

## **Sixth Roundtable**

### **Facilitating Investment for Sustainable Development**

**Organized by the World Economic Forum and the International  
Centre of Trade and Sustainable Development**

**Geneva, 30 October 2017**

**Opening remarks by Karl P. Sauvant, Resident Senior Fellow, CCSI,  
Columbia University**

#### **Panel: Scene setting**

Mr. Chairman,

Ladies and gentlemen, I think we have come a long way since we discussed and then suggested the idea of an international investment facilitation agreement in the E15 Task Force on Investment Policies in 2015.

The report<sup>1</sup> of the Task Force was issued after the WTO Trade Facilitation Agreement had been negotiated and not long before it came into force.

It was, therefore, almost logical that the Task Force suggested an investment facilitation agreement: for, in a world of global value chains, trade facilitation deals with one side of the equation, so to speak, while investment facilitation deals with the other side of the equation.

The Task Force report laid out a number of elements that could be considered when discussing an investment facilitation agreement. Moreover, it suggested, as one option, to launch negotiations of an investment facilitation agreement in the WTO, to complement the Trade Facilitation Agreement.

As I said, we have come a long way since then. UNCTAD has picked up the idea and developed its action menu for investment facilitation.<sup>2</sup> The

OECD has addressed the issue. The G-20 discussed it. And in the WTO, the Friends of Investment Facilitation for Development have dealt with this matter intensely during this year (2017), taking the baton, so to speak, from the G20.

Investment facilitation is now firmly inscribed on the international economic agenda. There is even a chance, I understand, that the WTO's 11<sup>th</sup> Ministerial in Buenos Aires in December of this year may give a formal mandate to conduct a structured discussion on investment facilitation in the WTO.

Actually, I think that should be a no-brainer: all countries, without exception, seek to attract FDI to help them advance their development. After all, FDI represents a package of tangible and intangible assets that can complement domestic resources to advance economic growth and, more broadly, to achieve the Sustainable Development Goals—we all know that. So it is logical to examine how the flow of FDI can be facilitated.

But the issue is not only to facilitate *higher* FDI flows per se, but with the clear objective in mind that these FDI flows should *contribute as much as possible to sustainable development*. We will discuss this matter further during another session of this Roundtable. This later discussion will bring in the results of work undertaken in a parallel track of Roundtables during which an effort was undertaken to operationalize the concept of “sustainable FDI” by elaborating “FDI sustainability characteristics”. (A paper on this topic is available to you.<sup>3</sup>)

We all know, of course, that facilitating not only *more* FDI but, indeed, *more sustainable* FDI is a very difficult task. But I think that, in a world in which the SDGs have become the lodestar of national and international policy making, we need to focus on *sustainable FDI for sustainable development*.

Given all these developments, the challenge is now to turn our general discussions and ideas into treaty texts.

In this respect, we are fortunate in that this has already been done, in the form of a “non-paper” prepared by Brazil and entitled “Investment

Facilitation Agreement”. It clearly outlines, as you know, the principal elements of an investment facilitation agreement and also—and equally important—it indicates what such an agreement should **not** cover. In particular, it focuses entirely on a number of technical matters of investment facilitation and leaves aside such controversial issues as protection and dispute settlement. It follows in this respect the approach of the Trade Facilitation Agreement.

I understand that the Brazilian non-paper is a living document—in other words, Brazil recognizes that it could be improved. This is of course why this present Roundtable is important: the Roundtable can generate further ideas on how an agreement on investment facilitation might look like.

In fact, perhaps we can go even further, if I may be so bold to suggest and, of course, assuming that our Brazilian colleagues do not object: perhaps we could turn this series of Roundtables into an informal “Investment Facilitation Commentary Group” that provides concrete feedback on the Brazilian and other texts. To be helpful, such a Commentary Group would have to consist primarily of practitioners, namely representatives of investment promotion agencies, the international business community and investment service providers, who have a direct and concrete experience with the range of issues surrounding the facilitation of investment flows.

Such a Commentary Group could also be available to the Friends of Investment, if so desired.

And, as such a Commentary Group would not be intergovernmental, it would allow for free and unencumbered discussions outside the confines of an intergovernmental setting, in order to explore concrete ideas and suggestions.

If you—and especially Brazil—should find this an interesting idea, perhaps one could convince the WEF and ICTSD to organize such a Commentary Group.

Thank you very much for your attention.

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<sup>1</sup> Karl P. Sauvant, on behalf of the E15 Task Force on Investment Policy, “The Evolving International Investment Law and Policy Regime: Ways Forward. E15 Task Force on Investment Policy – Policy Options Paper” (Geneva: International Centre for Trade and Sustainable Development and World Economic Forum, E15 Initiative, 2016), available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2721465](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2721465); see also Karl P. Sauvant, “We Need an International Support Programme for Sustainable Investment Facilitation,” *Columbia FDI Perspectives*, no. 151 (6 July 2015) (available at [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2896212](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2896212)), based on Karl P. Sauvant and Khalil Hamdani, “An International Support Programme for Sustainable Investment Facilitation,” International Centre for Trade and Sustainable Development (ICTSD), July 2015.

<sup>2</sup> See, UNCTAD, “Global Action Menu for Investment Facilitation”, available at: <http://investmentpolicyhub.unctad.org/Publications/Details/148>.

<sup>3</sup> Karl P. Sauvant and Howard Mann, “Towards an Indicative List of FDI Sustainability Characteristics” (Geneva: ICTSD and WEF, Oct. 2017), available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3055961](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3055961), <http://ccsi.columbia.edu/2017/10/24/towards-an-indicative-list-of-fdi-sustainability-characteristics/> and <http://e15initiative.org/publications/towards-an-indicative-list-of-fdi-sustainability-characteristics/>.