



at the Annual Investment Meeting



Dubai, United Arab Emirates

In collaboration with:



On 11 May 2011, UNCTAD, in partnership with the Ministry of Foreign Trade of the United Arab Emirates (UAE), organized two special events at the Annual Investment Meeting (AIM) in Dubai: a High-level Meeting on Green Foreign Direct Investment (FDI) and Investment Showcases for 4 countries.

I. HIGH-LEVEL SESSION ON GREEN FDI

The High-level session attracted over 150 high-level participants from both the public and private sectors, including policy makers, heads of investment promotion agencies (IPAs) and senior executives from international companies involved in the field of clean technology and renewable energies. Her Excellency Sheikha Lubna bint Khalid Al Qasimi, Minister of Foreign Trade of the UAE and Mr. Petko Draganov, Deputy Secretary-General of UNCTAD opened the session, stressing the key role FDI plays in meeting the challenges posed by climate change, and the importance of international cooperation in this area.

In his opening statement, Mr. Draganov, Deputy Secretary-General of UNCTAD, highlighted the changing international investment landscape in the aftermath of the world economic crisis, and the challenges and opportunities facing the international community in moving towards a low-carbon economy. Green investment, he said, is not only the key to mitigating climate change, it can also stimulate both social and economic development, for example, through creation of new jobs and wider access to clean energy. To fully tap into opportunities offered by

green FDI, he challenged governments and businesses to adopt a coordinated strategy that encompasses, among others, a conducive policy framework, an effective promotion programme, strengthened linkages between international and local firms and enhanced public-private partnership.

To set the scene for the session, Mrs. Nazha Benabbes Taarji-Aschenbrenner, Officer-in-Charge of UNCTAD's Investment Capacity-Building Branch, presented recent FDI trends. She also shared data on low-carbon investment from the World Investment Report 2010.

The high-level session took the form of an exciting panel discussion moderated by Ms. Nima Abu-Wardeh from BBC World News Middle East Business Report. Members of the panel included Mr. Abdulla A. Al Saleh, Undersecretary of the Ministry of Foreign Trade of the UAE, Ms. Anne MacColl, Chief Executive of Scottish Development International, Mr. Ajay Prakash Shrivastava, President of the Solar Energy Society of India, Mr. Thierry Lepercq, President of Solar Direct S.A. of France, and Mr. Joachim Kundt, Chief Executive Officer (CEO) of Siemens Lower Gulf Region. Discussants in the session included Mr. Fathallah Sijilmassi, Director General of the Moroccan Investment Development Agency, Ms. Susan



The panel of the UNCTAD High-level Session on Green FDI

Ms. Nima Abu-Wardeh, BBC World News Middle East Business Report, was moderating the high-level session.



Kikwai, Managing Director of the Kenya Investment Authority and Mr. Ramprakash Maunthrooa, Managing Director of the Board of Investment of Mauritius.

The moderator started the session with the wider ramifications of the debate on Green FDI and quickly focused participants on the concrete economic outputs of successful green investment: “It’s about energy, about our future...but it’s not just about saving the planet, it’s about creating jobs.”

Panellists agreed that the global policy debate is no longer about whether or not to take action; it is about what actions need to be taken – and by whom. In addition to job creation and other development benefits, investment in a green economy was deemed

to be crucial for developed and developing countries enhancing their competitiveness in the transition to a low-carbon economy. As Mr. Sijilmassi, Director General of the Moroccan Investment Development Agency, highlighted, “it is time for emerging countries, like ours, to develop their industries of the 21st century.” Mr. Thierry Lepercq of Solar Direct emphasized that with dramatically reduced costs driven by technical innovation and economies of scale, renewable energy, in particular solar energy, is moving away from subsidy-driven models, and is becoming more self-sustained than any time before.

While expressing optimism about the prospect and great potentials of renewable energy, participants acknowledged the many obstacles toward achieving local, national and global goals and the importance of finding effective means for cross-border public and corporate cooperation. Special attentions were drawn to a number of issues, which were considered essential for creating a conducive environment to promote green investment and its contribution to the transition to a low-carbon economy, i.e. an enabling policy framework, a sustainable business model, maximizing development benefits of green FDI and enhancing international cooperation. A summary of the discussions on each of these issues follows below.

1) An enabling policy framework

Given the capital-intensive and long-term nature of most clean energy projects, strong vision amongst decision-makers, in both

Discussants and participants at the High-level Session on Green FDI.



public and private arenas, was deemed critical to gaining the confidence of investors. Policy incorporating this vision will provide stability and trust, and thus encourage long-term investment. While government subsidies are still necessary in many cases, a stable and predictable policy framework is becoming more important for investors. Mr. Lepercq, President of Solar Direct of France, pointed out that his company now gives more weight to an enabling policy framework than government incentives when selecting investment locations, since solar energy is becoming more competitive and the issue of sustainability is paramount.

Panellists agreed that, an enabling policy should include, among others, predictable industry and FDI policies, long-term purchase arrangements of alternative energies, education and training policy addressing the talent gap, empowerment of local communities via decentralisation, and initiatives to educate and inform society as a whole on the importance of clean energy. Experiences and successful practices were shared by panellists in these areas. Ms. Anne MacColl introduced the very ambitious renewable energy development plan adopted by the United Kingdom government, including the construction of a big tidal wave energy project in Scotland.

The panel also highlighted the importance of human resource development and capacity building, especially for developing countries, in the transition to a low-carbon future. Mr. Joachim Kundt, CEO of Siemens Lower Gulf Region, said, “this is a people business and you need the talents and the people ... you need the best brains.” As part of Siemens’ efforts in this area, his company had set up an educational programme in Masdar, which is a leading renewable energy project located in Abu Dhabi, UAE.

2) A sustainable business model

The recurring theme of financing the shift of economies to a new paradigm of green and sustainable development was central in the panel discussion. Despite the declining price of renewable and green energy, many panellists agreed that government subsidies

are still necessary especially for start-up technologies and SMEs in less developed regions, and this should be regarded as an investment in the future.

Mr. Ramprakash Maunthrooa, Managing Director of the Board of Investment of Mauritius, expressed concerns that costs of renewable energy will remain prohibitive in the foreseeable future, and large deployment of green technology may strain limited financial resources at the disposal of governments and companies from developing countries. This could slow down the take up of a green economy in developing countries. However, panellists believed that the financing issue can be overcome, providing that there is a long-term vision, a sound policy context and a viable business model tailored to conditions of different locations. Experiences of countries and companies have proved that profitable and sustainable green energy business models are emerging. For example, Ms. Susan Kikwai, Managing Director of the Kenya Investment Authority, pointed out that geothermal projects have been in operation in Kenya for decades, and provide a significant portion of its energy consumption. Mr. Lepercq of Solar Direct also shared his company’s successful experience in implementing community-based solar energy projects, many of which are profitable. Mr. Shrivastava, President of the Solar Energy Society of India, introduced his company’s solar energy projects in remote rural areas of India, and stressed that these projects can be sustainable with small government subsidies.

Panellists stressed the important role policies play in promoting sustainable green investment. It was highlighted that such policies will attract sustainable investors, and create and nurture a market for alternative energies. In addition, empowerment and decentralisation were considered crucial for the green transition, as only projects driven by consumers themselves can be sustainable.

3) Maximizing development benefits of green FDI

Panel members highlighted opportunities offered by green technologies for developing countries to make a leap in transforming their

An interview of Mr. Petko Draganov, Deputy Secretary-General of UNCTAD, by the UAE media during the event.



economies. For example, thanks to technology advances, decentralized solar projects has made energy supplies at community and family levels possible and empowered millions at the bottom of society. Equally important, these projects have created considerable opportunities to develop local SMEs and sustainable jobs.

In fact, as issues remain in terms of connectivity, supply and energy storage, which block the development of renewables, more opportunities seem to be offered for small and medium-sized renewable projects in less developed regions. According to Mr. Joachim Kundt of Siemens Lower Gulf Region, in big urban areas with high demand of connectivity and reliability in energy supply, installing green energy will remain a major challenge until the grid becomes smarter and more effective power storage and distribution solutions are identified.

4) Enhancing international cooperation

Given their important role as key technology and capital providers, FDI and TNCs were deemed essential for the development of a green future and the rapid take-up of green technologies. In this regard, the panel emphasized the importance of promoting green FDI and encouraging technology transfers to developing countries via international investment. It was said that in order to generate more development benefits from green FDI, governments should encourage technical

partnerships with foreign investors, identifying gaps and opportunities for developing local firms.

Ms. Anne MacColl from Scottish Development International and other panellists emphasized the importance of creating a level playing field in the world market since there is great disparity in subsidies, incentives and penalties in the use of green technology. It was proposed that international organizations such as UNCTAD play a role in coordinating international policy making to ensure a transition to a green future that benefits all.

II. INVESTMENT SHOWCASES

The Investment showcases of Kenya, Malaysia, Morocco and Uzbekistan took place between 2 and 4 p.m. with four 45-minute sessions, consisting of country presentations describing investment opportunities and conditions, followed by questions and answers.

UNCTAD has worked closely with all four countries and three of them (Kenya, Morocco and Uzbekistan) have been beneficiaries of the Investment Guides programme, run jointly by UNCTAD and the International Chamber of Commerce.

Speaking on behalf of Kenya was Ms. Susan Kikwai, Managing Director of the Kenya Investment Authority. Making the presentation for Malaysia was Mr. Azman Mahmud, Senior Director of the non-resource industry at the Malaysian Industrial Development Authority. Speaking on opportunities in Morocco was Mr. Fathallah Sijilmassi, Director General of the Moroccan Investment Development Agency. The presentation on Uzbekistan was made by Mr. Jasur Tadjiev, Director of Uzinfoinvest along with Mr. Mirzamahmudov, Director of Neftgazinvest (oil and gas), Mr. Gizatullin, Assistant Chairman of Uzbektourism and Mr. Mirzaev, Head of Credit at Asaka Bank.



Nazha Benabbes Taarji-Aschenbrenner, OIC, Investment Capacity Building Branch, UNCTAD

Moderating the session, Mrs. Nazha Benabbes Taarji-Aschenbrenner, Office-in-Charge of the Investment Capacity Building Branch of UNCTAD noted that, “the good news is that the investment showcases are taking place at a time when FDI to developing countries is on the rise – an increase of nine percent last year – bucking world trends. However, the link between investment and development needs to be strengthened.”

“It is for this reason that we focus today on sectors such as infrastructure, tourism and agriculture, which will bring real development benefits to the countries concerned as well as healthy returns to those investors who take the decision to invest in them.”

Malaysia’s presentation focused on it being a country on the move, from being dependent



“There are now over 5,000 international companies doing business in Malaysia.”- Azman Mahmud, MIDA

on agriculture and primary commodities to the export-driven economy of today, spurred by high technology, knowledge-based and capital-intensive industries. Examples were provided of its success in attracting foreign universities and schools to establish themselves in the state of Johore.



“Asian economies are interested in our part of the world – they need countries like Morocco to access the African market.”- Fathallah Sijilmassi, AMDI

Morocco concentrated on its industrial development strategies of establishing the sectors of offshoring, automotive and aeronautics, electronics and green energy, and of transforming the sectors of agro-processing, fishing and tourism. The key role of public investment in the country’s development, its resilience to the economic downturn and growing commercial and investment links with the rest of the African continent were made clear. The presentation included the launch of the Investment Guide to Morocco.

Kenya’s showcase highlighted its importance as a destination for investors targeting regional markets. With a large port and coastline, Kenya abounds in infrastructure investment opportunities, particularly in air and rail transport. Horticulture is one of the great success stories in recent years. The Government also has ambitious plans to bolster the tourism, manufacturing, information technology (IT), and financial services sectors through FDI. It presented specific projects to upgrade the airport at Nairobi and build a commuter railway.

Uzbekistan focused on its position as a leading industrial base in the region and show-

“Kenya remains the financial hub for the larger East Africa region.”
Susan Kikwai, KIA



cased opportunities in infrastructure, tourism, textiles, chemicals and banking. The country is keen for foreign investment in the construction of hotels, cultural spaces and roadside catering facilities. In oil and gas, it

seeks investors in new technologies for gas processing and distribution, energy conservation strategies, oil recovery and Clean Development Mechanism (CDM) projects. Meanwhile, its banks are keen for joint venture partners for a number of industrial projects.

Questions raised by investors at the showcases related to conditions governing investment, regulatory reforms, human resources and issues of political stability.

The Investment Showcases provided unique opportunities for potential investors from the region to interact with high-level investment promotion officials from the four presenting countries. Presentations were followed up with discussions and bilateral meetings between investors and government delegations, in which prospective investment opportunities were further explored.

“There are 4,200 foreign companies who have invested in our country.”– Jasur Tadjev, Uzinfoinvest



Examples of serious leads obtained by the Kenya Investment Agency following the showcase

Prudential Middle East discussed setting up an office in Kenya to facilitate and advise incoming investors.

Ras Al Khaimah Free Trade Zone (RAKFTZ), one of the fastest growing free trade zones in the UAE and home to approximately more than 6000 companies, is interested in working with Kenya on the development of zones there.

The Western Australian Trade Office sent a delegation to Kenya to discuss trade and investments in different fields including agriculture, education and mining.

PROGRAMME

9.00 – 9.20

Opening and welcome addresses

Opening statements by **Mr. Petko Draganov**, Deputy Secretary-General of UNCTAD and **H.E. Ms. Sheikha Lubna bint Khalid Al Qasimi**, Minister of Foreign Trade, United Arab Emirates

9.20 – 10.00

Presentation by UNCTAD

On the main findings of the World Investment Report 2010 – Investing in a Low-Carbon Economy.
Presented by **Mrs. Nazha Benabbes Taarji**, Officer-in-Charge, Investment Capacity-Building Branch, Division on Investment and Enterprise, UNCTAD

10.00 – 10.30

Refreshments

10.30 – 12.30

High-Level Session on Green FDI

Moderator

Ms. Nima Abu-Wardeh

Presenter of the BBC World News Middle East Business Report

Panel

- **Mr. Abdulla A. Al Saleh**, Underscretary, the Ministry of Foreign Trade, UAE
- **Ms. Anne MacColl**, Chief Executive, Scottish Development International, United Kingdom
- **Mr. Ajay Prakash Shrivastava**, President, Solar Energy Society of India and President, Maharishi Solar Technology, India
- **Mr. Thierry Lepercq**, President, SolaireDirect S.A., France
- **Mr. Joachim Kundt**, Chief Executive Officer, Siemens Lower Gulf Region, Siemens LLC, Germany

Discussants:

- **Mr. Fathallah Sijilmassi**, Director General, Moroccan Investment Development Agency, Morocco
- **Ms. Susan Kikwai**, Managing Director, Kenya Investment Authority, Kenya
- **Mr. Ramprakash Maunthrooa**, Managing Director, Board of Investment, Mauritius

12.30 – 14.00

Luncheon

14.00 – 18.00

Investment Showcase Event

- Kenya
- Malaysia
- Morocco
- Uzbekistan