

Opening Statement

Mr. Key Cheol Lee

Officer-in-Charge, UNGC

Capacity Building Programme on Government Procurement Reform
19-21 December 2006, Seoul, Republic of Korea

On behalf of the United Nations Governance Centre(UNGC), I am greatly honoured to open the First Capacity Building Programme on Government Procurement Reform. I would like to thank procurement experts from Asia-Pacific countries and Professor Lee Jung Woo for attending this workshop.

My special appreciation goes to Ms. Haiyan Qian, Chief of Knowledge Management Branch, UNDESA. She came all the way from New York in spite of her busy schedule to attend this programme on behalf of Mr Bertucci, Director of Public Administration and Development Management Division of UNDESA. I also thank my colleagues who have spared no efforts to prepare for this programme.

Taking this opportunity, I would like to extend my deepest condolences to the bereaved families of the victims by the typhoon Durian which hit the Philippines on 30 November. Assistant Secretary Opida of the Philippines was supposed to attend this programme but we were informed with regret that he could not make it. I hope that the Philippines will overcome this tragedy as soon as possible.

Ladies and Gentlemen

I would like to start by raising two fundamental questions. The first one is, “Why are we here now?” or “Why did the UN and the UNGC select procurement reform as the theme of the first UNGC workshop out of the various programmes scheduled?”

In most countries, government procurement accounts for a

considerable portion of total government budget, ranging from 20 to 30 percent. Tens of thousands to hundreds of thousands of companies are involved in government procurement process. This means that even minor reform in procurement will bring significant benefits by making enormous budgetary savings, by improving administrative efficiency, by eliminating corruption and by enhancing competition. This is the substantial or short-term contribution of procurement reform to the society.

The symbolic or long-term contribution is that it will help the government regain trust of the people by giving them a firm belief that the government is moving in the right direction.

These substantial and symbolic contributions clearly tell us why governments are strongly recommended to consider the procurement reform as a top priority. This is why we are here at this time of the year instead of staying at home with our families.

Then the second question is “How can we achieve procurement reform?” There are many ways to achieve it. But one way in this age of information is through the adoption of an electronic procurement system. Since 2003, the Government of the Republic of Korea has introduced e-procurement system which is called KONEPS, Korea On-line E-procurement System, as a state-of-the-art method of revamping the procurement process.

KONEPS has already proved how greatly an e-procurement system can benefit the government and its people. The system has saved USD 3-4 billion annually, and has been quoted as one of the most successful cases of government innovation. The system has also gained international recognition by winning the UN Public Service Awards in 2003 and the Global IT Excellence Award at the World Congress on

Information Technology in 2006.

Another important theme of this programme is electronic government. Not only has e-government become one of the key areas of good governance but also e-government is, to a certain extent, a precondition for the adoption of e-procurement system. For this reason, we included a session on e-government in general and site tours to the Government Innovation Hall of the Republic of Korea and Samsung Data System.

I don't want to go too much in detail about the agenda items as we will have three days for discussions, and all of you are experts on this issue. But it is my hope that this programme will provide excellent opportunity for you to further deepen your understanding of e-procurement and your knowledge of the ways and means to achieve it.

Ladies and Gentlemen,

The UNGC was established to support the efforts of the UN Member States to improve governance and public administration under the auspices of the UNDESA. You will be briefed on the UNGC more in detail by my Communications Officer, but I would like to emphasize two points about our Center in advance.

Firstly, the UNGC is at your service. We will compile successful cases of innovation around the world and provide various options. We will also arrange workshops and seminars. But our mandate is just to help the Member States to enhance their understanding of the options and their capacity to implement the good governance policies. It is the individual Member States that will choose the options on priority basis in light of their unique environments.

Secondly, we need your active participation in our programmes. Without close partnership and consultations with the Member States, our goal cannot be achieved. Then why should the Member States cooperate with the UNGC? It is because the UNGC's activities will help the Member States to achieve their policy objectives as well as the UN Millennium Development Goals, both of which aim to enhance quality of life for their citizens.

Some countries may proceed quickly while others slowly. But if we all show a strong determination to achieve our common goal of good governance, I see a bright future before us. The UN and the UNGC are eager to move forward hand in hand with you.

I wish you all a pleasant stay in Seoul and an enriching experience, both personal and professional.

Thank you.