

**Opening Statement
at the
third UNIDO ISID Forum**

Financing for Inclusive and Sustainable Industrial Development

**Economic Commission for Africa
Africa Hall - Addis Ababa 14 July 2015
10:15 – 11:30**

Ladies and gentlemen,

2015 is a crucial year for setting the path for inclusive and sustainable development for the years and decades to come. In the European Union, we have designated this year as the **European Year for Development**, with the motto 'Our world, our dignity, our future'.

For us, this motto also means that **everyone must be involved**. In the post-2015 process, the business community needs to be fully on board if we want to have a lasting impact and results.

Achieving **SDG9**, in particular "promoting **inclusive and sustainable industrialisation**", means **getting all businesses on board** – from local SMEs to large-scale multinationals – and involving them actively in this new global partnership to achieve sustainable development.

Indeed, the private sector is the key engine that powers sustainable economic growth. It provides some **90 % of jobs in developing**

countries. It is the essential investor in sustainable agriculture, sustainable energy and industry. And it holds the key for innovations towards an inclusive green economy.

For those developing country governments who want to support competitiveness and economic growth, the primary challenge is **how to integrate domestic firms** and industries into local, regional and ultimately global value chains.

Currently **over 70% of global trade concerns intermediate goods and services.** The income created within global value chains has doubled, on average, over the last 15 years.

It is therefore vitally important that developing countries can participate, **become integrated in the global value chains** and be able to increase local value added.

This requires, of course, **ensuring that their products comply** with applicable technical regulations and standards.

We **all have a role to play** in advancing this agenda – regulatory bodies and agencies, national governments and international organisations, and the private sector itself.

I very **much welcome the efforts of UNIDO** to facilitate this process through its Inclusive and Sustainable Development framework, including

the Programme for Country Partnership and the pilots being implemented in **Ethiopia and Senegal**.

Last year, the **European Commission** also set out a **strategic framework for strengthening the role of the private sector** in achieving inclusive and sustainable growth.

I firmly believe that **we can create win-win opportunities**. Our approach is one based on partnership and operates at a number of levels.

Firstly, we contribute to the development of the private sector in our partner countries. We actively support improvements in domestic regulatory environments, business development services and access to finance. We focus on job-creating micro- and small enterprises and those operating in the informal sector.

Secondly, we seek to facilitate the private sector's engagement in sustainable development as part of its core business strategies.

Thirdly, when engaging with the private sector, our support has to contribute in a cost-effective way to goals such as job creation, green and inclusive growth or broader poverty reduction, by acting as a catalyst to bring in private capital flows.

We use the **blending** of our grants with other resources such as loans and equity to catalyse private and public finance and engagement.

We regard innovative financing as one of the key means of implementation for the post-2015 agenda. Our aim is to **unlock EUR100 billion of investments by 2020** through our EU blending facilities.

Finally, we act to ensure that there is space for effective private-public dialogue, collaboration and joint action.

This helps to identify obstacles and design targeted action to remove them.

We have a very **short window of opportunity**, starting here in Addis and for the next two months, to agree on a completely new paradigm for sustainable development in the form of the new sustainable development goals to be adopted in September.

Together, we have to make sure that it enables us to respond to the profound changes that we have seen in the world in recent years and the new challenges that will emerge in the years to come.

The **European Union is ready to work with you all**, our institutional partners, our partner countries and the private sector, in taking that process forward in its last critical stretch.

Thank you