

# Trade and Investment Promotion Agencies:

*PARTNERS IN NATIONAL  
SUSTAINABLE DEVELOPMENT*

# CONTENT

- **ROLES AND FUNCTIONS OF IPAs/TPAs**
- **CONTEXT**
- **GLOBAL TRENDS**
- **THE ENVIRONMENT AND THE WORK OF IPAs/TPAs**
- **ECONOMIC GROWTH TARGETS & THE ENVIRONMENT**
- **OPPORTUNITIES TOWARDS ACHIEVING THE BALANCE**

- **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

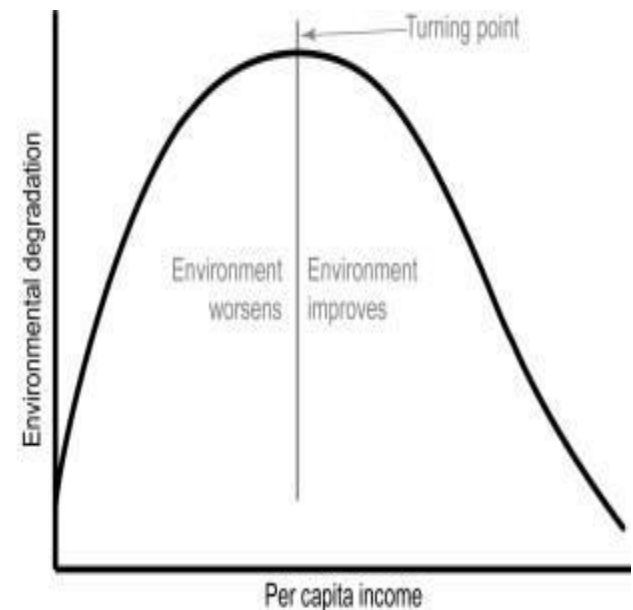
Green marketing is not just a trendy buzzword. It has become an important marketing strategy for companies that aim to help improve the environment and position themselves as responsible organizations, all while attempting to drive sales

# 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

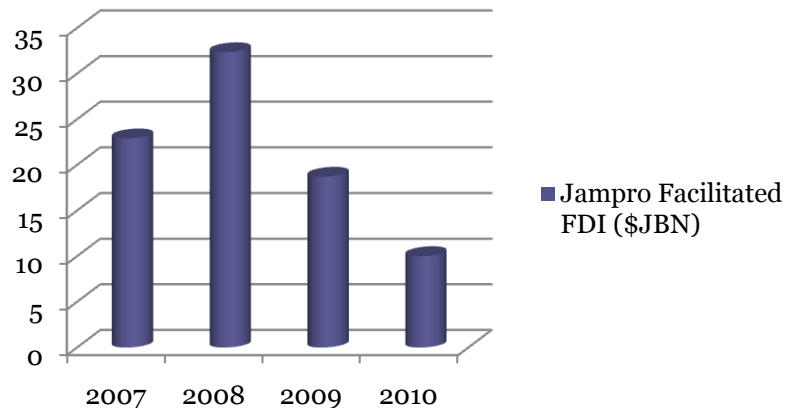
- Climate change - Impacting :
  - Emphasis on renewable energy projects and Green Technologies
  - Location of projects
  - Agriculture and its value added derivatives and implications for export sales

# 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

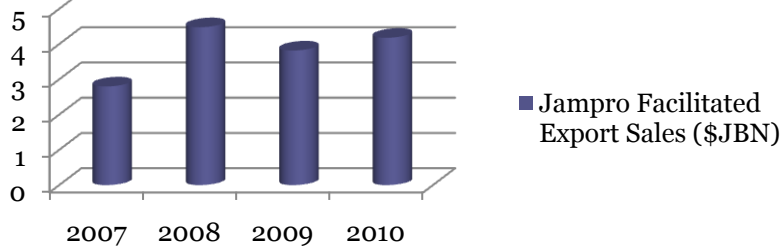
# ECONOMIC GROWTH TARGETS & THE ENVIRONMENT

**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?**