Korea

Strategic framework, action plan and scope for procurement for innovation policy

Korea’s strategic tools for procurement for innovation include:

1. Set-aside for new technology products
   – Set-aside for products manufactured with domestically developed new technology
   – Qualifying products are given a certification (different certifications by product categories)
   – Central and local governments and public enterprises should fulfil 20% of their procurement with innovative procurement
   – New technology-certified products are expected to account for 20% of the procurement of the specific product type for which new technology products are available, not 20% of total procurement.

2. Set-aside for SME-developed technology products
   – Set-aside for products manufactured with new technology developed by an SME.
   – Qualifying products are given a certification (different certifications by product categories).
   – Central and local governments and public enterprises should fulfil 10% of their SME-product purchase from SME-developed technology products (10% of the procurement of the specific product type for which SME-developed technology products are available, not 10% of the total procurement). Public entities must fulfil 50% of their procurement from SMEs where SME products are available.

3. Designation of “Excellent Government Supply Products” and allowing direct purchasing for them
   – Public Procurement Service (PPS) designates outstanding SME products in seven categories (ICT, electric and electronic, construction and environmental, chemical and fabric, machinery, office equipment, science and metical), through application and evaluation process.
   – Public entities are allowed to purchase Excellent Government Supply Products through direct contracting.
   – The period of designation is three years. As of July 2015, a total of 1 128 product models are designated as Excellent Government Supply Product.

* OECD Survey Part I submitted by Kang-il Seo, Deputy Director, International Cooperation Division, Public Procurement Service.
There are no other specific actions than specific certification programmes such as NEP (New Excellent Product), NET (New Excellent Technology), GS (Good Software), etc.

**Implementation**

Specific examples of policy instruments used to support procurement for innovation as described above.

**Challenges, risks and solutions to overcome obstacles**

Matching/customising certification programmes to suit the actual/future public procurement demands.

**Key lessons learned**

There is the need to strengthen the studies on current and future demands in public procurement to better harmonise the certification programmes and the actual public procurement demands.

**Measurement and impact assessment**

There is a system in place to measure the impact of actions related to procurement for innovation and its quantified target. For impact assessments, Korea uses evaluation studies.