

Statement

Secretary of
State for
External Affairs



Déclaration

Secrétaire
d'État aux
Affaires
extérieures

90/18

CHECK AGAINST DELIVERY

NOTES FOR AN ACCEPTANCE SPEECH BY THE

RIGHT HONOURABLE JOE CLARK,

SECRETARY OF STATE FOR EXTERNAL AFFAIRS

AND

THE GOVERNOR FOR CANADA

ON HIS ELECTION TO CHAIR THE BOARD OF GOVERNORS

OF THE INTER-AMERICAN DEVELOPMENT BANK

AT THE IDB ANNUAL GENERAL MEETING

MONTREAL, Quebec

April 2, 1990

Mr. President, fellow Governors, distinguished Guests,

It is a great honour to be elected to chair the Board of Governors of the Inter-American Development Bank at its 31st Annual General Meeting. I would like to express my deep gratitude to our colleague from the Netherlands for his country's accomplished chairmanship throughout the past year and for his skilful handling of the proceedings to date.

I am also particularly pleased to be able to welcome you to the city of Montreal, whose vitality and sophistication provide an ideal setting for this Bank to begin a decade which will be decisive for the development of the Americas.

Canada is a full and active partner in this hemisphere. We are also a nation deeply committed to strengthening multilateral institutions. So for us to chair this Board is both an honour and a responsibility.

It has become a cliché to say that we live in times of rapid and profound change. But that is also an understatement. Change has become the constant in world affairs. Things we used to think were unchangeable have now changed massively and suddenly. These changes have brought new hope to peoples around the world - in Eastern Europe, in Southern Africa, in Asia and in this hemisphere. One challenge is to live up to the opportunity provided by this unusual moment. There are high expectations among ordinary people, around the world - expectations that governments will now grapple successfully with problems they once said were unmanageable because of the animosity between East and West.

There is also another type of challenge. It is the challenge to redefine our concept of security and to adopt strategies accordingly which recognize that issues once hidden by the East-West conflict now cry out for solution, and are more urgent than ever.

These issues include:

- the deterioration of the environment;
- the plague of terrorism;
- the proliferation of regional conflicts and of weapons of mass destruction which can make those conflicts more lethal;
- the international drug trade;
- the persistent crisis of under-development and over-population;

- and the heavy burden of international debt which threatens international financial stability and domestic social stability at the same time.

This is the new international security agenda. These are the issues where our efforts must now be focused. It is our ability to manage these issues which will form the basis for the judgement of history on our collective statesmanship.

But this is not simply a question of remaking the international agenda. It is also a question of defining new approaches to common problems. In the past, nations had a choice: to go it alone or to go together with others. Unilateralism was a reasonable choice, at least for the powerful. For so many of the issues now before us, unilateralism won't work. National solutions alone won't work. Problems can only be addressed collectively and cooperatively.

This hemisphere provides a vivid example of both the opportunities and challenges confronting us. The global problems I have outlined are present in our region, sometimes poignantly and to a greater extent than elsewhere. But so too are the hopeful trends, the welcome embrace of democracy, the widening acceptance of the free market, and the reduction in regional tensions.

The need for multilateral institutions which work has never been greater in this hemisphere. This bank is an important part of the multilateral system in our region. It is incumbent upon us as Governors to ensure that our institution becomes even more relevant in facing the problems now before us and capitalizing on the real opportunities for concrete progress. This institution cannot afford inertia. We must not drift. We Governors who have the political obligation to ensure action must assume a leadership role and help the Bank move forward.

Governors, distinguished Guests, the Inter-American Development Bank is a focal point for the development of the region as we move into a new decade. The raw material at our disposal has been increased by the 7th General Resource Increase. The High-Level Task Force on Reform and Renewal has given the Bank a new frame of reference. The Bank received its new guidelines a year ago in Amsterdam and is now firmly on a course of renewal. We must ensure that the valuable work done thus far is not lost and that we act to implement that work in practical and realistic ways on a day-to-day basis.

1989 has been a time of challenge, change and upheaval for the Bank and its staff. It has been well served by the wise and active leadership of our President, Mr. Enrique Iglesias. Mr. Iglesias must know that he has our full and continued support as Governors in his difficult task. We very much look forward to receiving his report on actions taken over the past year and his proposals for our discussion and review here in Montreal.

Making multilateral institutions work is never easy. On the one hand, they must provide policy leadership if they are to remain relevant to the agenda of their membership. On the other hand, it is a requirement of multilateralism that often disparate views be brought together into a coherent and workable compromise without diluting the overarching requirement for action and accomplishment. It is here where vision and political leadership are required. We as Governors must take our role seriously as both the originators and the final arbiters, as the policy makers who can provide the Bank with the leadership which they can then act upon and which can serve to guide the Board of Directors in their supervision of the institution's program of activities.

The objectives we collectively defined in the 7th Replenishment are ambitious and establish a specific role for the Bank in the region. We expect the Bank to continue to be an important source of technical expertise, to provide leadership in the search for new ways and means to expand human productivity, to do so in ways which are both environmentally sustainable and of genuine and enduring benefit to the poor.

To realize these objectives will require goodwill, energy and discipline from every member. It will require persistence. It will demand a keen sense of what is possible and an even keener sense of what is necessary. It will demand the continued commitment of Bank staff, the President and the Board of Directors. As Chairman of the Board of Governors, I am committed to work with all of you to ensure that our collective objectives as Governors are met and that the true spirit of multilateralism is reflected both in the operations of the Bank and its governing bodies.

As a bank for the Americas, we face profound challenges. The trend towards democracy and the open market is welcome. So too are the brave and visionary steps being taken by many countries to create a structure conducive to lasting prosperity for all their citizens. But the debt burden continues to loom large and high interest rates severely limit the room for manoeuvre available to countries as they seek to adjust their economic policies. This is an important point of intervention for the Bank: to work closely and co-operatively with borrowing members as they define their policy requirements and to provide sectoral policy leadership in conjunction with the Bretton Woods institutions within a coherent country framework.

There are other challenges of similar magnitude. Some governments have inherited grossly inequitable social and economic structures. These structures inhibit economic growth and investment. They can post a long-term challenge to the enduring viability of democratic processes. And they permit - indeed cause - the persistence of a level and degree of poverty which can only be described as a shame. It is for this reason that Governors have directed that the Bank ensure that a full 50% of the benefits of the lending program of the 7th Replenishment Period should go to the poorest populations, among which are counted a disproportionate number of women.

High population growth rates present additional challenges which must be addressed quickly and in a collective rather than in a national spirit. Over-population and under-development constitute a vicious circle whose management will be key to the success of this hemisphere in moving towards prosperity and justice for all.

The environment must become an even more important element of our endeavours as we enter this new decade. As societies, as countries and as a region, we must move beyond rhetoric and the sterile apportionment of blame. For while we may debate the proper course of action, we know the consequences of inaction. The writing is well and truly on the wall. And we also know the requirement for co-operative approaches. The environment is the singular area where national approaches, while necessary, are by no means sufficient. I had the opportunity, yesterday, to meet representatives of environmental groups from throughout the hemisphere. They are here, not as adversaries, but as partners, seeking approaches which will honour the commitment to both parts of the phrase - sustainable development. We must work with them in that spirit.

Canada has just hosted Globe 90 in Vancouver, a conference designed to bring about new partnerships between government and the people in addressing the environmental challenge. Brazil will host the United Nations Conference on Development and the Environment in 1992. This weekend many of us met and exchanged perspectives on environmental issues as they affect this hemisphere. This Bank has a role in defining and implementing solutions to the environmental challenge. As Governors we must continue to show our strong support for President Iglesia's efforts. He has demonstrated through his words and deeds a strong commitment to tackling this challenge with energy and vigour. This week, and throughout the year, it is our obligation as Governors to ensure that through the votes we place, the instructions we give to the Board of Directors and in the loan proposals that the borrowing countries plan together with the Bank, that the environment receives our full and proper attention.

In closing, I wish to call on my fellow Governors to join me in committing ourselves collectively - with confidence and energy - to the challenges and opportunities we face. In many ways, this is our best chance to right the wrongs of the past. And in many ways, this may also be our last chance. For the problems before us will not long brook delay or failure.

The road ahead for this Bank is clear even if it will not be easy. I am sure I speak for all Governors when I say that we are committed to ensuring that the Bank will play a crucial role in defining the course of hemispheric development in the decade ahead. On behalf of the Government of Canada, I am pleased to accept the privilege of chairing the Board of Governors of this Bank. I look forward to an active and productive week here in Montreal.