

## **World Bank Group President Jim Yong Kim Addis Ababa, Ethiopia**

Your Excellencies:

I'm honored to participate today in UNIDO's forum on the critical role of inclusive and sustainable industrialization in the future global development agenda, including to end extreme poverty by 2030.

Industrial development is often perceived to be disruptive to the environment – disruptive through construction, natural-resource demands, and its effect on air quality. But it doesn't have to be this way. Industrialization — when done sustainably and inclusively — can be a driver of job creation, technology transfer, and sustainable economic growth.

In the spirit of the international community's ongoing efforts to establish strong partnerships for development, this event is most timely and welcome.

Investing in resilient infrastructure, inclusive and sustainable industrialization, and innovation has been identified as a prerequisite for achieving a wide range of sustainable-development priorities. This requires a strong private sector and good public policies that provide an enabling environment for private investment and business development. The World Bank Group has been actively financing industrial infrastructure — particularly industrial parks and trade logistics — as well as related “soft” infrastructure across different regions of the world.

Promoting inclusive and sustainable industrial development calls for a broader range of resources than any single development institution can provide on its own. This type of development requires investments not only in industry, but also in associated infrastructure, such as transport facilities and utilities. It also calls for policies, strategies, and regulatory frameworks designed to facilitate market access, create decent jobs, attract foreign direct investment, upgrade technology and ensure environmental sustainability.

In recognition of the complexity of these challenges, we applaud UNIDO for launching its Program for Country Partnership in Ethiopia and Senegal.

In Ethiopia, UNIDO and World Bank Group teams are working together to support the government's industrial parks program. My organization has provided \$250 million dollars to finance key infrastructure for two industrial parks, provide technical and capacity-building support for the institutional and regulatory framework, and develop links to small businesses

in the country.— UNIDO's complementary strengths in the project includes developing value chains for leather and textile sectors, skills training programs, quality and standards, and technology know-how. UNIDO's role is a critical one – the institution's coordination as a neutral broker has helped to create synergies and facilitate technology transfer.

Together, we're working with the government of Ethiopia to ensure that new industrial parks make use of recycled water and renewable resources; develop green areas; and reflect upgraded environment standards and environmental inspection systems. Many countries in Africa have an abundance of renewable sources of power generation that aren't fully realized. Ethiopia is not one of them. This country is effectively leveraging its renewable-energy sources – hydro, geothermal, and wind – to industrialize in a way that's consistent with its ambitious carbon-neutral agenda.

In Senegal, UNIDO is providing technical advice regarding the development of industrial zones, covering social and environmental impact studies; the management of such zones; and the incentives package for investors. The first of these zones -- near the new international business center and airport -- will be built in two phases. Work on the first phase is underway, with government financing, and it is due to open in early 2016. We at the World Bank Group are actively looking for opportunities to work closely with UNIDO during the second phase of this industrial project, including possibly through both our fund for the poorest, IDA, and our private sector arm, the IFC.

These two examples are just a beginning. I'm confident that we will build on these existing initiatives to broaden our partnership. I'd like to particularly thank UNIDO's strong leadership and my friend, Director-General Li Yong. Our partnership is helping to scale up inclusive and sustainable industrial development, which will be a critical driver toward reaching many of the post-2015 development goals.

Thank you very much.