

**UNDP 50<sup>th</sup> Anniversary Ministerial Meeting**  
**(New York, 24.2.2015)**

**Intervention by Deputy Minister of Foreign Affairs**  
**of the Hellenic Republic**  
**Dimitris Mardas**

Greece had been a UNDP technical assistance beneficiary up to year 1987, afterwards becoming a donor-country. Unfortunately the economic crisis prevented our country from continuing financial cooperation with UNDP.

In September 2000 world leaders adopted the United Nations Millennium Declaration, committing to eradicate extreme poverty and hunger, to improve primary education, to promote gender equality, to reduce child mortality, to improve maternal health, to combat HIV/AIDS and other diseases, to protect the environment and develop a global partnership for development.

Fifteen years after the adoption of Millennium Development Goals, we harvested some gains under the Millennium Development Goals and a number of impoverished Least Developed Countries' communities have improved their lives. Determined leadership, appropriate policies and global collaboration played their roles in achieving MDGs, while UNDP assisted countries to define and put local content to Sustainable Development Goals.

The world is becoming more and more complicated suffering war consequences, diseases and natural disasters. Women, children and racial, ethnic and religion minorities are the most vulnerable. We consider that the UNDP and other UN agencies have a role to play in mediating between Governments of LDCs on the one hand and civil society plus private sector on the other, for the purpose of eradicating poverty and delivering the Sustainable Development Goals.

Poverty and conflicts are main causes for migration, which has also influenced my country tremendously. We should not leave behind

those suffering from conflict and violence, but we should make all we can to help them recover and return to their homes.

Agenda 2030 stipulates that UN Member States should work to eradicate poverty everywhere, in all its forms and dimensions by 2030, leaving no one behind. Indeed, it makes a step forward recognizing that “progress in the most impoverished parts of the world enriches us all, not only because it generates new markets and greater stability, but because it is the right thing to do.”

The SDGs comprise 17 goals and 169 targets, highly interrelated and interdependent. Their scope is not restricted to the domains of environment and development, but extend to social, economic and financial policy areas. Other issues, such as migration and resilience, require coherent responses across sectors.

Sustainable development provides not only the objective, but also the pathway. The 2030 Agenda underscores the need to integrate in a balanced manner the economic, social and environmental dimensions. Crucial for the realisation of the SDGs are partnerships with business, financial institutions, civil society organisations, academic institutions, sub national governments, philanthropic foundations etc. Our endeavours focus in forging these partnerships at a national level and in facilitating interactions- horizontal and vertical- between them. Needless to say, our national policies will be adapted, and new, additional policies will be put in place.

Collecting funds is not sufficient. Before the 2009 crisis, Greece was a donor country on UNDP and other UN agencies programs, executed in countries like Lebanon and elsewhere. Greece also offered development assistance through NGO's and in some cases directly to the recipient countries public authorities. The lesson we took is the following: Make sure that the funds are properly used to finance the needs of the projects, the final objective being to improve people's lives. To this end, we need transparency, appropriate technical and administrative staff in the UN Agencies around the world, including UNDP, along with good will and efficiency on the part of the recipient countries' Authorities. No doubt surveillance is needed by the donor-countries as regards the appropriate use of the funds.

In the context of our efforts towards the sustainable development, new methods and analytical tools could be used, which are able to reduce poverty. In this context subcontracting can be considered as a major tool in our hands.

Subcontracting is a business practice where main contractor hires additional individuals or companies called subcontractors to help complete a project. The main contractor is still in charge and must oversee subcontractors to ensure project is executed and completed as specified in contract.

Subcontracting is consequently the practice of assigning part of the obligations and tasks under a contract to a subcontractor. Subcontracting is especially prevalent in areas where complex projects are the norm, such as construction and information technology. However, other sectors dealing with standardized products must not be excluded. Subcontractors are hired by the project's general contractor, who continues to have overall responsibility for project completion and execution within its stipulated parameters and deadlines.

If we consider as main contractors the Industrialized countries, then a subcontractor can be a local firm established to a poor country. Indeed, it may concern either:

A) 68 countries of Lower Middle Income (which are 36) and countries of Low Income (which are 32). (Criterion of this classification is the Gross National Income per capita) or.

B) LDC's which are accounted to 50 states out of 193 member-states of UN.

Subcontracting can contribute to the growth of poor countries, which face economic stagnation, and can also contribute to their industrialization through contracts which confine tasks to the Small and Medium Enterprises of the subcontractor, and consequently can reduce the impacts of recession on country level. It is a mean of

solidarity and it consists of an alternative expression of the globalization process.

How the system can operate efficiently through incentives in favour of the main contractors? Simply, by using fiscal incentives in favour of the main contractor. This arrangement must take place at a global level, however, which will be the result of a multilateral agreement in the frame of WTO. Else it may be considered as state aid.

- a) The share of the turnover (i.e. value added) produced by subcontracting will face favorable fiscal treatment. The beneficiary of this, will be the main contractor.
- b) 30% or 50% increase in expenditures of the main subcontractor, which correspond to the payments (value added produced by the subcontractor) provided by him towards subcontractors.
- c) Profits associated to the turnovers produced by subcontracting will face favorable fiscal treatment.
- d) Exemption of the turnover (i.e. value added) produced elsewhere from any corporate taxes.

Greece will continue to strive in order to achieve our common strategic goals, as we are convinced that everyone, at all times, has the right to an active and healthy life.

And this will be achieved only if we, together, insert new ideas on economic issues to our work, manage to eliminate poverty and hunger and improve life conditions and the environment throughout the globe.