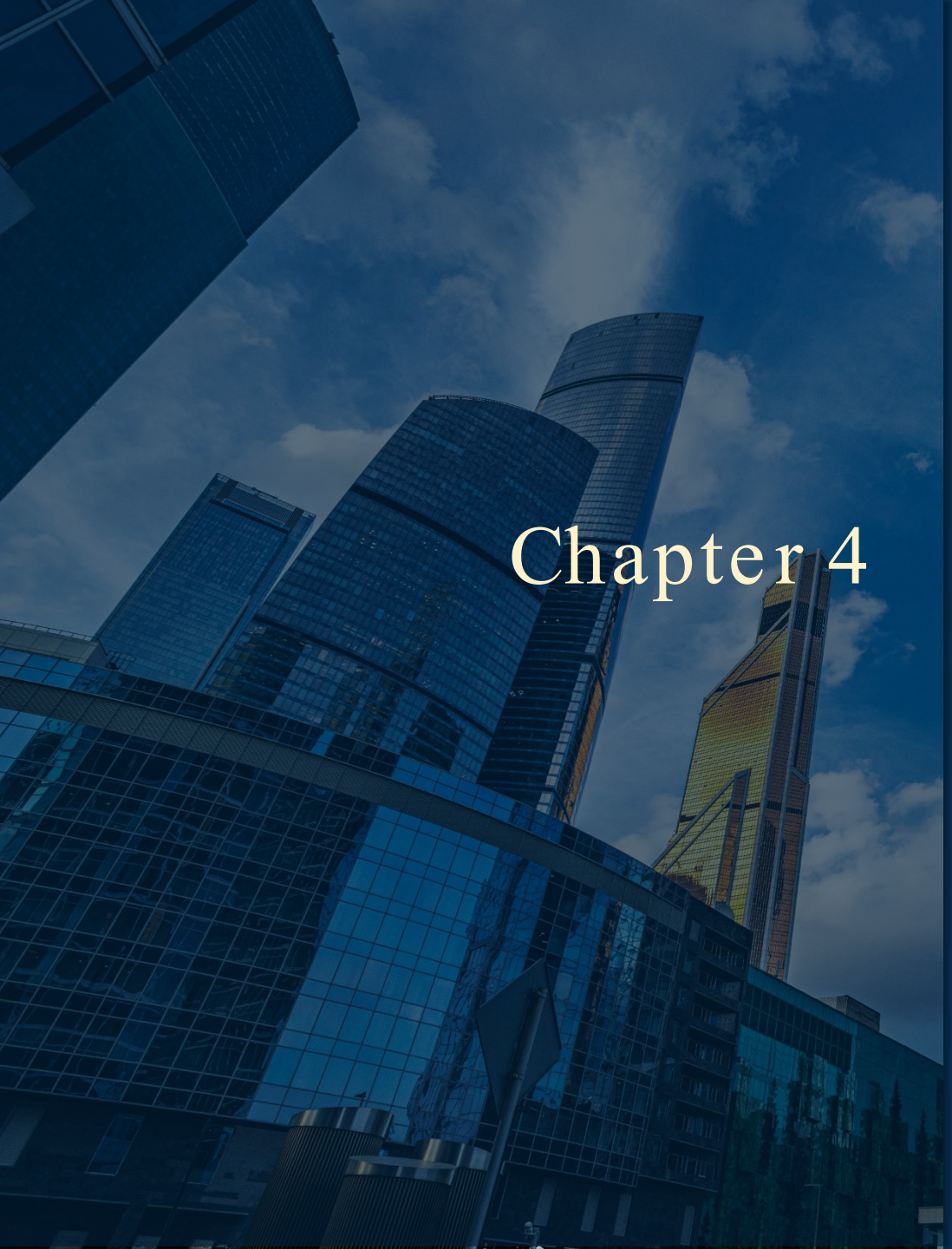
Open to all applicants

Available to public and private sector practitioners, students, and job seekers

Exam Structure

Section	Subject	Key Topic
Written ①	Understanding Public Procurement	National and local contract laws, procurement law, policy, systems, fairness, and transparency
Written ②	Procurement Planning & Analysis	Demand, market and bidding environment analysis, feasibility, economic assessment, and procurement planning
Written ③	Public Contract Management	Goods, services, works, negotiated contracts, MAS, contract formation, performance, inspection, modifications, and disputes
Practical	Public Procurement Practice	KONEPS, bidding, evaluation, contracting, implementation, and post-contract management

※ Passing criteria: Written exam: 60 average (minimum 40 per subject) / Practical exam: 60 or higher



Chapter 4 Conclusion

IV Conclusion

1. Building Connections: Degrees Programs, Qualification, In-service training and Career Paths

A public procurement professionalization ecosystem emerges when institutions, education, and qualifications are systematically connected.

Five Levels of Procurement Competency

- **L5 Leadership & Policy** — Organizational capability · System improvement · Data governance
- **L4 Strategy Design** — Innovation · Supply chains management · ESG · Category strategies
- **L3 Analysis & Judgment** — Demand · Markets · Cost analysis · Decision-making · Performance
- **L2 Procurement Operations** — Bidding · Contracting · Evaluation · Inspection · Payment
- **L1 Understanding Public Procurement System** — Law · Ethics · Procedures · e-Procurement

Public Procurement Professionalization Pathway

1. **University Education (Degree Program)**
   Core foundations · Law · Contracting · e-Procurement · Accounting · Field training
2. **Qualification (Public Procurement Manager)**
   Standardized competencies · Official recognition · Use in recruitment and preferential hiring
3. **Continuing Education (PPCDI)**
   Advanced contracting · Performance management · Disputes resolution · Category strategies
4. **Practice and Professional Roles**
   Dedicated roles and career paths in public institutions and procurement-related companies
5. **Research, Policy and System Design and Knowledge Sharing**
   Using case studies and accumulated data to improve procurement systems and training curricula

Connecting degree programs, qualifications, in-service training and career paths transforms short-term training into a national professionalization ecosystem.

IV Conclusion

Institutionalizing Professionalization - The Key to Effective Strategic Public Procurement

1

Outcomes as evidence of the transition to strategic public procurement

Public procurement doubled over the past decade to 9% of GDP. Stronger firm growth, export gains, and broad SME participation demonstrate its strategic impact.

2

Professionalization enables strategic public procurement

Policy objectives must be integrated into procurement design alongside competition, transparency, and value for money. Professional expertise broadens participation and improves market outcomes.

3

Skilled professionals make institutions and markets work

Skilled professionals make them work in practice. Professionalization is therefore a prerequisite, not an option.

4

Korea is building a professionalization system through three pillars : institutions · education · qualification

Three pillars - *dedicated training and research institutions, university programs and a national technical qualification* – are being composed simultaneously. The next step is to align them through common standard and career pathways.

"A good procurement system delivers outcomes when skilled professionals make the right decisions in practice."



Thank You

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