The Role of Diplomats in Investment Promotion

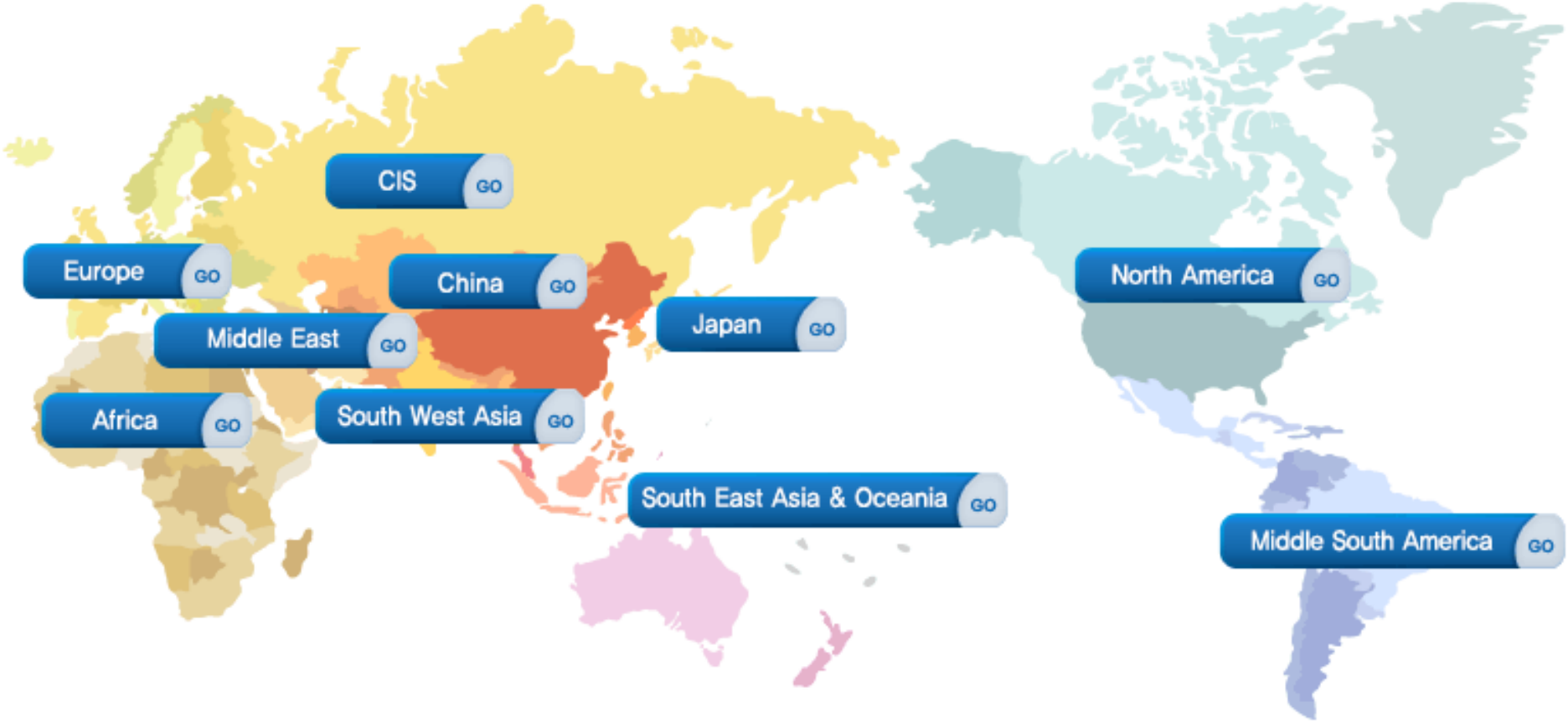
Workshop on Investment Promotion for Jordanian Diplomats
21–22 November 2016, Amman

Paul Wessendorp
Chief, Investment Promotion Section
UNCTAD

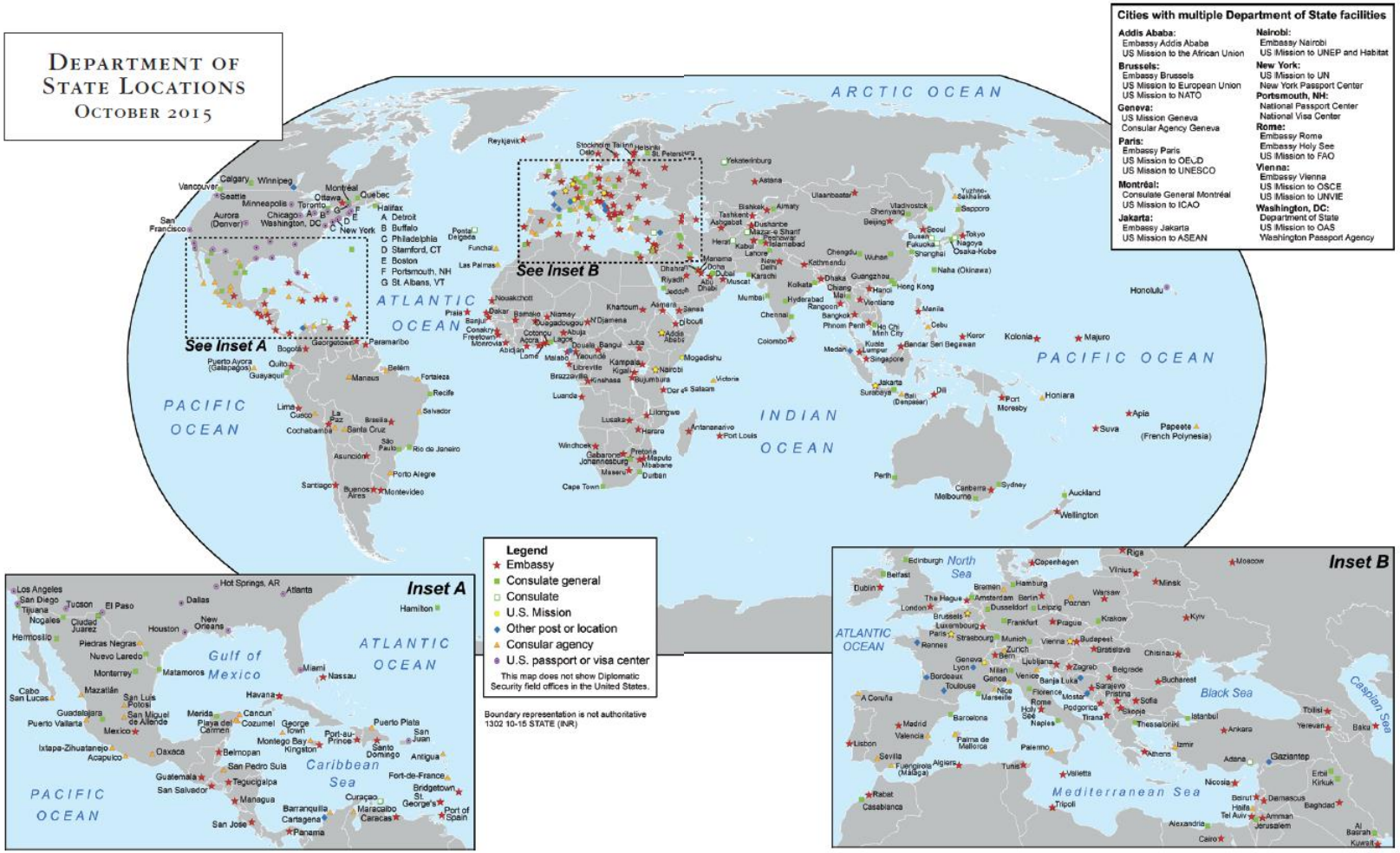
Degrees of engagement in investment promotion

- Do nothing
- Do little (reactive approach)
  - Respond to requests from investors, your national IPA or other government institutions dealing with investment and trade
- Proactively work on investment promotion
  - Develop a relationship with your national IPA and agree on a set of activities that you can perform
  - Dedicate a percentage of your time to investment promotion
  - Develop and follow an action plan for investment promotion

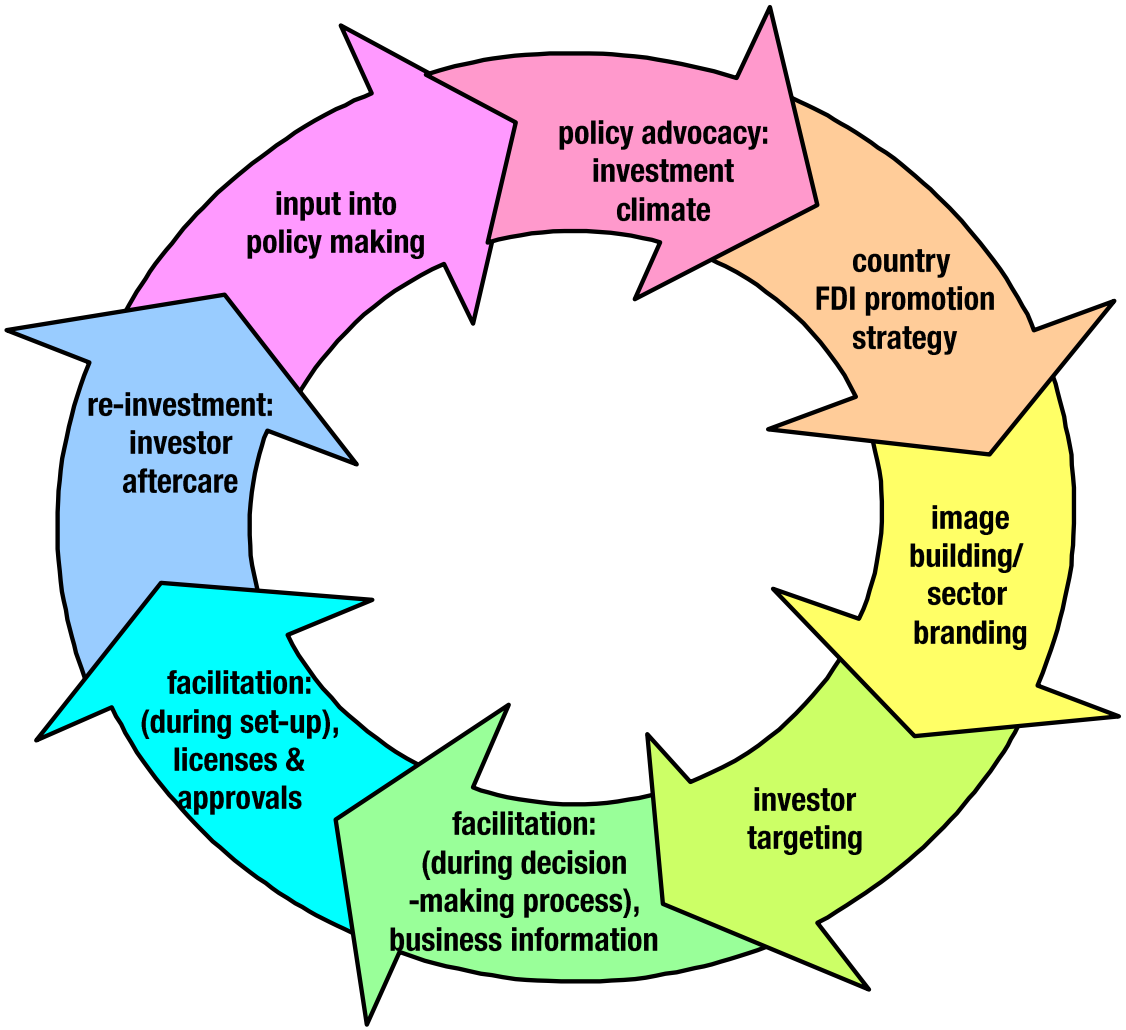
The Republic of Korea's KOTRA Overseas Network



Global reach: U.S. diplomatic network



The investment promotion cycle



What can diplomats do within the investment promotion cycle?

- **Image building:** build the country/location's image overseas
- **Investment targeting:** target MNEs in priority sectors, generate leads, help organize host country visits
- **Investment facilitation:** channel business information, assist in obtaining licenses and approvals
- **Investor aftercare:** develop a long-term relationship with the investor and assist when issues arrive
- **Policy advocacy:** based on company feedback, provide government institutions information on issues that need attention to improve the country's investment climate
- **Research:** obtain key contacts and relevant information on relevant sectors and investors

The site selection process

Long listing	Short listing	Negotiations	Implementation
▪ Generic factors ▪ Project economic screening factors ▪ Project specifications ▪ Countries/ regions ▪ Compare costs and conditions IPA or diplomat provides country and sector information	▪ Field investigations (site visits) to a few locations ▪ Verify screening and process—drill down ▪ Identify specific opportunities and risks Diplomat liaises with company and IPA to ensure agenda meets site visit objectives. He/she may also join site visit.	▪ Risk analysis ▪ Real estate ▪ Incentives ▪ Permitting and licensing IPA or diplomat provides quality contacts, facilitates visas, ensures permits are granted speedily, and trouble-shoots if needed.	▪ Transition planning ▪ Facilities plan ▪ Vendor selection ▪ Construction IPA services investor to fast-track project implementation. Diplomat follows up with headquarters to ensure satisfaction and capture re-investment.

Key messages to diplomats

- Get to understand the investment process
- Work within the framework of your country's development strategy
- Set ambitious but realistic goals
- Identify target firms and focus your efforts on them
- Coordinate with other stakeholders
- Set guidelines for enquiry handling
- Do company research before meeting with potential investors
- Build trust—keep confidentiality of client information!
- Stay in touch with established investors
- Evaluate your promotional activities

Individual action plan for investment promotion at your post

Name: ..... Post (if known): .....

TARGETS AND OBJECTIVES

Which sectors would you target?

- Renewable energy
- .....
- .....

Which measurable objective(s) do you think you can achieve within two years?

Objective A: Inform wind energy and biodiesel companies about opportunities in Jordan

Objective B: Establish close relationships with industry associations

RELATED ACTIVITIES

	Which activities would you carry out to meet this/these objective(s)?	Objective(s) it contributes to		Share of your time
		A	B	
Image building	Present at a renewable energy industry event and place a feature on wind energy and biodiesel opportunities in the event booklet	X		2 %
Investor targeting	Identify wind energy and biodiesel companies with activities in the region, establish contact, and communicate relevant information	X		5 %
Facilitation and aftercare				%
Policy advocacy				%
Research	- Carry out research on industry associations in and near the post - Obtain additional information on leading renewable energy companies	X	X	5 %
Other (e.g. internal discussions)	Attend monthly networking events sponsored by local business networks		X	2 %

UNITED NATIONS
UNCTAD

Thank you!

Paul Wessendorp
Chief, Investment Promotion Section
UNCTAD

paul.wessendorp@unctad.org