

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Support for Investment Promotion in Jamaica
▪ TC Number:	JA-T1210
▪ Team Leader/Members:	UMANA, MARIO ALBERTO (INT/TIN) Team Leader; FUNES, GERARDO A (INT/INT) Alternate Team Leader; SHANALEE CAWLEY (INT/TIN); NATALIA ALMEIDA (LEG/SGO); ESTEVES, YASMIN (INT/INT); DORANTES GOMEZ, ANGELA CARMELIA (INT/INT)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	21 Sep 2022
▪ Beneficiary:	JAMPRO
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$400,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	16 months
▪ Types of consultants:	Firms; Individuals
▪ Prepared by Unit:	INT/TIN - Trade & Investment
▪ Unit of Disbursement Responsibility:	INT/TIN - Trade & Investment
▪ TC included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation; Economic integration; Gender equality

### II. Objective and Justification

- 2.1 The main objective of this TC is twofold: First, to increase investment leads to Jamaica in diversified business segments through supporting the hosting of strategic promotion events. The specific objectives are (i) increased awareness of investment opportunities in Jamaica (ii) development of investment packages to support the strategic positioning of specific investment ready business opportunities. The second primary objective is to increase investment promotion for Jamaica and by extension Latin American and the Caribbean in higher value-added outsourcing segments of the GSS. The specific objectives are (i) to facilitate knowledge sharing in current trends in the global outsourcing industry; and (ii) to highlight investment opportunities in higher valued global services by positioning Jamaica and the region as an outsourcing hub.
- 2.2 Jamaica, received \$320 million in FDI in 2021, which is a slight decline from 2020 which reported 325 million. The FDI for 2021 is still about half of that which was received in the pre-pandemic period wherein in 2019 Jamaica's FDI stood at \$665 million. The prospect for the rebound of international business and cross-border investment in the global environment in 2022 is threatened with the war in Ukraine and the lingering effects of the pandemic which is causing drastic increase in food, fuel, and finance crisis in many countries around the world.
- 2.3 The project focuses attention on supporting Jamaica to address challenges to attract FDI. Firstly, the need for the Jamaica to respond to the flat or slow rebound of FDI by encouraging investor confidence. Jamaica had successfully stabilized the economy,

turning a fiscal deficit of 11% of GDP in 2009 into a 1% surplus in 2019. This positive economic situation has continued through the pandemic. In this regard Jamaica has reported growth of 6% year on year in Q1 2022. Jamaica can position itself as an investor-ready location by highlighting its positive economic outlook through direct engagement with the global market. As the pandemic numbers have steadily declined global travel has rebounded. Therefore, hybrid and in person engagements have become more common. This will enable a greater probability for business networking (local businesses with international investors) and more targeted discussions and identification of investment opportunities.

- 2.4 Jamaica needs to package and promote investment opportunities that allow investors to diversify their risk. Accordingly, Jamaica can focus on FDI flows into sectors for which it has a competitive advantage or those business segments that show growth prospects such as the GSS. This initiative will build on existing work that is currently being undertaken by the Bank and JAMPRO under Loan JA-L1079.
- 2.5 This proposal presents an approach to attracting FDI through strategic investor-focused events. The hosting of an investor focused event will enable the positioning of Jamaica as an attractive investment location. It will provide a platform from which the country can present its investment prospects to potential investors and showcase its strengthened talent pool and ecosystem, thereby improving the probability of increasing FDI into the country as well as connecting local businesses with the global environment. In recent years, the Government of Jamaica has hosted investments through its investment agency JAMPRO. One such event was held in November 2021 which generated prospective active leads with an estimated value of US\$111 million in capital expenditure.
- 2.6 Jamaica's hosting of Outsource2Lac, which is a strategic event primarily focused on GSS in the region, could further bolster its position as an attractive investment location for outsourcing services. The Outsource2LAC event will facilitate a collaborative approach to engaging the global market regarding opportunities in LAC. Since its inception in 2011, Outsource2Lac has reported attendees from an average of 45 countries with more than 12,000 B2B meetings resulting in more than \$310 million in projected business deals.

### **III. Description of Activities and Outputs**

- 3.1 **Component I: Support for Jamaica Investment Promotion Events.** The objective is to attract FDI to Jamaica and generate investment leads through packaging investment opportunities. It will finance the following consultancies: i) data collection on Jamaica's investment opportunities and business climate; (ii) designing marketing collateral material to highlight Jamaica's investment potential. Consultants will be engaged to complete these deliverables.
- 3.2 **Component II: Business to Business (B2B) Investment Dialogue.** The objective of this component is to support the transition of investment leads to FDI. This will support B2B meetings and the staging of webinars or panel discussions to foster investment dialogues.
- 3.3 **Component III: Regional Integration and promotion through supporting the hosting of Outsource2LAC.** To foster regional integration and promote Jamaica and the region as an investment destination, for outsourcing opportunities and identify the necessary steps that must be taken to enable long-term growth and development in the global services sector. It will support the Outsource2Lac Conference.

#### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Support for Jamaica Investment Promotion Events	US\$100,000.00	US\$0.00	US\$100,000.00
Business to Business (B2B) Investment Dialogue	US\$50,000.00	US\$0.00	US\$50,000.00
Regional Integration and promotion through supporting the hosting of Outsource2LAC	US\$250,000.00	US\$0.00	US\$250,000.00
<b>Total</b>	<b>US\$400,000.00</b>	<b>US\$0.00</b>	<b>US\$400,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 The execution of this TC will be carried out by the Bank through the Trade and Investment Division (INT/TIN).
- 5.2 At the request of the beneficiary country, and in accordance with Annex II of the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4), the Bank shall be the Executing Agency (EA), through the Trade and Investment Division (INT/TIN) of the Integration and Trade Sector (INT/INT), given that the Bank has the technical expertise, experience and capacity to ensure a high quality of products and activities to be carried out for this project.
- 5.3 TIN has demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels, given its experience and expertise to organize complex investment promotion events.

#### VI. Project Risks and Issues

- 6.1 The risk level of the execution of this TC is considered low. The risks identified for both components include: (i) the continuity of the COVID-19 Pandemic and airline challenges which may make it difficult to travel and negatively impact attendance at the event. To mitigate this risk, a hybrid approach for the hosting of the event will be facilitated to ensure engagement online as well as in person. (ii) There is also the risk related to logistics challenges to coordinate two major events within a six-month period. To mitigate this risk, JAMPRO an agency under the Ministry of Industry, Investment and Commerce has been approached to drive the execution of other activities under loan JA-T1079 that will ensure the successful execution of both investment events. This entity is an active stakeholder with a vested interest in the project, especially given that it is the executing agency for loan operation JA-L1079.
- 6.2 With regard to Component III in particular, a noted risk involves poor alignment of the interests and expectations of the host country with the wider Latin America and Caribbean states that participate in the event to ensure maximum investment showcase for all. To mitigate this risk the use of digital channels will be encouraged to support showcasing investment opportunities across the region.