

INAUGURAL SESSION
(22 APRIL 2019)

SIXTH SOUTH ASIA REGION PUBLIC PROCUREMENT CONFERENCE ON
PROFESSIONALIZATION OF PUBLIC PROCUREMENT FOR BETTER PERFORMANCE,
THIMPHU, 22-24 APRIL 2019

STATEMENT BY H. E. MR. AMJAD HUSSAIN B. SIAL, SECRETARY GENERAL OF SAARC

Chief Guest, Hon. Finance Minister of the Kingdom of Bhutan,
Excellencies,
Distinguished Delegates and representatives of financial institutions,
Ladies and Gentlemen,

It is an honour for me to address the Inaugural Session of the Sixth South Asia Region Public Procurement Conference.

The eminent presence of the Hon. Finance Minister of the Kingdom of Bhutan as the Chief Guest amply signifies the importance of this Conference. All of us look forward to benefiting from his vision in the Inaugural Address.

I wish to thank the Royal Government of Bhutan and the co-hosts for inviting me to this important Conference. We wish to express profound gratitude to the esteemed Government for very warm welcome and generous hospitality extended to me and my delegation since our arrival in this beautiful city.

I wish to avail myself of this opportunity to thank the World Bank, Asian Development Bank, Islamic Development Bank and Asian Infrastructure Investment Bank for their support in the organization of this Conference. The arrangements made are excellent.

Distinguished Delegates,

Intra-regional economic integration is the backbone of the SAARC process. Since the establishment of SAARC in December 1985, several inter-governmental mechanisms and regional instruments have been introduced to promote regional economic integration. Among others, the signing of the Agreement on the South Asian Free Trade Area (SAFTA) is a singular accomplishment. The signing of the SAARC Agreement on Trade in Services is another milestone achievement in the context of regional economic integration. We are also actively pursuing to conclude the Agreement on Promotion and Protection of Investments.

As envisaged by our Leaders at the Eighteenth SAARC Summit, our ultimate goal is to achieve South Asian Economic Union in a phased and planned manner through a Free Trade Area, a Customs Union, a Common Market, and a Common Economic and Monetary Union.

Distinguished Delegates,

Public procurement is yet to become a part of formally agreed areas of regional cooperation under the auspices of SAARC. This sector, however, does have great importance for the

economies of all the South Asian countries. We, therefore, highly value the convening of this Conference on Public Procurement.

Distinguished Delegates,

As you are aware, globally, public procurement accounts for a significant amount of the total expenditure of Governments and is reportedly around 15 percent of the world's Gross Domestic Product (GDP). It is estimated that the South Asian countries spend around US \$ 550 billion on public procurement of goods and services. Reportedly, India alone spends around 20 percent of its GDP on public procurement, which might be the highest in the world.

In this backdrop and particularly in view of a huge amount of public expenditure on procurement, this Conference assumes considerable significance. This Conference provides a useful platform for exchange of knowledge and experience and for networking among public procurement policy and decision makers and practitioners, as well as learning from each other's good practices. This Conference is also useful in fostering greater regional cooperation on public procurement systems development; and identifying opportunities to promote regional integration through public procurement, including harmonization of procurement procedures and documents. Good practices about participation, competition, fairness, transparency, harmonization of standards, accountability and use of innovative techniques and new technologies can substantially improve the efficacy of public procurement to ensure best value for money.

Distinguished Delegates,

Clear roadmap on grievance redressal mechanism, including dispute settlement process, can help improve efficiency in public procurement. Dispute settlement mechanism, however, should not be time consuming, costly and cumbersome. Possibility of amicable and alternative dispute settlement mechanisms should also be explored.

Training civil servants dealing with public procurement, actual and potential suppliers or contractors and other relevant stakeholders about new, innovative and upgraded technologies on public procurement should be adequately emphasized.

At the regional level, we have established the SAARC Arbitration Council (SARCO) as one of the specialized bodies. SARCO is an inter-governmental body mandated to provide a legal framework within the region for fair and efficient settlement of commercial, industrial, trade, banking, investment, and such other disputes.

Another such specialized body at the regional level is the South Asian Regional Standards Organization (SARSO). SARSO, which is actively engaged in promoting regional cooperation in the fields of standardization and conformity assessment, is aimed at developing harmonized standards for the region to facilitate intra-regional trade as well as to have access in the global market.

Distinguished Delegates,

In the SAARC process, the Committee on Economic Cooperation has recognized the importance of notifying overseas bulk purchases by the Member States with a view to promoting intra-SAARC trade. In addition, in their First Meeting, the SAARC Commerce Ministers had

stated that nodal points should be nominated by the Member States for exchanging information on a voluntary basis on bulk Government purchases through the SAARC Secretariat.

Given the high volume of spending on account of public procurement in the region, it merits consideration to have a regional forum to deal with Public Procurement matters. This, of course, requires formal approval by the Council of Ministers. Till such approval is obtained, the SAARC Secretariat would be happy to be informally associated with the South Asian Regional Public Procurement Network.

In concluding my remarks, I wish to once again thank the esteemed Royal Government of Bhutan for hosting this important Conference and the financial institutions for their support. My delegation and I look forward to benefitting from the deliberations during this Conference.

I thank you.