



# The Role of Public Policy in Attracting World Class Investors

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*A Presentation by CARICOM Development Fund*

*Lavern McFarlane*



# Overview

- ▶ Productive private sector investments important component for growth strategies
- ▶ The global landscape with technological change, fiscal challenges, and political uncertainty
- ▶ Leveraging a comprehensive approach that addresses competitiveness
- ▶ The CARICOM Development Fund assists Member States achieve cohesion and competitiveness through the implementation of the CARICOM Cohesion Policy



# Role of the CARICOM Development Fund

- ▶ The creation of the CDF responds to the imperative identified in Article 157 of the Revised Treaty “to urgently address the needs of the disadvantaged countries, regions and sectors to enable them “to participate effectively in the CSME and to administer international trade agreements.”
- ▶ Given the Treaty provisions, it is thus appreciated that the core of the CDF’s mandate is aimed at promoting cohesion within the CSME.
- ▶ In the context of limited resources there is need to develop clear priorities for cohesion interventions and these ideally should be in those areas that are deemed likely to contribute most to the removal of critical development constraints in the context of a cohesion strategy.



# The CARICOM Cohesion Policy

The Cohesion Policy meets the need to support disadvantaged regions and sectors across CARICOM

- ▶ It builds on CDF's existing relationships with the disadvantaged Member States and aims to strengthen that Partnership with all Member States
- ▶ It addresses information gaps that have hindered the formulation of effective policies in the Community
- ▶ It not only targets the most important immediate needs of every Member State but also provide a substantially improved foundation of Cohesion Programs for the future



# Constraints & Attracting Investment Flows

- ▶ Lack of incentives
- ▶ Rigid business environments - regulation, legislation, corporate governance, ease of doing business
- ▶ Other economic and social factors - crime, capacity, currency fluctuations
  
- ▶ Obstacles not insurmountable
- ▶ But will require coordinated and determined action
- ▶ Innovation and R&D will be critical



# The Role of Policy and Interventions by the CDF

- ▶ Stable pricing - stable markets and economies
- ▶ Strong information architecture - information asymmetry increases uncertainty and augurs for inefficient markets and economies
- ▶ Harmonised and consistent set of disclosure standards
- ▶ Agreed principles for finance taxonomies, especially in the climate finance space
  
- ▶ Contributing through capacity development, risk assessments, cohesion/integration - data and diagnostics tools
- ▶ Project identification and implementation - synergies with cross border and cross region
- ▶ Financial Innovation - CRAF