

Address by the Minister of Finance and the Economy
of Trinidad and Tobago

Senator the Honourable Larry Howai

at the Sub-Regional Caribbean

Public Procurement Conference II

Hyatt Regency, Port of Spain

June 23, 2014

Salutations

Ministers of Government of Trinidad and Tobago

Ms. Michelle Cross Fenty – IDB Country

Representative, Trinidad and Tobago

08:40 – 08:50 Riyd Insanally – OAS

Representative in Trinidad and Tobago

Mr. Gerard Latulippe– High Commissioner of Canada.

Let me say how pleased I am to be here this morning as we begin this process of strengthening our procurement regime here in Trinidad and Tobago. The Ministry of Finance and the Economy gladly teamed up with the IADB and the OAS for the symposium and use it as a way to launch our implementation of the Public Procurement reform process.

For as long as there have been governments there has been Public Procurement.

From the time of the building of the great pyramids to Hannibal's crossing of the alps to modern times,

procurement on behalf of Governments has been a major feat.

We've come a long way since Hannibal and his elephants and the Pharaohs and their Pyramids. Public Procurement has developed over the centuries from pillaging on behalf of Government to a scientific process that can withstand the scrutiny of civilized behavior.

Today we have complex contracts that bind and protect procurer and supplier; intricate mathematical computations for assessing risk; concepts such as supply and value chains, just-in-time inventory

management and, with the creation of the internet, the wholly new challenges of e-commerce.

As Minister of Finance and the Economy, my interest in Public Procurement is not only in efficiency and value for money but also, as importantly in transparency and accountability.

It is exactly this accountability to the taxpayers of Trinidad and Tobago that has motivated the government to introduce legislation governing Public Procurement.

The important fact to note in this whole process is that while carefully crafted rules and regulations for the procurement of goods and services by government are essential ingredients in protecting the public purse, just as important are the values of integrity and honesty which must characterize those who manage the public purse. No solution is perfect but with the right regime of checks and balances executed by persons who are committed to doing the right thing, we have a better chance of successfully achieving our goals of good monetary management.

The problem of procurement has also been exacerbated over the years by the various entities

created to fast-track a plethora of government mega-projects. In their haste to deliver on the promises made to a vocal and impatient voting public, successive administrations have sought to circumvent the admittedly onerous processes of Public Procurement through these companies and state enterprises.

While many projects which would otherwise have been mired for years in bureaucracy and red tape have been realized to the benefit of the citizens of Trinidad and Tobago, the hard truth is that the deliberate circumvention of the rules and regulations for Public Procurement by these Special Purpose

Companies and State Enterprises has led to the very many concerns which we all have.

The time has come ladies and gentlemen for the government of Trinidad and Tobago to get serious about tackling the Public Procurement process.

Jamaica is ahead of us in this regard. They have created an office of Contractor General. The Jamaican Contractor General is charged with overseeing all transactions related to Public Procurement in that island. And even as we speak, Barbados is in the midst of public procurement reform.

Successive administrations here in Trinidad and Tobago have talked about, declared their support for, yet could not or would not bring Public Procurement Legislation into existence.

I am proud and pleased to be able to tell you that, in only four years, this administration has.

After extensive stakeholder consultations both here and in the wider region, as well as a thorough examination of international best practices in the sphere of Public Procurement, this government under the leadership of the Minister of Planning and

Sustainable Development, Senator the Honourable Dr. Bhoendradatt Tewarie, has commenced this process.

Many have been the sittings of the Joint Select Committee tasked with ‘recommending the legislative proposals to provide for Public Procurement’.

Consultations with stakeholders and investigations of regional and international best practices have been exhaustive. But finally, we are here, poised on the brink of achieving what so many other administrations couldn’t or wouldn’t.

And I am excited about the reforms the legislation will bring.

Reforms that will confer additional transparency and accountability to the process of Public Procurement.

Reforms which will tighten the rules and regulations governing Public Procurement in Trinidad and Tobago giving taxpayers a greater degree of confidence in the process of managing expenditure.

What are some of the more important aspects of this new regime? I would like to draw your attention to two of them

The first that you must be aware of, is the abolition of the Central Tenders Board. The Central Tenders Board was established by the Central Tenders Board Act of 1961. Though there have been several amendments to the Central Tenders Board Act since its establishment half a century ago the changes in governance and technology, the sophistication of the business environment and the need for speed, efficiency and accountability made this aspect of our procurement system outdated and in need of dramatic overhaul.

So in the interest of tightening up the loopholes of legislation that is essentially half a century old and

with a desire to align the legislation with modern concepts and expectations, we have proposed replacing the Central Tenders Board with an Office of Procurement Regulation.

The Office of Procurement Regulation is to be managed by a Board, the members of which will be appointed by the President upon the recommendation of the Prime Minister and the Leader of the Opposition.

The second element of the Bill to which I wish to draw your attention is what I call ‘Whistleblower’ protection.

Having regard for many people's reluctance to report wrongdoing because of their very real fear of victimisation, our Public Procurement Legislation provides that *“a person shall not be dismissed, suspended, demoted, disciplined, harassed, denied a benefit or otherwise negatively affected”* because he or she reported wrongdoing in any part of the Public Procurement process.

The proposed legislation is very clear on this matter. And this protection is afforded precisely because we want everyone involved in Public Procurement to feel

free to report any wrongdoing or potential wrongdoing.

Finally ladies and gentlemen I wish to emphasize again that no legislation, no matter how carefully crafted, how genuine the intent, no legislation can eliminate entirely all potential for wrongdoing. Especially if one goes looking for a way around the rules.

While we have done what is in our power to ensure transparency and accountability in the Public Procurement process, the onus really is on its practitioners. The men and women who conduct the

procurement process and in whom the public places its trust, must bring their morals and ethics to bear to ensure fully the integrity of the process.

Finally, I wish to say that there is still much to be done in getting to the stage of full implementation of this new regime. The Ministry of Finance and the Economy is charged with the responsibility of now developing all the needed regulations to make the system effective. This is an exercise to which we have gladly assigned priority.

In closing, let me wish you a successful conference. I trust that you will find the workshops and seminars on the agenda illuminating. And that you are inspired

to redouble your efforts in your own countries towards making Public Procurement the transparent, ethical practice it is supposed to be.

Thank you and good morning.