

When I saw the topic selected for this year's High-Level segment of the ECOSOC we wholeheartedly accepted the invitation to participate in this preparatory meeting.

Although we have been always very active in the High-Level segment, participating in round tables and hosting working breakfast as well as other side events, this is my first time personally attending a preparatory meeting and this has to do with the utmost importance attached to the topic you are discussing today by UNIDO Member States.

Our 10<sup>th</sup> General Conference, last December, was devoted to examine the contribution of modern and sustainable industrial development to the achievement of the MDGs and our next Industrial Development Report is entirely dedicated to the LDC's.

And this is because we are worried about the perspectives of this particular group of countries and convince that major attention should be placed on them and the implementation of the relevant agreements with regard to the LDC's, like the Brussels Plan of Action of May 2001.

Few months after the adoption of the Brussels Plan of Action, in September 2001 in this city of New York, the world witnessed one of the most striking acts of terrorism ever seen and logically the world attention turned into the war on terror and against the proliferation of weapons of mass destruction.

But progress made on the fight against poverty is calling our attention again. Let me give you just three examples to sustain my opinion

First, the latest available estimates, produced by the Food and Agriculture Organization show that the average pace of reduction in the number of malnourished people worldwide observed in the 1990s (2.1 million per year) will have to be accelerated over 12 times (to 26 million per year) to meet the goal of halving the total number of people with hunger by 2015. In fact, after falling steadily during the first half of the 1990s, hunger has been on the rise again during the second half.

Second, the latest Human Development Report states that, unless things improved, sub-Saharan Africa will be unable to attain universal primary education, halve extreme poverty and cut child mortality by two thirds before the years 2129, 2147 and 2165 respectively.

Third the forthcoming UNIDO Industrial Development Report estimates the rate of annual GDP per capita growth which would be consistent with achieving the MDGs for 30 sub-Saharan African countries, varies between 2 and 6 per cent (weighted and unweighted means are 3.2 and 4.2 per cent respectively)

Now compare these last figures with the economic stagnation if not retrogression that the sub-Saharan African countries have experienced during the last three decades. Contrary to other country groups GDP per capita has been stagnant in the LDC's for the last 30 years.

The relevant evidence suggests that these countries experienced a technological regression during the 1970s and even a sharper one during the 1980s.

To reverse these dramatic tendencies, as a group, the LDCs would have to go through three basic transitions: Human Capital transition (from high child mortality rates to low fertility, to low child mortality); the Productivity transition from commodities export to manufacturing exports, today more than 30 countries depend on a single commodity to obtain export earnings) and the Environmental transition from the exploitation of the environment to a sustainable path of production and sustainable urbanization – today many cities has no waste water treatment facilities -)

For this to happen it requires policy changes in the countries themselves; systemic changes at the international level in trade access and in other rules of the game, particularly transfer of technology; and massive investments within the poor countries in basic infrastructure and in social outlays.

In order to reduce poverty by half by 2015, a rate of growth in per capita income of around 4 per cent is required on average. But such a rate must not be feasible if, for example, we do not successfully counteract the advance of HIV or hunger. And the reverse is also true: if we succeed in combating HIV or hunger, but we fail to foster technology diffusion so as to attain substantially higher rates of economic growth, such success may eventual become ephemeral since the people whose lives are thus saved will be unable to obtain gainful employment and to continue affording the treatments and nourish they need.