



Message from Ambassador Roberto Guarnieri, Permanent Secretary of the Latin American and Caribbean Economic System (SELA)

Economic and Technical Cooperation

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Your Excellency Mr Leonardo Arízaga, Deputy Foreign Minister of the Republic of Ecuador;
Honourable Mr Ernesto Samper, Secretary-General of UNASUR;
Honourable Mr Santiago Vásquez, Director-General of SERCOP;
Honourable Mr Pabel Muñoz, President of REDEPLAN;
Distinguished Representatives of Regional and International Organizations;
Honourable Representatives of the Member States of SELA;

Ladies and Gentlemen:

The Permanent Secretariat of SELA is very pleased to conduct this Regional Meeting, which was convened and organized with the support of the Illustrious Government of the Republic of Ecuador, responding to a request made through its Honourable Embassy in the Bolivarian Republic of Venezuela to prepare a study and hold a regional meeting on Public Procurement Systems in Latin America and the Caribbean.

Dear Delegates:

At present, the strong economic growth and the important social achievements made by Latin America and the Caribbean during the period from 2003 to 2013 have lost dynamism as a result of several factors that are beyond the control of our governments and have led to a sharp and sustained decline in the prices of raw materials, such as the slowdown of growth in China and in Asia-Pacific in general, the European economic crisis and the slow recovery of the economy in the United States of America. The increase of the GDP in the region in 2014 barely exceeded 1%, on average, and the ongoing growth thus far this year does not point to any better results, which is putting at stake the capacity that our region had gained to reduce poverty and eliminate social inequalities. This situation is aggravated by the sharp decrease in Foreign Direct Investment flows to the countries of the region, which, on average, was about 20% less in 2014 compared to the previous decade, and is projected to further drop below 10%.

Amid these circumstances, it is increasingly important to intensify the policies aimed at strengthening the regional integration processes and their convergence towards a more efficient and coordinated Latin American and Caribbean economic system and space. It is necessary to move towards a structural change that generates economic diversification, greater added value to exports and a sustained increase in competitiveness and innovation.

The Permanent Secretariat of SELA is working very hard in this area and, in recent years, it has expanded its own capacity for research and analysis, particularly regarding the issues that influence the progress of the various economic integration mechanism being developed by our countries, as well as the potentials and prospects offered by the current circumstances of a globalized world.

In this connection, the public procurement systems can play an important role. The study being submitted for your consideration is entitled "Public Procurement as a tool for development in Latin America and the Caribbean".

It is aimed at identifying the economic and social effects that public procurement can have, and at evaluating the process of modernization undergone by the respective regulations and their role in the development models of the countries of the region. The study highlights the importance of public procurement as an instrument to prompt structural changes and generate added value, competitiveness and technological innovation. The document also reviews the main international schemes existing in this area, the various public procurement systems in Latin America and the

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Caribbean, as well as the national standards and procedures applied in public procurement and contracting.

In short, from the results of this study it can be deduced that, in general, most of the countries of the region have developed modern legislations, standards and institutions in their public procurement systems, which are important administrative and regulatory steps that incorporate the core principles that should govern these systems, according to international standards and successful experiences, such as: efficiency and transparency in the use of public resources; transparency and democratic dissemination of information; non-discrimination in tenders; inclusion of potential suppliers; procedures for incorporation of SMEs; and massive use of electronic means and e-Government modalities to support public procurement and contracting.

Particularly, the analysis showed that the various reforms to the legislations and procedures related to public procurement in the countries of the region – with greater intensity in the last decade – have led to substantial changes, such as the inclusion of small and medium-sized enterprises as leading providers of the State, either in equal or preferential conditions, the adoption of environmental standards and the use of new technological and information tools.

In a nutshell, SELA considers that designing and implementing modern, efficient and transparent public procurement systems, which are properly aimed at specific development objectives, should always be an element of the policies for sustainable development in Latin American and Caribbean countries, and particularly of the policies to diversify industry and trade. In this connection, this important meeting will make a significant contribution to enriching the analysis and recommendations on this matter.

The Permanent Secretariat of SELA welcomes and appreciates the relevant presence of the representatives of the Member States of SELA and the international experts in this event, and, particularly, expresses its recognition and gratitude to his Excellency Mr Ricardo Patiño, Minister of Foreign Affairs of Ecuador, for his support in conducting this meeting; the Honourable Mr Santiago Vásquez, Director-General of SERCOP for his collaboration in organizing the event; and the Honourable Mr Ernesto Samper, Secretary-General of UNASUR, for his hospitality.

Thank you very much.