

15 June 2004

PRESS CONFERENCE BY UNCTAD SECRETARY-GENERAL

United Nations Conference on Trade and Development (UNCTAD) Secretary-General Rubens Ricupero this evening announced Germany's support for the Zero Hunger Programme, a technical cooperation project to reduce poverty in Brazil.

Accompanied by Alfred Tacke, State Secretary in the German Federal Ministry of Economics and Labour, Mr. Ricupero said the programme would generate productive jobs as a means of rescuing those segments of the population who were poor and hungry. It would open the way for the application of similar projects in other countries.

The German Government would provide the funding for the project, which would be implemented by UNCTAD, he said. The project would also involve the German Technical Cooperation agency, Brazil's Fundação Dom Cabral, the Instituto Ethos -- Business and Social Responsibility, the United Nations Global Compact, and the Agencia Brasileira de Cooperação of Brazil. International corporations, including Accor, Bosch, DaimlerChrysler, Nestle and Unilever would also participate.

Minister Tacke said the participating organizations would form a network that would create jobs and better working opportunities for the poor, implement greater production, and strengthen local small and medium enterprises.

Asked where the programme would be implemented, Mr. Tacke replied that they were looking at north-eastern Brazil, the country's poorest region where most of its poverty-related problems were concentrated.

Mr. Ricupero added that the macroeconomic conditions in Brazil, including the favourable exchange rate, were unlike those existing in the 1990s when the project would have been impossible due to the artificially inflated currency, among other factors.

Responding to another question, he said it was too early to predict how many jobs the programme would create.

Asked whether the German funds would be used by German companies in Brazil or other foreign multinational companies in Brazil through partnership with local small and medium enterprises, Mr. Ricupero said that instead of importing components needed for manufacturing, the participating corporations would be supplied by local small- and medium-size enterprises.

Karl Sauvart, Director of UNCTAD's Investment Division, who was also present at the press conference, added that the bulk of the funds would be focused on upgrading the small and medium enterprises and making them more competitive internationally.

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