

## **Concluding remarks of the Director General: UNIDO General Conference 10<sup>th</sup> Session (1 – 5 December, 2003)**

Vienna, Dec 5.

After giving thanks to various parties involved in the General Conference, the Director-General's closing statement continued as follows:

To my mind it is self evident that this 10<sup>th</sup> Session of the UNIDO General Conference has been an historical event in the life of our organization. We have had by far a record number of high-level representatives. More than 50 Ministers attended deliberations, four heads of state and government were here, three vice presidents and a huge number of delegations, as the president of the credentials committee pointed out.

I haven't the slightest doubt that this itself is an historical event for an agency like UNIDO, which does not negotiate commercial agreements and which does not have any great budgetary resources to grant either. It is obvious that these high-ranking figures have come here to discuss the problem of development and have done so in a constructive and positive way, to try and find practical solutions to help move their populations out of poverty. They came here, not to discuss ideologies, which, I think have to be discussed in the appropriate fora. But here in UNIDO, they came to find technical solutions to very serious problems facing societies in developing countries.

I think these facts; the participation by so many high-level officials in high-level technical discussions with policy and technical ramifications is in itself a landmark.

I should also like to point out that this conference is a milestone in the history of our organization. The most important thing that happened in the course of this 10<sup>th</sup> session is that no one put the question of "what does UNIDO work for" or "why do we have an organization like UNIDO in the multilateral system". There may be one or another individual who has just arrived who doesn't understand the system. You only need to look at the documents you approved, or visit our internet site, we are perhaps the only agency which is capable of writing in very precise terms, just what the activities are we pursue and which are the goals we hope to achieve. This is to your credit, thanks to your dedication, due to your friendly pressure, which helped us achieve our goals.

I think that in this conference many very important resolutions have been adopted. I cannot go into all of them. I will only refer to one or two, which I think will have ramifications for our work in the years to come.

You approved a resolution, an initiative to set up a facility for productive capacities in the countries of Africa. I think this is a very comprehensive resolution, which completes two years of work from the Conference of African Ministers (CAMI), and moves us on from pious hopes into practical action, to a very tangible action plan. I think the African Ministers of Industry have done a tremendous amount of work here and I am very pleased to see that the General Conference has acknowledged these efforts and has adopted this resolution. Above all, because this is the way the work of UNIDO can pick up. On initiatives like NEPAD, or engaged with other organizations in Africa. So I will do my level best to see that we achieve even greater results from this.

As I said at the beginning, we have been successful in concentrating UNIDO's work more and more on low-income countries, from 40% in 1996, we have now managed to achieve 70% involvement. It is not the case that we are going to disburse, but we have already disbursed 100 million dollars in technical cooperation in Africa in my term of office.

We heard about this at the international conference in Tokyo for African Development (TICAD III). This played its role, I think it is a very significant sum, it may not be sufficient, but it is a huge contribution we have managed to make, thanks to the dedicated support of all our members, for development.

There is another very significant resolution adopted here with regard to the reduction of poverty in Latin America. I think it is a very significant resolution and a very courageous one. We have to acknowledge that the situation in that region has worsened in recent years. Poverty has increased and inequality has as well. I think that an organization like UNIDO cannot remain absent from efforts in that continent to combat that problem of poverty and inequality. I can ensure delegates that we will be working with great dedication. We will inform them of any action we begin in this regard.

The Secretariat appreciates also the resolution adopted on biotechnology. I am well aware that many delegates expressed their concerns as regards the preparation for the meeting in Concepción. Let me ask them to share these concerns out loud, give us positive criticism. The Secretariat is always receptive and wishes to promote and facilitate exchanges and we are convinced that this discussion can be positive. There is no reason why UNIDO's image should be diminished in any way by this. I am convinced that we need not lose one gram of our mandate simply because of this. There may be a high cost to the Secretariat, but I am going to continue down this avenue because I believe it is important to the work of UNIDO in promoting small and medium-sized enterprises and in analyzing development.

It is my wish and that of the Secretariat that we always pursue carefully the resolutions you have adopted. We always pursue these with great dedication. So don't be put off by this discussion, rather, become involved in it. Take part actively in these discussions. The documents that have been distributed on this are for consultation, they are not decisions that have been adopted, nor are they closed matters. Nor are they intended to set up a kind of hidden agenda you are unaware of to date.

I am thinking about other resolutions as well, but perhaps I should keep to what I said, by just adding one comment about one of the resolutions approved. The medium term programme for 2004-2007 includes a reference that makes me very proud and satisfied. I am very pleased to have been asked to prepare a vision for the next 10 or 15 years of this organization.

I am grateful to you because in this vision I can include one or other component which I have presented during this session. Above all I am grateful because you have asked me to prepare this for a period in which I will no longer be able to lead this agency. So I will apply myself to this even more than I may otherwise have done. I think that the way forward for UNIDO is very clear. I would ask you to help us in the next couple of years, not just to devise a vision on this future but to help us to implement it.

You approved two very important resolutions in this General Conference. One on the millennium prospects and another on the role of the agency in countries in situations or in countries which are emerging from political crisis. These are the important themes for UNIDO in the forthcoming years. That is why we had the four heads of state, the 55 high ranking representatives and two vice presidents.

We asked the economist, Paul Collier to help us with UNIDO's agenda. He has calculated that the poorest one sixth of humanity has to cope with four fifths of all the political crises throughout the world. Hence it is crucial that UNIDO works on this.

Let me repeat what I said in the inaugural session. It is wrong in the 21<sup>st</sup> century to think there is one agenda for security, another for economics and another agenda for something else. That's not the way that people are addressing economics. We have one single agenda. The actions taken by each of the agencies in the multilateral system must address this agenda.

The first time I spoke to you I said this organization had a very important role in the multilateral system. That was in December 1997, when I spoke to you for the first time, when I first addressed UNIDO. At that time, in the middle of a financial crisis, I don't think people really understood what I meant. I am very consistent in applying my ideas. You might think it is because I don't have any ideas, well fine OK.

I think what is important is to acknowledge that the role of agencies like UNIDO, is to make a positive contribution to the multilateral economic debate, not to question whether we should open up or close certain economies or get involved in certain types of microeconomics. Rather we need to come up with practical solutions for the poorest countries in the world. To pursue an agenda based on consensus and the financial resources we have, together with our partners. I think that UNIDO has a very important role in the UN family, precisely because it works on development issues from the basis of the UN.

I was sad to see that the UN has been absent in terms of a productive role in the multilateral economic debate. There have been meetings which I have taken part in, in ECOSOC and in other fora, and we have heard brilliant discussions on injustice, on one or another model. Well let me say to you with every respect, we can carry on with these discussions, but we need to come up with practical solutions for those people who are fighting poverty.

UNIDO has shown in this General Conference that it can be a forum for discussion, and that this discussion can come up with practical solutions. I can assure you that we are going to draw on the results of these round tables to move forward a technical development programme.

When I say we cannot have more than one agenda, which includes security and development, I also should add that there is no point in thinking about the polarisation between the Bretton Woods institutions and the UN agencies. We have to concentrate on making a positive contribution to the development debate in helping the poorest countries take part in the global discussion. To think about trade flows to help overcome the problem of poverty. I am not aware of any other instruments that could help us to solve this in a more effective way.

Of course, I am not saying we have done things perfectly, now referring to the multilateral system, when you think about macroeconomic aspects, but sometimes references to the market have been exaggerated. This occurs in part because of lack

of specific discussions and specific proposals in the multilateral system. That is why I had asked for the support you have shown in this General Conference to be restated in the next years. Show it again. Help UNIDO work within the multilateral system, better to coordinate efforts in the field of economic development, to make more relevant contributions to solve the specific problems of the developing countries.

The UNCTAD Secretary-General said on Monday that his agency would be delighted to work more closely with us. I think honestly that we have to move on from proposals to action, from words to deeds. I am going to try within the multilateral system to promote better coordination of programmes and agencies active in development. That is why I am asking for your support so that we can move forward this idea. Not with some bureaucratic aim in mind. I am not talking about minor bureaucratic tinkering in terms of changes or financing one or another agency. I am talking about matters of substance which contribute to solving the very tangible problems individual face. We are talking about important ideas. What we need now is a system to try clarify discussion on development and the contribution the multilateral system has to make to move forward this agenda to fight against poverty. This agenda will need more specific ideas and it will need more resources.

Maybe my friend Jeffrey Sachs was a little depressing at the inaugural session, but I think that much of what he said was very true.

In the specific context of UNIDO, I must express my gratitude to all those countries that have contributed in a very generous way to the organization's programmes. At the same time I would ask them to help us increase the funds devoted to the main action of the agency. Those things related to promoting investment: the training and qualification measures, to activities related to developing a private sector, disseminating technology, the development of SMEs, and to increase these funds.

To work here, we need to have greater coordination within the UN system. I am convinced that you all have the same feeling of satisfaction which I myself felt in the last few day. I think it is a justified sentiment, we have moved forward. I think UNIDO has re-found its place as a partner for the discussion in development, which it should never lose within the multilateral system. For my part, I am very satisfied to have been able to make a modest contribution. So I congratulate you, and thank you.