



**Best practices  
in promoting investment for development:  
Pursuing a common agenda**

**Draft annotated programme**

*(as at 21 March 2008,  
subject to change)*

## Best practices in promoting investment for development: Pursuing a common agenda

*“We support the OECD Policy Framework for Investment and UNCTAD Investment Policy Reviews as valuable mechanisms in defining a shared understanding of healthy investment climates in emerging economies and developing countries. The OECD Policy Framework for Investment could be translated into national practices and development strategies, especially for countries under the New Partnership for African Development (NEPAD) and Asia Pacific Economic Cooperation (APEC) framework. We invite the OECD, UNCTAD and other organisations such as the World Bank to consider providing the necessary support for this purpose.”*

Growth and Responsibility in the World Economy  
Paragraph 19, G8 Summit Declaration, 7 June 2007

The OECD Global Forum on International Investment (GFI) is an annual event that has been organised by the OECD’s Investment Committee since 2001.<sup>1</sup> As the premier annual event for the international investment policy community, the Global Forum on International Investment’s mission is to promote investment for growth and sustainable development by engaging governments world-wide and interested stakeholders in peer learning and dialogue on emerging issues facing the investment policy community.

The overarching theme of GFI-7 concerns best practice in promoting investment for development. The relationship between investment and development was a key theme during the 2007 G-8 Summit, which called upon “UNCTAD and the OECD to jointly engage industrialized countries, emerging economies and developing countries in the development of best practices for creating an institutional environment conducive to increased foreign investment and sustainable development.” In response to this call, this year’s GFI has been organised for the first time in close co-operation with UNCTAD. The outcomes from GFI-7 will be presented during the roundtable on “Creating an Institutional Environment Conducive to Investment for Sustainable Development” during UNCTAD XII in Accra, Ghana, on 20-25 April 2008.

As in past years, the GFI will take advantage of the valuable experience that has been gained from putting different parts of the Policy Framework for Investment (PFI) into practice in both OECD and non-OECD economies.

For environmental reasons, paper copies of the conference documentation will not be distributed to participants. All background documents will be made available on the conference website [www.oecd.org/investment/GFI-7](http://www.oecd.org/investment/GFI-7) and a list of these, organised by session, is provided in Annex 1 of this programme. Conference participants are invited to print and bring to the conference their own personal copies of the documentation of interest to them.

There is no conference fee but registration is mandatory and places are limited. For further information, contact Dr. Michael Gestrin [[Michael.gestrin@oecd.org](mailto:Michael.gestrin@oecd.org); +33 1 45247624].

---

<sup>1</sup> This year’s GFI is the first to be held at OECD headquarters in Paris, France. Previous GFIs took place in Mexico (2001), China (2002), South Africa (2003), India (2004), Brazil (2005), and Turkey (2006).

## DAY 1 – 27 MARCH 2008

<b>08:00- 10:00</b>	Registration and coffee
<b>Opening Plenary</b>	<b>Welcome and introductory presentations Room 13-15</b>
<b>10:00-10:30</b>	<ul style="list-style-type: none"> <li>• <b>Mr. Angel Gurría</b>, Secretary General, OECD</li> <li>• <b>Dr. Supachai Panitchpakdi</b>, Secretary General, UNCTAD</li> </ul>
<b>High-level roundtable</b>	<b>The political economy of investment policy reform: Maintaining the momentum of investment globalisation</b>
<b>10:30-13:00</b>	<p><b>Opening interview:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Jorge Del Castillo</b>, Prime Minister, Peru</li> </ul> <p><b>High-level roundtable participants:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Nizar Baraka</b>, Minister for Economic and General Affairs, Morocco</li> <li>• <b>Dr. Semakula Kiwanuka</b>, Minister for Investment, Uganda</li> <li>• <b>Dr. Mahmoud Mohieldin</b>, Minister for Investment, Egypt</li> <li>• <b>Mr. Marco Vinicio Ruiz</b>, Minister of Trade, Costa Rica</li> <li>• <b>Mr. Ajay Shankar</b>, Secretary to the Government of India, Ministry of Commerce and Industry, India</li> </ul> <p><b>Moderator:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Axel Threlfall</b>, Partner, ECD Insight, London, United Kingdom</li> </ul> <p><b>Overview</b></p> <p>This high-level roundtable will explore some of the current challenges faced by decision-makers as they seek to improve their investment climates and promote more and better investment for development. In particular, it will examine the political economy of investment policy reform and how leaders have made the case to their various constituencies for the benefits of more open, transparent, and non-discriminatory policy frameworks for investment.</p> <p>Questions for discussion:</p> <ul style="list-style-type: none"> <li>• What have been the development benefits of more open, transparent and non-discriminatory investment policy frameworks?</li> <li>• How are governments ‘backstopping’ the policy reform achievements they have made in recent years?</li> <li>• In the absence of multilateral rules, how will governments withstand protectionist pressures?</li> <li>• What has been the contribution of international co-operation to better investment climates?</li> <li>• How can the international organizations do more to help governments in their</li> </ul>

	efforts to create better investment climates?
<b>13:00-15:00</b>	Lunch break and poster sessions (see separate programme – annex 2)
<b>Parallel sessions</b>	<b>Developing the PFI User’s Toolkit</b>
<b>15:00-17:30</b>	<p><b>Overview</b></p> <p>The PFI User’s Toolkit is being developed by the OECD to provide practical policy guidance to governments who are using the PFI to increase private sector investment. The Toolkit explains how and why governments can benefit from using the PFI, and makes clear the consequences for investment of existing government policies, laws and regulations. The Toolkit aims to help PFI users analyze where progress is most advanced as well as where the most significant investment bottlenecks remain, thus highlighting priority areas for reform.</p> <p><b><u>Working group 1.1: Investment policy (Room 13-15)</u></b></p> <p>The quality of investment policies directly influences the decisions of all investors, be they small or large, domestic or foreign. Transparency, property protection and non-discrimination are investment policy principles that underpin efforts to create a sound investment environment for all. The focus of this session will be the draft investment policy chapter of the Toolkit, which aims to help policy makers put these principles into action.</p> <p><b>Chair:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Manfred Schekulin</b>, Chair, OECD Investment Committee</li> </ul> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <b>Mr. Pierre Poret</b>, Head, OECD Investment Division: Background on the PFI and the User’s Toolkit</li> <li>• <b>Mr. Ross Herbert</b>, South African Institute of International Affairs: Presentation of the draft chapter on investment policy</li> <li>• <b>Mr. Ho Quang Minh</b>, Director, External Economic Relations, Vietnam</li> <li>• <b>Mr. Roy Nixon</b>, Director, Treasury Department of Australia, and convener of APEC Investment Expert Group</li> <li>• <b>Mr. James Zhan</b>, Officer-in-Charge, Division on Investment and Enterprise, UNCTAD</li> </ul> <p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Dr. Ziad Bahaa El Din</b>, Chairman of Board of Trustees, General Authority for Investment &amp; Free Zones (GAFI) EGYPT</li> <li>• <b>Mr. Mahmoud Anis Bettaieb</b>, Bettaieb Law Firm, Tunisia</li> <li>• <b>Mr. Joseph Battat</b>, Lead Investment Policy Officer, Investment Climate Department, FIAS - Multi-donor Investment Climate Advisory Service of the World Bank Group</li> <li>• <b>Professor Christian Bellak</b>, Department of Economics, University of</li> </ul>

Economics Vienna

- **Professor Philippe Gugler**, Dean, Faculty of Economics and Social Sciences, University of Fribourg

#### **Working group 1.2: Trade policy (Room 1)**

Policies relating to trade in goods and services can support more and better quality investment by expanding opportunities to reap scale economies and by facilitating integration into global supply chains, boosting productivity and rates of return on investment. The focus of this session will be the draft trade chapter of the Toolkit and practical issues that trade policy makers can take into account in order maximize the contribution of trade policy to a healthy investment environment.

##### **Chair:**

- **Mr. Robert McDougall**, Chair, OECD Working Party of the Trade Committee

##### **Speakers:**

- **Mr. Dale Andrew**, Head, Trade Policy Linkages and Services Division: Background on the trade chapter of the PFI
- Presentation of a preliminary draft Toolkit chapter on trade policy

##### **Discussants:**

- **Ms. Karen Ellis**, Research Fellow, Overseas Development Institute, UK

#### **Working group 1.3: Competition policy (Room 6)**

Competition policy favours innovation and contributes to conditions conducive to new investment. Sound competition policy also helps to transmit the wider benefits of investment to society. This session will focus on the draft chapter of the competition policy chapter of the Toolkit.

##### **Chair:**

- **Mr. Frédéric Jenny**, Chair, OECD Competition Committee

##### **Speakers:**

- **Mr. Jonathan Coppel**, Senior Economist, Investment Division: Background on the PFI and the User's Toolkit
- **Mr. Vivek Ghosal**: Presentation of a preliminary draft chapter on competition policy

##### **Discussants:**

- **Mr. Rijit Sengupta**, Centre Coordinator & Deputy Head, CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER)
- **Mr. Nick Godfrey**, Economic Adviser, Investment Climate/Financial Sector Team, Growth and Investment Group, Policy and Research Division, Department for International Development (DFID), UK

#### **Working group 1.4: Tax policy (Room 2)**

To fulfill their functions, all governments require taxation revenue. However, the

level of the tax burden and the design of tax policy, including how it is administered, directly influence business costs and returns on investment. Sound tax policy enables governments to achieve public policy objectives while also supporting a favourable investment environment. This session focuses on the draft chapter on tax policy of the PFI user's Toolkit.

**Chair:**

- **Mr. Christian Valenduc**, Chair, Working Party No. 2, Committee on Fiscal Affairs

**Speakers:**

- **Mr. W. Steven Clark**, Head, Horizontal Programmes Unit, OECD Centre for Tax Policy and Administration: Background on the PFI and the User's Toolkit and presentation of the draft chapter on tax policy

**Discussants:**

- **Mr. Hugh J. Ault**, Special Advisor, OECD Centre for Tax Policy and Administration, and Professor of Law, Faculty of Law, Boston College Law School
- **Mr. Sebastian James**, Business Taxation, FIAS, World Bank Group
- **Mr. Alan Carter**, Senior Economist, International Business Taxation, Her Majesty's Revenue and Customs (HMRC)

**A reception for GFI-7 participants hosted by the French Government will be held in the Chateau beginning at 18h00<sup>2</sup>**

---

<sup>2</sup>

Participants should be prepared to show their GFI-7 badges at the entrance.

<b>DAY 2 – 28 MARCH 2008</b>	
<b>08:00-10:00</b>	<b>Breakfast sessions (see separate programme – annex 3)</b>
<b>10:00-10:30</b>	<b>Coffee break</b>
<b>Parallel sessions</b>	<b>The investment climate in broader perspective: Systemic global issues</b>
<b>10:30-12:30</b>	<p><b><u>Session 2.1: International investment and innovation (Room 1)</u></b></p> <p><b>Co-Chairs:</b></p> <ul style="list-style-type: none"> <li>• <b>Professor Yves Doz</b>, Timken Chaired Professor of Global Technology and Innovation, INSEAD, France</li> <li>• <b>Mr. Naohiro Tsutsumi</b>, OECD Investment Committee Vice-chair</li> </ul> <p><b>Discussants:</b></p> <ul style="list-style-type: none"> <li>• <b>Professor Xiaolan Fu</b>, Director of the Sanjaya Lall Programme for Technology and Management for Development, University of Oxford, United Kingdom</li> <li>• <b>Professor Jean-Louis Mucchielli</b>, l'Université de Paris 1, France</li> <li>• <b>Professor Johannes Stephan, Professor Jutta Günther, and Mr. Björn Jindra</b>, Halle Institute for Economic Research, Germany</li> <li>• <b>Dr. Liviu Voinea</b>, Director, Group of Applied Economics, Bucharest, Romania</li> <li>• <b>Mr. Thomas Hatzichronoglou</b>, OECD Directorate for Science, Technology and Industry</li> <li>• <b>Professor José Guimón</b>, Adjunct Professor, Universidad Autónoma de Madrid</li> <li>• <b>Professor Lucia Piscitello</b>, DIG, Politecnico di Milano, Italy</li> </ul> <p><b>Background</b></p> <p>The ongoing shift towards a knowledge-based and technology-driven economy has brought to the fore the issue of how knowledge is created, acquired and disseminated, bearing on countries' economic performance and also raising issues of protecting "strategic assets". This has placed increased attention on international investment, since this is one of the main channels for the acquisition and diffusion of technological and managerial know-how.</p> <p>One of the main reasons for R&amp;D in overseas affiliates of business enterprises is to adapt products and technologies developed in the home country of the parent firm to local market conditions ('home base exploiting' or <i>adaptive R&amp;D</i>). Indeed, a traditional role of FDI is to serve as a conduit for the exploitation of intellectual assets developed in multinational firms' home countries. A second and growing role of foreign R&amp;D is to develop new technologies overseas and to serve as a conduit for technology sourcing in host countries ('home base augmenting' or <i>innovative R&amp;D</i>). Affiliate R&amp;D here aims to benefit from access to local R&amp;D resources and technological and scientific developments in clusters of universities, major competitors and suppliers. But it remains that out understanding of the</p>

dynamics of international investment and innovation remains limited.

This session will address the interface between international investment and competition, and address key questions such as:

- From a development perspective, what are the framework conditions under which multinational enterprises' activities positively impact on the innovation capacities of local enterprises and host countries?
- What are the recent trends with respect to the growing internationalization of intellectual assets through MNE investment decisions?
- How do non-discriminatory and transparent investment policies and investment agreements support government innovation strategies?

**Session 2.2: The policy framework for investment: the social and environmental dimensions (Room 13-15)**

**Co-chairs:**

- **Ambassador Elisabeth Dahlin**, Swedish Partnership for Global Responsibility, Ministry of Foreign Affairs, Sweden
- **Mrs. Veronique Deli**, Chair, OECD Working Party on Global and Structural Policies

**Discussants:**

- **Mr. Lorenzo Cotula**, Senior Researcher – Law and Sustainable Development, International Institute for Environment and Development, London, United Kingdom
- **Professor Pierre-Marie Dupuy**, European University Institute, Florence and University Paris II “Panthéon – Assas”
- **Mr. Reiner Hoffmann**, Deputy General Secretary of the European Trade Union Confederation
- **Mr. Mark Kantor**, Washington, D.C.
- **Mr. Jochen Krimphoff**, Senior Manager EU Services, PricewaterhouseCoopers France, Développement Durable & Corporate Social Responsibility
- **Mr. Julius Langendorff**, Deputy Head of the Environmental Agreements and Trade Unit in the European Commission's Directorate-General for Environment and Co-chair, OECD Joint Working Party on Trade and Environment
- **Professor Philippe Sands QC**, Professor of Law, University College London, and Barrister, Matrix Chambers
- **Ms. Andrea Shemberg**, Legal Advisor to the UN Special Representative to the Secretary General for Business and Human Rights
- **Mr. Robert Volterra**, Partner, Latham & Watkins, London, United Kingdom
- **Mr. Jörg Weber**, Chief, International Arrangements Section, Division on Investment and Enterprise, UNCTAD

### **Background**

Governments have sought to promote investment through various agreements, instruments and frameworks. Increasingly, some of these approaches have also sought to address certain environmental and social issues and objectives, albeit usually in limited ways. This session will address the issue of the interrelation among the economic, social, and environmental dimensions of government efforts to promote investment, and address key questions such as:

- How can environmental and social considerations be better reflected in the models that governments are increasingly using to guide their policy reform efforts aimed at improving investment climates, such as the Policy Framework for Investment?
- In what ways and to what extent do international investment agreements intersect with other relevant international agreements? Do complementarities exist that have yet to be reflected in international investment agreements?
- To what extent can environmental and social concerns be reflected in investment contracts between states and investors?

### **Session 2.3: The policy challenges of involving private investment in key primary sectors: the water and energy sectors in focus (Room 2)**

#### **Chair:**

- **Mrs. Monica Scatasta**, Coordinator, OECD horizontal water programme
- **Mr. Vernon MacKay**, Chair, OECD Investment Committee's Working Party

#### **Discussants:**

- **Mr. Jack Moss**, AquaFed - The International Federation of Private Water Operators, United Kingdom
- **H.E. Professor Semakula Kiwanuka**, Minister of Investment, Uganda
- **Professor Manoj Anand**, Indian Institute of Management, Lucknow, India
- **Ms. Anna Joubin-Bret**, Senior Legal Advisor, Division on Investment and Enterprise, UNCTAD

### **Background**

Vital for national and world wealth and social development, the energy and water infrastructure sectors face considerable investment challenges with respect to the amount of required funds and of the policy and regulatory issues raised. Over a billion people have no access to drinking water and 2.6 billion lack basic sanitation. Just halving the proportion of people without access to drinking water and sanitation by 2015 would require investments of some US\$30 billion per year, double of the current level. Likewise, the International Energy Agency estimates the rise of the world's primary energy needs at 55% between 2005 and 2030 (1.8% per year) and the subsequent investment in supply infrastructure to meet projected global demand at \$22 trillion. Although public investment involvement has been

traditionally strong in the energy sector and water infrastructure, public funds have largely fallen short of the tremendous needs. Consequently, many countries have sought the involvement of the private sector to meet these needs and/or to improve the fundamentals of the sectors so that more financing may materialise.

This session will focus on the policy challenges of involving private investment in infrastructure sectors and address key questions, such as:

- What are the key factors that are holding back (public and private, including foreign) investment in the water/sanitation infrastructure and the energy sector?
- What are the main conditions required to enhance the enabling institutional and regulatory environment to ensure a beneficial participation of the private sector in (i) the water/sanitation and (ii) the energy infrastructure sectors?
- What lessons could be drawn from the initial experience with the sectoral applications of the PFI and the OECD Principles for Private Sector Participation in Infrastructure in the context of energy and water/sanitation infrastructure?

#### **Session 2.4: Policy coherence for development: New approaches (Room 6)**

##### **Chair:**

- **Mr. Eckhard Deutscher**, Chair, OECD Development Assistance Committee\*
- **Mr. Wes Scholz**, OECD Investment Committee Vice-chair

##### **Discussants:**

- **Dr. Amar K.J.R. Nayak**, Xavier Institute of Management, Bhubaneswar, India
- **Professor Arun Kumar Jain**, Dieter Schwarz Visiting Chair Professor of International Management and Corporate Governance, Heilbronn Business School, Germany
- **Ms. Emily Sims**, Senior Specialist, ILO Programme on Multinational Enterprises and Social Policy, Geneva, Switzerland
- **Professor Daya Shanker**, Bowater School of Management and Marketing, Deakin University, Melbourne, Australia
- **Professor Lucia Piscitello**, Politecnico di Milano, Dipartimento di Ingegneria Gestionale, Milan, Italy
- **Anja Schmiele and Wolfgang Sofka**, Centre for European Economic Research, Mannheim, Germany

##### **Background**

Investment, both domestic and foreign, is a major driver of sustained economic growth, poverty reduction and development. Through its *Initiative on Investment for Development*, the OECD is working to facilitate developing and transition economies' endeavours to mobilise investment, to boost competitiveness, to create more and better jobs and to promote economic growth.

The OECD *Investment for Development Initiative* involves three closely inter-related projects. These are: i) use of the Policy Framework for Investment (PFI) – the most comprehensive, multilaterally backed approach to date for improving

investment conditions; ii) building policy implementation capacity; and iii) using official development assistance (ODA) more effectively to support partner countries' efforts to mobilise private investment for development. In addition, the OECD is also engaged in a major horizontal project to help its Members to align their policies having a bearing on economic and social progress in developing countries with their stated development assistance objectives.

Official development assistance can play a critical role in improving the environment for private sector activity in developing countries. It can do so in particular by supporting policy and institutional reform; by helping to remove physical and other barriers to investment, for example lack of infrastructure or trained people; and by directly supporting productive activity in ways that facilitate, rather than inhibit, the development of local capital markets. However, while bilateral ODA has been increasing, especially since 2002, not enough has yet been done to enhance investment in the countries that most badly need it, for example countries operating in fragile environments, such as in much of sub-Saharan Africa.

This session will consider issues associated with new, innovative approaches for promoting investment for development and address key questions, such as:

- In what ways has ODA been put to use to help countries improve their investment environments?
- What other innovative approaches are being put into use for improving investment climates and boosting investment for development?
- How can developed countries improve the coherence of their various policies with their stated development assistance objectives?
- What progress has been made with respect to the achievement of the Monterrey Consensus objectives on the mobilization of domestic and international financial resources for development?

**Session 2.5: The revised Benchmark Definition (BMD): Adapting FDI data to the new realities of the global economy (Auditorium)**

**Chair:**

- **Mr. Roger De Boeck**, Vice-chair, OECD Investment Committee's Working Group on International Investment Statistics,

**Speakers:**

- **Mr. Paul Mahoney**, Chair, OECD Investment Committee's Working Group on International Investment Statistics (Australia)
- **Mr. Obie Whichard**, Associate Director for International Economics, Bureau of Economic Analysis, United States
- **Mr. Pierre Sola**, Principal Economist/Statistician, European Central Bank

**Discussants:**

- **Mr. Christian Lajule**, Chief, International Investment Position, Statistics Canada
- **Mr. Gerrit van den Dool**, Senior Economist/FDI Manager, de Nederlandsche Bank, Netherlands
- **Mr. Thomas Hatzichronoglou**, Senior Economist, OECD Directorate

	<p>for Science, Technology and Industry.</p> <ul style="list-style-type: none"> <li>• <b>Dr. Anne Miroux</b>, Head, Investment Analysis Branch, Division on Investment and Enterprise, UNCTAD</li> </ul> <p><b>Background</b></p> <p>In 2004 the OECD started to examine how international statistical standards with respect to FDI needed to be updated and improved. Four years later, this discussion has culminated in the <i>OECD Benchmark Definition of Foreign Direct Investment, 4<sup>th</sup></i> (BMD4). BMD4 is the new international standard to measure FDI. It also provides elements of clarification to users of statistics and attempts to describe the relationship between FDI financial flows and stocks and the activities of direct investment enterprises controlled by non-residents (statistics more generally referred to as the statistics on the Activities of MNEs).</p> <p>This session will address some of the key features of the BMD4 as well as future challenges for FDI statistics, including:</p> <ul style="list-style-type: none"> <li>• How will BMD4 help to improve analytical work on FDI and globalisation? What are the remaining challenges?</li> <li>• What are the possibilities for improving crucial data for policy making without increasing the burden? Are there other series that we currently measure that have become obsolete for policy purposes in the context of globally exposed economies?</li> <li>• What is the importance of consistency between FDI data and data on the activities of MNEs? How, in the context of increasing globalisation, can the various data sources available be used to provide insights not only into the economic aspects of FDI in the economies concerned but also its social impact?</li> </ul>
<b>12:30-14:00</b>	Lunch break and poster sessions (see separate programme – annex 2)
<b>Closing Session</b>	<b>Investment globalisation: Tomorrow’s challenges and opportunities</b>
<b>14:00-15:00</b>	<p><b><u>Closing keynote panel (Room 13-15)</u></b></p> <p><b>Chair: Mr. Manfred Schekulin</b>, Chair, OECD Investment Committee</p> <p><b>Speakers:</b></p> <ul style="list-style-type: none"> <li>• <b>Madame Qiu Lixin</b>, Deputy Director-General, Foreign Investment Administration, Ministry of Commerce, People’s Republic of China</li> <li>• <b>Dr. Karl P. Sauviant</b>, Executive Director, Columbia Program on International Investment, Columbia Law School – Earth Institute</li> <li>• <b>Mr. John Evans</b>, Secretary General, Trade Union Advisory Committee to the OECD</li> <li>• <b>Mr. Tadahiro Asami</b>, Secretary General, Business Industry Advisory Committee to the OECD</li> </ul>
<b>15:15 – 16:45</b>	Advisory Expert Group (see Annex 4 for members’ list), Room XX (closed session)

## **Annex 1. Background documentation by session<sup>3</sup>**

### **Session 1.1. Investment policy** (documents available at [www.oecd.org/daf/investment](http://www.oecd.org/daf/investment))

#### OECD Documentation

OECD (2008). “Investment Policy for Investment: A User’s Toolkit” (Draft chapter for the PFI User’s Toolkit).

OECD (2006). *Policy Framework for Investment*.

OECD (2006). “Investment Policy”, in *Policy Framework for Investment: A Review of Good Practices* (Chapter 1).

#### External documentation

Bellak, Christian, M. Leibrecht, and R. Stehrer (2008). Policies to attract foreign direct investment: An industry-level analysis.

BETTAIEB, Mahmoud Anis (2008). La protection de l’investissement étranger au Maghreb.

Gugler, Philippe and Lamia Ben Hamida (2007). How the PFI may contribute to a more coherent international policy framework on investment? NCCR Trade Working Paper No 2007/27.

UNCTAD (2008). *The Investment Policy Review Programme: A Framework for Attracting and Benefiting From FDI*.

UNCTAD (2008). *Promoting Investment for Development: Framework for Case Studies of Best Practices in Foreign Direct Investment*.

UNCTAD (2007). *Best Practices for Creating an Environment Conducive to Development, Growth and Investment*. Note by the UNCTAD Secretariat.

UNCTAD (2006). Current Series on FDI and Development No. 2: *Measuring Restrictions on FDI in Services in Developing Countries and Transition Economies*.

### **Session 1.2. Trade policy**

#### OECD documentation

OECD (2008). “Trade Policy for Investment: A User’s Toolkit” (Draft chapter for the PFI User’s Toolkit).

Bartók, C. and S. Miroudot (2008). “The Interaction amongst Trade, Investment and Competition Policies”, OECD Trade Policy Working Paper No. 60, TAD/TC/WP(2007)2/FINAL.

OECD (2006). *Policy Framework for Investment*.

---

<sup>3</sup> Conference documentation is available on the conference website ([www.oecd.org/investment/gfi7](http://www.oecd.org/investment/gfi7)). UNCTAD documents can be obtained at [www.unctad.org](http://www.unctad.org).

OECD (2006). *Policy Framework for Investment: A Review of Good Practices*, “Trade Policy”, pp. 53-88 (Chapter 3).

#### External documentation

Duval, Yann (2008). “Trade and investment linkages and policy coordination : Lessons from case studies in Asian developing countries”.

ODI Briefing Notes (Karen Ellis) (2008). “The contribution of services to development and the role of trade liberalisation and regulation” (DFID, United Kingdom).

PricewaterhouseCoopers (2007). Sustainability Impact Assessment of the EU-ACP Economic Partnership Agreements

UNCTAD (2007). Current Series on FDI and Development No. 5: *Elimination of TRIMS: The Experience of Selected Developing Countries*.

UNCTAD (2005). UNCTAD Current Series on FDI and Development No. 1: TNCs and the Removal of *Textiles and Clothing Quotas*.

### **Session 1.3. Competition policy**

#### OECD documentation

OECD (2008). “Competition Policy for Investment: A User’s Toolkit” (Draft chapter for the PFI User’s Toolkit).

OECD (2006). *Policy Framework for Investment*.

OECD (2006). *Policy Framework for Investment: A Review of Good Practices*, “Competition Policy”, pp. 89-102 (Chapter 4)

OECD (2004), *OECD Global Forum on Competition: Preventing Market Abuses and Promoting Economic Efficiency, Growth, and Opportunity*. Paris.

#### External documentation

Department for International Development (DFID, UK) (2008). *Competition Assessment Framework: An Operational Guide for Identifying Barriers to Competition in Developing Countries*.

Sengupta, Rijit and Cornelius Dube (2008). “Competition policy enforcement experiences from developing countries and implications for investment” (CUTS Centre for Competition, Investment and Economic Regulation, Jaipur, India).

UNCTAD (2004). *Competition*. UNCTAD Series on Issues in International Investment Agreements.

## **Session 1.4. Tax policy**

### OECD Documentation

OECD (2008). "Tax Policy for Investment: A User's Toolkit" (Draft chapter for the PFI User's Toolkit).

OECD (2007). *Tax Effects on Foreign Direct Investment: Recent Evidence and Policy Analysis*, OECD Tax Policy Studies No. 17.

OECD (2006). *Policy Framework for Investment*.

OECD (2006). *Policy Framework for Investment: A Review of Good Practices*, "Tax Policy", pp. 103-124 (Chapter 5).

OECD (2005). *Model Tax Convention on Income and on Capital*.

## **Session 2.1 International investment and innovation**

### OECD documentation

OECD (2007). "The location of investment of multinationals linked to innovation".

OECD (2007). "Intellectual assets and international investment", in *International Investment Perspectives*, chapter 7.

OECD (2006). "Globalisation, new technology and international investment", in *International Investment Perspectives*, chapter 2.

OECD (2006). "Outward direct investment: What benefits to the home countries?", in *International Investment Perspectives*, chapter 4.

### External documentation

Albanese, Alessandro, Marcella Nicolini and Lucia Piscitello (2008). "The impact of the entry of foreign MNEs in service sectors on the productivity of domestic manufacturing firms: Evidence on vertical spillovers in Italy".

Guimon, José (2008). "Government strategies for attract R&D-intensive FDI".

Günther, Jutta, Johannes Stephan and Björn Jindra (2008). "How does FDI interact with domestic innovation systems: Evidence from East Germany".

UNCTAD (2006). *Globalization of R&D and Developing Countries*. Proceedings of an Expert Meeting.

UNCTAD (2005). *World Investment Report 2005: Transnational Corporations and the Internationalization of Research and Development*

Voinea, Liviu (2008). "Market concentration and innovation: Evidence from foreign affiliates in Central and Eastern Europe".

Xiaolan Fu (2007). "Foreign direct investment, absorptive capacity and regional innovation capabilities: Evidence from China" (forthcoming in Oxford Development Studies).

## **Session 2.2. The policy framework for investment: the social and environmental dimensions**

### OECD documentation

OECD (2008). *Update on Environment and Regional Trade Agreements: Developments in 2007*.

OECD (2008). "International Investment Agreements: A survey of Environmental, Labour and anti-corruption issues".

OECD (2007). *Environment and Regional Trade Agreements*.

OECD (2005). *Environment and the OECD Guidelines for Multinational Enterprises*.

OECD (various years). *Annual Report on the Guidelines for Multinational Enterprises*.

### External documentation

UNCTAD (2008). *Guidance on Corporate Responsibility Indicators in Annual Reports*.

UNCTAD (2006). *Guidance on Good Practices in Corporate Governance Disclosure*.

UNCTAD (2005). *Positive Corporate Contributions to the Economic and Social Development of Host Developing Countries*. Note prepared by the UNCTAD Secretariat.

## **Session 2.3. The policy challenges of involving private investment in key primary sectors: the water and energy sectors in focus**

### OECD documentation

OECD (2008). *Private Sector Participation in Water and Sanitation Infrastructure*.

OECD (2008). *2008 Investment Policy Review of the Russian Federation: Russia's Energy Investment Policy* (draft).

OECD (2007). *OECD Principles for Private Sector Participation in Infrastructure*.

### External documentation

Best practices in promoting investment for development: with special reference to infrastructure development in Sub-Saharan Africa, *Hon. Professor Semakula Kiwanuka*

Policies for Promoting Investment in Energy Sustainability A Case of Biogas Sector of Nepal,  
*Dr. Govind Nepal*

Leveraging the Peer Review Process for greater ownership of reforms to promote investment for development: The case of Uganda, *Warren Nyamugasira and Silvia Angey Ufoyuru*

## **Session 2.4. Policy coherence for development: New approaches**

### OECD documentation

OECD (2007). Investment guarantees and political risk insurance: Institutions, incentives, and development.

OECD (2007). *Business for Development 2007*.

OECD (2006). *OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones*.

OECD (2006). *Promoting Private Investment for Development: The Role of ODA*.

### External documentation

Sims, Emily (2008). “The promotion of respect for workers’ rights in the banking sector: Current practice and future prospects”.

## **Session 2.5. The revised Benchmark Definition (BMD): Adapting FDI data to the new realities of the global economy**

### OECD documentation

OECD (2008). *OECD Benchmark Definition of Foreign Direct Investment: 4<sup>th</sup> Edition* (Draft revision).

### External documentation

Improving Analysis of Foreign Direct Investment, *Paul Mahoney*

Multiple indicators for multiple uses: United States statistics on Foreign Direct Investment,  
*Obie G. Whichard*

Adapting FDI statistics to today's world, *Pierre Sola*

UNCTAD (2006). *World Investment Report 2006: FDI from Developing and Transition Economies: Implications for Development*.

### **Breakfast session 1. New frontiers in investment promotion**

Allard, Gayle, and Candace Agrella Martinez (2008). “The influence of government policy and NGOs on capturing private investment”.

Axèle, Giroud and Botelho Delane (2008). “Policies promoting MNE linkages in host economies: A comparison between Brazil and Malaysia”.

Bellak, Christian, M. Leibrecht and R. Stehrer (2008). “Policies to attract foreign direct investment: An industry-level analysis”.

Dirks, Susanne, Mary Keeling and Ronan Lyons (2008). “Economic development in a Rubik’s Cube world”, IBM Global Business Services, IMB Institute for Business Value.

Kudina, Alina and Malgorzata Jakubiak (2008). “The motives and impediments to FDI in the CIS”.

OECD (2006). *Policy Framework for Investment*.

OECD (2006). *Policy Framework for Investment: A Review of Good Practices*, “Investment promotion and facilitation”, pp. 33-52 (Chapter 2).

UNCTAD (2007). *Aftercare: A Core Function in Investment Promotion*, Investment Advisory Series A, number 1.

UNCTAD (2008). *Investment Promotion Agencies as Policy Advocates*, Investment Advisory Series A, number 2.

World Bank, Multilateral Investment Guarantee Agency (2008). “Harnessing ICT for FDI and Development”.

Zanatta, Mariana, Edilaine Camillo, Flávia Consoni, and Pollyana Varrichio (2008). “Investment promotion agencies and the world competition for foreign direct investment: A survey of institutional frameworks”.

### **Breakfast session 2. The Columbia Emerging Market Global Players Project**

Information on the Columbia Emerging Market Global Players Project can be found at:  
[www.cpii.columbia.edu](http://www.cpii.columbia.edu)

World Bank, Multilateral Investment Guarantee Agency (2008). “‘South-south’ FDI and political risk insurance: challenges and opportunities” in Perspectives ([www.pri-center.com/documents/south\\_south/report.pdf](http://www.pri-center.com/documents/south_south/report.pdf)).

### **Breakfast session 3. Measuring the business climate**

MENA-OECD (2007). “Making reforms succeed : Moving forward with the investment policy agenda”, Ministerial Declaration of the MENA-OECD Investment Programm, November 2007.

OECD-World Bank (2007). “Proposal: Business Climate Development Strategy”

World Bank, FIAS (2008). “FDI indicators project overview”.

**Breakfast session 4. The IISD Model International Agreement on Investment for Sustainable Development and stocktaking of investment incentives**

Mann, Howard, Konrad von Moltke, Luke Eric Peterson, and Aaron Cosbey (2006). *IISD Model International Agreement on Investment for Sustainable Development: Negotiators' Handbook* (second edition) (IISD).

Thomas, Kenneth (2007). "Investment Incentives: Growing use, uncertain benefits, uneven controls: An exploration of government measures to attract investment", (Global Subsidies Initiative, IISD).

Information on IISD publications can be found at: [www.iisd.org](http://www.iisd.org)

## **Annex 2. Poster sessions**

The following poster sessions will remain on display for the duration of the conference in the business centre beside the plenary conference hall, along with a photographic exhibit of past investment-related OECD events and various high-level participants.

WAIPA

BIAC

TUAC

SOMO

Columbia Programme on International Investment

MIGA

IFC

International Trade Centre

IC Publications, Africa Business Magazine

CUTS International

University of Michigan

Africa Confidential

ILO

### **Annex 3. Breakfast session agendas 28 March 2008, 08:00 – 10:00**

#### **Breakfast session 1: New frontiers in investment promotion (Room 1)**

**Sponsored by the World Association of Investment Promotion Agencies**

**Co-Chairs:** Mr. Kai Hammerich, President, World Association of Investment Promotion Agencies

**Discussants:**

- **Professor Gayle Allard**, Professor of Economic Environment and Country Analysis, Chair, Department of Economics, Instituto de Empresa, Madrid, Spain
- **Professor Christian Bellak**, Department of Economics, University of Economics Vienna
- **Dr. Douglas van den Berghe**, Partner, Investment Consulting Associates
- **Professor Axele Giroud**, Senior Lecturer in International Business, Manchester Business School, United Kingdom
- **Dr. Mary Keeling**, Managing Consultant, Global Centre for Economic Development Research, IBM Institute for Business Value
- **Professor Choong Yong Ahn**, Foreign Investment Ombudsman, Korea Trade-Investment Promotion Agency
- **Ms. Patricia de Lima Favaretto**, Associate Market Analyst, Market Analysis Section, International Trade Centre (ITC)
- **Professor Maria Birsan**, Babes-Bolyai University, Cluj-Napoca, Romania
- **Dr. Stephan Dreyhaupt**, Head of Investment Information Services, MIGA, World Bank, Washington D.C., United States
- **Ms. Mariana Zanatta**, Researcher, Technology research Institute, Sao Paulo, Brazil

#### **Background**

It has become clear to most governments in recent years that investment promotion and facilitation measures can make a difference. Multinational enterprises are sometimes slow to spot profitable investment opportunities and often hesitate before using local suppliers. But successful promotion is expensive and resources need to be used wisely. Some IPA roles are more useful than others, depending on the stage of development of the host economy and the existing stock of FDI in that country.

Investment promotion should complement, not compensate, for a poor investment climate. Without a suitable enabling environment, promotion might even be counterproductive. Similarly, underfunded IPAs might also make matters worse since an ineffectual IPA reflects badly on the overall investment climate in the eyes of investors. Successful IPAs are characterised by private sector participation on the board and strong political support. One-stop shops are not effective, if they do not help to simplify regulations and mandate a rapid response to investor requests from each relevant ministry.

The positive impact of an IPA may be indirect: through its role in helping to shape policy. The IPA is often the government interlocutor with investors and through its function as a one-stop shop is intimately aware of the complexity of local regulations. There is evidence that the more resources devoted to policy advocacy, the greater the inflows of investment. Agencies in poorer countries should consider also concentrating their efforts on satisfying existing investors than on spending money on expensive advertising campaigns and missions to potential home countries. An existing investor's recommendation is often the best promotional tool. In addition to the 'state of the art' in today's investment promotion community, this session will also consider examples of innovative approaches that could become tomorrow's new 'best practice'.

## **Breakfast session 2: The Columbia Emerging Market Global Players Project (Room 6)**

**Sponsored by the Columbia Program on International Investment, Columbia Law School and The Earth Institute, Columbia University**

**Chair:** **Dr. Karl P. Sauvant**, Executive Director, Columbia Program on International Investment, Columbia Law School and The Earth Institute, Columbia University

### **Discussants:**

- **Mr. Alvaro Cyrino**, Professor and Researcher, Center on International Business, Fundação Dom Cabral, Brazil
- **Mr. Alexander Mansilya–Kruz**, Research Department , Moscow School of Management SKOLKOVO, Russia
- **Dr. Marjan Svetlicic**, Faculty of Social Sciences, Slovenia
- **Mr. Andrea Goldstein**, Deputy Director, Heiligendamm Dialogue Process

### **Background**

Outward foreign direct investment (FDI) from emerging markets reached over \$200 bn in 2006 – some four times world FDI flows 25 years ago. This panel will examine some of the forces driving the rise of emerging market multinationals and, in particular, some of the challenges facing them, based on work done in the framework of the Emerging Market Global Players Project.

The Emerging Market Global Players Project (EMGP) is a collaborative effort led by the Columbia Program on International Investment. It brings together researchers on FDI from leading institutions in emerging markets to generate annual rankings of emerging market MNEs, with a view toward understanding their rise, the difficulties they face and the impact they have on host countries and the world FDI market. Rankings for Brazil and Russia have already been released (see [www.cpii.columbia.edu](http://www.cpii.columbia.edu)); others are to follow.

## **Breakfast session 3: Measuring the business climate (Room 2)**

**Chair:** Mr. Rainer Geiger, Deputy Director, OECD Directorate for Financial and Enterprise Affairs

### **Discussants:**

- **Mrs. Zoubida Allaoua**, Sector Manager, Finance and Private Sector Development Social and Economic Development Group, Middle East and North Africa Region, World Bank.
- **Mr. Peter Kusek**, Investment Policy and Promotion Specialist, FIAS, World Bank Group
- **Mr. Sean Dougherty**, Senior Economist, OECD Economics Department: *Going for Growth* and the Structural Policy Indicators
- **Ms. Blanka Kalinova**, Senior Economist, OECD investment Division: The OECD FDI Regulatory Restrictiveness Index.

### **Overview**

An attractive business climate and a vibrant private sector are fundamental to economic growth and employment. However the extent to which a business climate is attractive in any particular country depends on many factors, including political stability, market size, macroeconomic policy and structural policies at the microeconomic level in areas such as investment, trade, tax, competition, labor policy, financial sector, corporate governance, and anti-corruption. The quality of infrastructure and human capital development are also essential. This session will address a number of key questions concerning business climate metrics, including:

- Which factors are most important for the business climate?
- How can these be measured?
- To what extent can existing measurements of the business climate be improved?
- How can business climate measurements best be applied to promote reform?

## **Breakfast session 4: The IISD Model International Agreement on Investment for Sustainable Development and stocktaking of investment incentives (Room 13-15)**

**Sponsored by the International Institute for Sustainable Development**

**Chair:** **Mr. Howard Mann**, Senior International Law Advisor, International Institute for Sustainable Development, Canada

### **Discussants:**

- **Dr. Walid Ben Hamida**, Maître de Conférences, Université d'Evry Val-d'Essonne et Sciences Po Paris
- **Ms. Anna Joubin-Bret**, Senior Legal Advisor, Division on Investment and Enterprise, UNCTAD
- **Professor Philippe Sands QC**, Professor of Law, University College London, and Barrister, Matrix Chambers
- **Professor Kenneth P. Thomas**, Department of Political Science, University of Missouri, United States

### **Background**

IISD's Model International Agreement on Investment for Sustainable Development was launched in April, 2005. Since then, there have been a number of developments in the international investment law regime, and other areas of relatively little change. This breakfast session will begin with a brief review of the IISD Model Agreement by its lead author, Howard Mann of IISD. The presentation will highlight not so much the details of the draft text, but the policy goals they reflect.

The IISD Model Agreement was developed to accomplish two things: provide some language alternatives on key issues and subjects in investment negotiations was one goal. But the more important one was to set an agenda for a new direction in international investment agreements. Following the initial presentation of the content of the IISD Model Agreement, the discussion will turn to commentary on its role or impact on the public discourse on the direction of the international investment law regime. In many ways, cause and effect cannot be tied, and some trends will have been noted before April 2005. But, certainly, some of the clearer developments since 2005 are reflected in the policy agenda that underpins the IISD Model. In other cases, it is likely little change can be identified.

The IISD Model Agreement sets one direction for promoting best practices in international investment for *sustainable* development. The discussion will be focused not on bouquets and brickbats for the Model Agreement itself, but on whether the investment regime is beginning to evolve in the manner developed in the Model Agreement, in other directions, or not at all.

#### **Annex 4. Members of the GFI Advisory Expert Group (Room E, Chateau)**

**Professor Yves Doz**, Timken Chaired Professor of Global Technology and Innovation, INSEAD, France

**Professor Philippe Gugler**, Dean, Faculty of Economics and Social Sciences, University of Fribourg

**Professor Philippe Sands**, Q.C., Matrix Chambers and University college London, United Kingdom

**Professor Semakula Kiwanuka**, Minister of Investment, Uganda

**Dr. Karl P. Sauvart**, Executive Director, Columbia Program on International Investment – Earth Institute

**Dr. Mahmoud Mohieldin**, Minister of Investment, Egypt

**Professor Jean-Louis Mucchielli**, l'Université de Paris 1, France

**Professor Xiaolan Fu**, Director of the Sanjaya Lall Programme for Technology and Management for Development, Univeristy of Oxford, United Kingdom