

Welcome Remarks by the Director for Regional Partnerships, Malaysia and Thailand, World Bank at the 2<sup>nd</sup> ASEAN Countries Public Procurement Knowledge Exchange Forum in Bangkok (Ulrich Zachau)

November 15, 2017

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- **His Excellency, Khun Apiasak Tantivorawong, Minister of Finance;**
- **Khun Suttirat Rattanachot, Director General, Comptrollers General Department;**
- **Khun Chunchit Sungmai, Advisor, Fiscal and Financial Systems Development, Comptrollers General Department, Thailand;**
- **Senior officials from the Royal Thai Government;**
- **Colleagues Senior Management and Staff of the World Bank and other Development Partners;**
- **Distinguished Delegates;**
- **Representatives of the media;**
- **Ladies and gentlemen:**

It gives me much pleasure to welcome you all to this 2nd ASEAN Countries Public Procurement Knowledge Exchange Forum. Firstly, I will like to express my deep appreciation to the Royal Thai Government through its Ministry of Finance and Comptroller General's Department for agreeing to host this important event. This demonstrates the commitment of Royal Thai Government and its citizens to the ideals of the ASEAN Regional Community.

I am also delighted to witness a full representation of all member countries of the ASEAN Community. This confirms the intention that delegates had when they

drafted the obligations stated in the communique that was issued at the end of the last event in Myanmar exactly one year ago.

The initiative, which started only last November in Myanmar, through the strong resolve of member countries has made it possible to have this second event in Bangkok today. I see this act as a powerful sign of commitment, determination and willingness of the member countries to develop and maintain the networking and learning platform. I have no doubt in my mind that with this successful beginning, the initiative will grow into a resilient annual platform that provides opportunity to all key public procurement stakeholders to freely exchange their knowledge, experiences, and ideas to foster efficient and sustained regional and global cooperation in public procurement.

One of the aims and purposes that set out the ASEAN Community is to collaborate more effectively among member countries, promote and advance a common market by devising strategies that facilitate the movement of goods and services across borders. This would contribute in no small means to raising the living standards of its people. However, what rarely pops up in the discussions at the Community's gatherings so far is the role that public procurement will play in pulling off this wonderful idea. It is important to recognize public procurement as one of the major facilitators of regional and international trade. It is no doubt a key input as far as regional integration is concerned. Attitude towards public procurement as a strategic function in the Community's initiatives on regional trade therefore needs to change to a more embracing one to enable the realization of the dream of creating opportunities of doing business across borders.

I wish to use this occasion to congratulate members for mooted this idea of a common procurement knowledge exchange platform and the willingness to share experiences and best-practices in public procurement reforms. The initiative, I trust, will gradually lead to the development of a common understanding about the best

approaches to achieving harmonized and transparent public procurement among member countries. With harmonization, public procurement will provide an enabling environment for national and regional businesses to grow and compete globally. It will encourage partnership across the Community in the execution of public contracts without any limitations, and provide opportunities for increased participation of SMEs in public contracting.

The theme of this forum: **“Professionalization of Public Procurement to Deliver Sustainable Development Outcomes”**, is both a challenging and thought provoking, which I believe, is crucial for the times in which we live. It is well acknowledged that development in this age has become an extremely complex undertaking. On top of that, Governments are struggling to better use scarce public resources to deliver effective and efficient services to enhance the living conditions of its citizens. It has undeniably become crucial for policy makers to pay more attention to improving public procurement approaches, which is at the heart of efficient management of public finance, to facilitate delivering sustainable development outcomes.

There is therefore no doubt that professionalization of the public procurement function is of necessity to improving public expenditure, obtaining value for money and continued development outcomes. Unfortunately, in most jurisdictions the procurement function is still not considered a specific profession and consequently, building procurement professional expertise to meet development challenges remains an unfinished agenda. I therefore find the theme of this forum very timely.

I hope this event will give you the opportunity to reflect again on your own experiences as professionals and policy makers and increase your knowledge about how to better formulate policies and implement ideas on this subject to meet today’s challenges. A holistic approach to the issue requires the right combinations of:

- i) developing and/or harnessing opportunities provided through training institutions to build capacity for all levels of the practice;
- ii) establishing a system for certification of procurement practitioners;
- iii) introducing a code of conduct to enforce adherence to an ethical code of practice to regulate behaviors and practices; and
- iv) providing opportunities for growth in procurement as a profession by having a clearly defined career path in the civil/public service.

More importantly, public procurement practitioners must have the opportunity to continuously update their knowledge to cope with the fast-changing requirements of markets and use corresponding innovative approaches to help achieve results.

It is my deep conviction that a properly regulated procurement profession will help define the high standards of professional and intellectual excellence required, establish legitimacy and legal recognition of the practice.

I have no doubt in my mind that, carefully implemented policy regulations will lead to a strong community of well-regulated and highly motivated procurement professionals. It will result in a decrease in waste and inefficiency; a decline in costs of litigation caused by professional negligence; mitigation of supply chain bottlenecks and risks; and a reduction in fraud and corruption in procurement to greatly contribute to development outcomes. Professionalization of procurement would also influence successful project performance; foster the expansion of private sector; contribute to enforcing the tax compliance policies of government; promote sustainability through green procurement practices; and lead to overall better service delivery.

Looking at the agenda, the quality of experts to deliver presentations, and the enormous experience of all the participants, I strongly believe that the forum will offer outstanding learning opportunities, knowledge sharing, and the development

of stronger networks across the region. With harmonization at the back of your minds, I encourage you to give serious thoughts to developing regional standards, including national certifications that are recognized regionally to build a stronger workforce in procurement and enable skills exchange and knowledge transfer. This will further promote regional integration.

I am also happy to note that we have special visitors from the Pacific as observers, who I hope will enthusiastically share their knowledge with their ASEAN community colleagues. I trust you will feel very much at home.

It is my sincere hope that the delegates will work together to foster more efficient and sustained regional cooperation in professionalizing public procurement. Please take advantage to ask questions or request clarifications, and above all share, your own experiences and ideas with your counterparts.

I wish you well on your deliberations in the next two days.

Thank you