

THE FUTURE OF UNIDO

(Transcript)

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Your Excellencies, distinguished guests, ladies and gentlemen,

When I was a young student, a young PhD student, I had an Asian friend who told me, he said, “in our culture in Asia, we thank the guy who gives us water from the well but we pray for the guy who dug the well.” I believe we should know our history. I believe that we should recognize those who built this institution. This is why we were determined that will invite the former Executive Heads. I ask my four former colleagues to please stand up so we recognize you again for your hard work.

I have also learned in Austria, whenever I visit wonderful Austrian places like I did last night, visiting one of the offices for dinner of the Austrian Foreign Ministry how they tell me about their history and accumulation of knowledge and efforts, sometimes over centuries, to build structures like churches and institutions. I have learned from them and European culture as well that development and growth is an accumulated process. Therefore, your past is important, the present is important and that would determine your future.

Let me talk a little bit about UNIDO’s future. We have challenges, like my predecessors have said. They have had the privilege, unlike me, to reflect on the past, to reflect on the past, to look at the advantage points now as they deal with governments in all parts of the world. Many of them are Ambassadors and thinkers in their nations. They have given us indications of what they think the challenges would be and where we should be going. I take your comments very seriously. We will take a look at that.

Let me mention some of the areas what we have to do. The challenge is enormous. I saw in the Herald Tribune last week that it is projected, in Africa, for example, that by 2025, we Africans will be 1.3 billion people, like China. By 2050, we will be 1.94 billion. If we think that poverty problems are serious today, if we think migration problems are serious today, let us think what it will be like in 2050. Two billion Africans, not industrialized, not having an economy that is also growing at eight per cent or seven per cent. That is a global dilemma. Let us consider for a minute 2050, two billion Africans asking the question, “Yes, we discovered oil in the twenty-first century in the Gulf of Guinea. We have the largest deposit of minerals and we have sold all but we do not have a diversified economy.” Today, calamity for the world. Let us consider 2050, if we cut down all the forests, because we do not have a reliable supply of energy, therefore, we have to cut the forests for firewood, because we cannot produce agriculturally, more productive like other countries so we have to cut the forests and move, as we do in Asia or Latin America. What would the world be like if we are two billion? I wonder how much my brothers in Latin America and Asia will be? Maybe four billion. Maybe five billion. What will the world be like?

This is why we emphasize that our mandate to diversify economies, to give alternative means of production and wealth to countries is important today, even more that it was 40 years ago because changes are occurring faster, because your children and my children, your grandchildren watch MTV and CNN and BBC and TV5 every day. They look at the prosperity elsewhere in the world and they ask their leaders “why not us? Why not us?”. If we do not provide alternative means of production, trade in higher value products, they will go into the boats and we will export the problems elsewhere.

Our collective destiny, therefore, says we must help those countries, those regions diversify their production. We must pay attention to energy efficiency. We must pay attention to pollution. If you live in the Delta Region of Nigeria, you are bound to question if the Delta Region is the source of oil wealth in Nigeria, how come they do not have 24 hours of regular electricity supply? How come they cannot fish in their waters? How come they cannot farm on their lands? These are the realities of development. Pollution hurts. Pollution hurts growth and development.

Our mandate in UNIDO of promoting sustainable industrial development is important. I give you two areas. And among the many things we do, where I will put my energy, Mr. Magariños mentioned that I have started in my own little way, with the help of the Austrian Government, a quiet revolution to make the energy issue and energy and development issue, poor people also need energy security, they need energy security to save our planet. So, yes, without reliable energy, you cannot be industrially competitive, you cannot ensure growth. But, yes, in Europe, elsewhere we need energy security. But I do not want to be in a position 20 years from now when I am asked by my own grandchildren “Mr. Yumkella, you are from the Gulf of Guinea, how come you exported all the oil and gas and we still live in darkness?” We have a joint obligation, a joint commitment to make sure that, yes, the rest of the world enjoys prosperity as well.

When I go to Latin America, where I was in September, the issue to them was, yes, energy security. But for what? For growth. Growth and prosperity. This is what I am hearing. So we have to work on that.

When I come to Europe as well, I hear energy security but also renewable energy. We will put a lot of strength behind renewable energy. I am in discussions with the Austrian Government last night. I talked to some other European friends as well. We would see if we could make Vienna a hub on energy debates, energy for development, not just energy security. Why, the Atomic Energy Agency is here. UNIDO is here. OPEC is here. I also heard now in the last few months that you, Austria, is going to host an institution looking at energy issues for Europe and Eastern Europe. We have a right in Vienna to be the energy hub for dialogue, multi-stakeholder dialogue, on energy development and the environment. It is my vision, but at least in the next few years. We may or may not succeed but like my predecessors did, we will start a Vienna Energy Forum, God willing.

Your Excellencies, trade capacity-building is important. Countries want to trade but they want to trade in higher value products. Our video showed commodity trade. We have been doing it for millennia. Our people have been trading for millennia. Today the issue is trading in higher value products because, yes, you create jobs that way. You create wealth that way. So trade capacity-building, we are very grateful to our donors, the European Union in particular, that has been consistently supporting our programmes in the field of trade capacity-building.

I was in Brussels last week. We see great potential. The European Union is going to invest almost two billion dollars in trade capacity-building. This is important for UNIDO because, let us face it, the European Union is still the biggest market for a lot of developing countries. The European Union is still the biggest aid-giver for a lot of countries. We want to help them use that aid effectively so, yes, we can create jobs and wealth in poor countries. So the future will see a lot of work in the field of trade capacity-building.

A last course of activities is pollution management. I salute Mr. Siazon for mentioning the Montreal Protocol. If people wonder about what we do, our effectiveness, our ability, to adjust our ability to re-engineer ourselves. When the Montreal Protocol was adopted back in 1989-1990, it was a new venture, it was a new issue. It had been discovered just at that time. We are one of the pioneering agencies that joined. I am happy to tell you that, yes, we are second only to the World Bank in delivery in the Montreal Protocol. Yes, you are right. Thanks to Ms. Tcheknavorian and others, not only the technicians but also the people in the support services contract. It is not just the transfer of technology, it is capacity-building. Today, 10, 12 years later, we are second only to the

World Bank. Yes, Mr. Magariños, in spite of our smaller size, we maintain that it is not big that matters, it is effectiveness.

So, yes, this is a pioneering area. We are going to build on that capacity. I was in Slovakia two weeks ago, in the Czech Republic. They are telling me about looking at persistent organic pollutants. It is an important pollution problem. We are again a pioneering nation. We were given that mandate three years ago. We are going to expand that.

Also in Eastern Europe, I hear a lot of talk about clean water because pollution is transboundary. I hear in Eastern Europe but also in the Arab Region about technology foresight. They say “We do not want to remain where we are. We want to develop new clusters for small and medium enterprises.” That is where we will go. In other words, I listen to my Member States. I have travelled heavily. It has been very painful, very painful travelling as much as I did. I hope I do not have to do it again in the next two years and stay here. But I had to go and listen for myself because when people question UNIDO’s mandate, I sit back and say “what do they expect poor people to do?” But when I travel to the European Union and other places, it is the same goal we all have, to make globalization have a human face. And I am convinced that, yes, people share that view. And so, some ask me “well, what have you done in the last 40 years?” So let me give you some examples. My predecessors were modest. They do not want to toot their own horn but I have been checking “what did we achieve?” I will give you an example. From 1986 to 1995, we were involved in the Malaysian Industrial Master Plan. People do not talk about that but when you visit Malaysia, they show you the original. If they are number one or number two today in certain sectors, yes, we were there when it started, to develop the strategy and the vision.

UNIDO’s direct development at that time was between 1984 and 1985 in designing the first Master Plan. We sent the teams in. Still today, they use it as a basis to rise.

I went to India, Bangalore, the famous Bangalore. I was very pleased. Dr. Duwar is in this room. He took me to an institute called the International Centre for Advanced Manufacturing Technology. After the tour, looking at the new high-tech equipment, because they produced parts for Toyota and so on, they said, “Mr. Director-General, let us show you something, a relic. They took me to a corner. They said “you see this huge ugly machine? This is where we started here. Your agency and UNDP gave it to us.” If 25 years later they are so great, there was a history, something was achieved. Today, it is a backbone to engineering technology.

When I went to China recently, I received an award on behalf of UNIDO from the Vice Premier Ms. Wei. She said “10 years ago when we started, our China International Forum for Investment and Trade, only four agencies joined us. We just had 300 people. When I was there this year, 17,000 private sector entities, big multi-nationals. So she recognized us in public, the Vice Premier of China.

We have done some good things, you know. We are not good at publicizing ourselves but we have done some good things.

When I visit North Africa, some of their same factories today that have been privatized, big multi-nationals now because they have private entities. Who started it? We did, as some of the Directors-General mentioned. Mr. Khane noted. We did something good. We have to do it different.

Today I wore green. My big message in the next few years will be green industry, sustainable industry. I will use that as my quiet revolution, green technology. We will not promote industry the way we did 40 years ago. We will take advantage of globalization, clean technologies. In Germany, that is what I discussed last week. In Rome, that is what I discussed two weeks before that. In France, that is what I discussed weeks ago. And in the United Kingdom, of course, the United Kingdom has to tell me about climate change. We will promote clean technologies because it is available today. We will promote that but we will promote it with the interest of making sure we

create wealth in developing countries so that we do not exploit our instability and problems to you. We have a vested interest, as a community of nations, to hold each others hands as Friedmann says "the world is flat". We all live in the same boat. My problem is your problem. Let us join hands and together we will make a difference.

Thank you.