

Trade and Investment Promotion Agencies:

*PARTNERS IN NATIONAL
SUSTAINABLE DEVELOPMENT*

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- **Trade and Investment Promotion Agencies are important stakeholders and critical partners in any dialogue on National Sustainable Development**



› The place you always wanted to visit,
is the place you want to do business. ‹



Today's Jamaica Means Business

JAMAICA AT A GLANCE

ROLE AND FUNCTION OF JAMPRO

- **Facilitators of Investment and Trade (MIIC)**
- Investment Promotion and Facilitation
 - Promotes investments in a number of targeted sectors, which include the creative industries (film, music and entertainment), manufacturing, tourism, agribusiness, information and communication technology, energy, mining and professional services by:
- Inward and outward missions, hosting local and international investment forums – Meet Jamaica in London 2012, ‘spear fishing’ targeted investors, other

ROLE AND FUNCTION OF JAMPRO

- Investment Facilitation Involves:
- Business Approval Services and Associated requirements (securing work permits, non-tourist visas, duty waiver concessions, incentives, appropriate permits/licences, EIAs, customs clearances, fiscal incentives, building and development approvals)
- Partnering and Matchmaking Services
- Lobbying Services

ROLE AND FUNCTION OF JAMPRO

- Trade Promotion and Facilitation
- Trade Promotion: Taking exporters and their products on missions, researching and targeting new markets, generating export leads and ultimately export contracts (export sales)
- JAMPRO facilitates Jamaican businesses to become export-ready in order to boost Jamaica's overall export performance in keeping with the goals of the National Export Strategy (NES) through: Export development programs e.g. Preparation of business plans, Product packaging and Marketing
- Exporter registration, Provision of Shipment letters

JAMPRO'S CORPORATE TARGETS

- Capital Expenditure (CAPEX) from Foreign Direct Investments (FDI) or Local Direct Investments (LDI)
- Jobs (Permanent and Temporary)
- Export Sales
- Linkages (e.g. Contracting services – Legal, Environmental and other Professional Services)
- Achievement of Corporate Targets is driven and monitored by the Balance Scorecard (BSC) Performance Management System

CONTEXT

- **Emergence from impacts of the Global Economic Crisis**
- **Prime Minister's Throne Speech at the Opening of the 2011 Parliament: From Stabilization to Growth 2011**
- *“Our focus must turn to growth and development ...consistent with the goals outlined in the Vision 2030 development plan.*
- *That growth strategy must be supported by an **investment** strategy that targets and facilitates investment, both local and foreign, in those areas in which we have potential and unrealized comparative advantage and through which we can create **jobs** and add value.”*

GLOBAL TRENDS: Towards LOW CARBON ECONOMIES

- World Investment Report 2010 : *Investing in a Low Carbon Economy*
- Current investment policy trends will see further liberalization and **facilitation of foreign investment**. At the same time, efforts to regulate foreign investment to advance public policy objectives (e.g. **protection of the environment**, alleviation of poverty, and/or addressing national security concerns) have **intensified**.
- Trans National Corporations are both major emitters and low-carbon investors (Problem and the solution)

GLOBAL TRENDS IN IPAs :

Sustainable FDI

- Report from WAIPA (World Association of Investment Promotion Agencies) - May 2010
- “The fourth generation” of investment promotion, namely, targeting **sustainable FDI**
- The four dimensions of sustainable FDI (economic development, environmental sustainability, social development, good governance) are unevenly addressed by IPA investment promotion strategies.
- The economic development dimension, particularly employment creation, features prominently in investment promotion strategies then **environmental sustainability**, the social dimension and good governance is the least visible in IPA strategies.

GLOBAL TRENDS IN IPAs :

Sustainable FDI

- The economic development and environmental sustainability dimensions of sustainable FDI have increased in prominence compared with five years ago and are poised to acquire a bigger role in investment promotion strategies.
- Going forward, IPAs see themselves in a position to play a greater role in shaping policies of governments conducive to attracting sustainable FDI because their policy advocacy function is expected to become more important for the overwhelming majority.

GLOBAL MARKET TRENDS

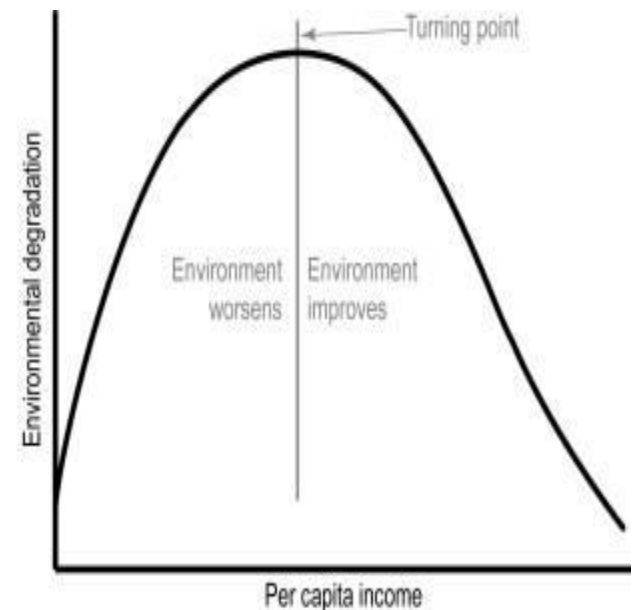
Green marketing is not just a trendy buzzword. It has become an important marketing strategy for companies that aim to help improve the environment and position themselves as responsible organizations, all while attempting to drive sales

IPAs/TPAs and the Environment

- Pollution haven hypothesis – Weak regulatory framework attracts FDI from countries that may face stringent environmental laws and taxes in their own country
- Counter arguments - Good environmental regulatory framework deemed attractive to some in spite of the ‘pollution haven hypothesis’

- Environmental degradation increases over time while a country is developing, and then after a certain average income is attained, degradation begins to decrease and cleaner technologies applied.
- In general, Kuznets curves have been found for some environmental health concerns (such as air pollution) but not for others (such as landfills and biodiversity).
- Gryz 2006 These studies inconclusive for developing countries.
- Where multiple negative environmental impacts are at work one cannot predict environmental improvement in the end

Kuznets Curve Hypothesis



IPAs/TPAs and the Environment

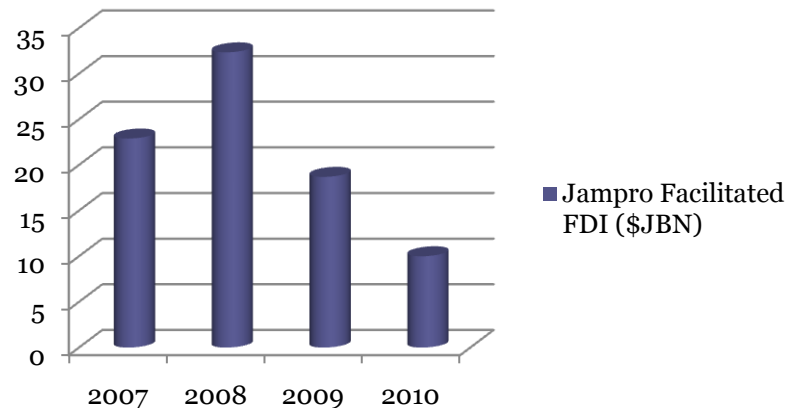
- Climate change - Impacting :
 - Emphasis on renewable energy projects and Green Technologies
 - Location of projects
 - Agriculture and its value added derivatives and implications for export sales

IPAs/TPAs and the Environment

- JAMPRO has facilitated ‘green investments’
- Green house farming workshops facilitated
- Fair Trade standards encouraged as a marketing strategy for exports (cocoa and coffee)
- Other

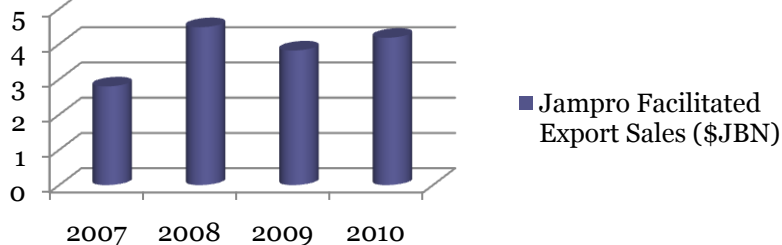
ECONOMIC GROWTH TARGETS & THE ENVIRONMENT

Jampro Facilitated FDI (\$JBN)



- JAMPRO is tasked with attracting FDI and facilitating Export Sales and has established moderate targets for the 2011/2012 Financial year

Jampro Facilitated Export Sales (\$JBN)



Things to Ponder

- Is there a mechanism for JAMPRO's FDI and Export sales targets to be informed by environmental considerations such as the environmental carrying capacity to absorb the type and scope of the Projects?
- Does the environmental government and non-government community have opportunity to develop matching targets around these investment targets in order to facilitate achievement of the desired balance?
- Is there an approved National Spatial Planning framework that could be consulted to inform what kinds of investments should be encouraged and in what locations?
- Should Jamaica only solicit investments in those areas least likely to impact the environment until the planning, monitoring and regulatory framework is in place?
- Could we?:
 - *Strengthen coherence among trade, investment, environmental, and social policies*
 - *Support opportunities and capacities for developing countries to grow in a way that reinforces environmental protection and social development*

OPPORTUNITIES TOWARDS ACHIEVING THE BALANCE

- A ready to implement National Spatial Plan that is informed by environmental, economic and social concerns to guide National Sustainable Development
- Strategic Green investments packaging inclusive of renewable energy projects, conservation, eco-tourism, agro-forestry and other projects
- Achievement of environmental targets to ensure the balance is achieved
- Should our environmental community including environmental professionals explore engaging in investment opportunities themselves

OPPORTUNITIES TOWARDS ACHIEVING THE BALANCE

- **Thinking outside the box**
- Moving from facilitating environmental awareness only to inculcating the right values and behaviours towards the environment
- Should our concerned citizenry including our environmental professionals assist our Government partners in environment (as volunteers) in fast tracking National Spatial Plan. An activity that would be informed by...
 - The economic value of natural resources
 - Carrying capacity studies
 - Ecosystem and species richness concerns



**HOW CAN YOU HELP TO
ACHIEVE THE BALANCE?**