



Achievements and Challenges ahead

Reflection by James X. Zhan, Director of Investment and Enterprise, UNCTAD



“

This Forum is a good example of a multi-stakeholder approach.

Ms. **Tarja Halonen** President of Finland at WIF 2008

”



“

Development without investment is impossible. I applaud the holding of the World Investment Forum.

Benjamin Mkapa, President of Tanzania at WIF 2008

”

The UNCTAD World Investment Forum is the pre-eminent global platform for policy debate on investment for development. The Forum devises strategies and solutions and facilitates multi-stakeholder action to address global investment and development challenges. The Forum offers participants a unique opportunity to influence investment-related policymaking, shape the global investment environment, and to network with global leaders in business and politics.

2018 marked the ten-year anniversary edition of the Forum – an occasion to reflect on the achievements and milestones over the past decade.

The WIF was established in 2008 based on a profound thought: to fill a systemic gap in global economic governance. At the international level economic governance has several pillars, including a multilateral monetary system embodied by the IMF and a multilateral trading system in the WTO. But there is no equivalent for international investment policy. The current de facto regime is governed by thousands of bilateral and regional agreements. In the absence of a multilateral system for cross-border investment, the WIF could provide a global platform to gather policymakers, the private sector and other key stakeholders for high-level discussion and action to shape international investment policy.

WIF 2008–2018 in numbers

	2008	2010	2012	2014	2016	2018
Events	20	36	24	50	38	75
Heads of State	6	9	7	7	3	11
Ministerial Officials	65	79	88	84	87	85
Business Leaders	60	116	60	87	68	102
Participants	990	1.800	1.400	3.000	3.400	6.600
Partner Organizations	11	36	23	60	31	88

Our idea was to supersede the conventional approach to global investment policymaking – intergovernmental negotiations – by providing a platform for inclusive and comprehensive dialogue among the whole gamut of investment-development stakeholders that would gradually lead to consensus on investment policies and norms. We envisaged a virtuous cycle of policymaking, from proposals and policy options based on our policy research, through multi-stakeholder deliberations and consensus building at WIF, to policy implementation in the field supported by our technical assistance, to feeding back lessons learnt into further policy research and formulation. This has proved a viable and pragmatic approach to shape a new generation of international investment policy – a “soft approach to global investment policymaking” as I call it, as opposed to the hard negotiations-based approach. Progress is feasible, and effective, as long as the three dimensions (policy research – norm setting – technical assistance) are well integrated and properly strategized, with the overarching objective to promote sustainable investment and prosperity for all.

In its objectives, its timing and its approach, the establishment of the WIF proved prescient. The past decade has been one of sweeping change in the global economy and in our development paradigm, precipitated by the most devastating global financial crisis since the 1930s. The crisis underscored the necessity for action-oriented dialogue between key stakeholders across the public and private sectors, including business and business associations, civil society, academia and international organizations.

The WIF has seen several milestone achievements over the years. Just to highlight a few:

- **WIF 2008** was held in Accra, where the conversation centered around the three-pronged global crisis – financial, food and fuel (the three Fs). The Forum, in partnership with the World Association of Investment Promotion Agencies, formulated strategies for boosting global investment at the time of the crisis. Among the noteworthy outcomes was a set of Principles for Responsible Investment in Agriculture, which were subsequently endorsed by the G20, followed by the UN General Assembly. The UNCTAD *Investment Advisory Series*, a pragmatic tool for investment promotion agencies, was also launched at the Forum.
- **WIF 2010** was held in Xiamen, with the world seeing the first signs of recovery from the crisis. The Forum engaged new players such as stock exchanges, sovereign wealth funds, pension funds and other institutional investors to put investment in sustainable development firmly on their agenda. The WIF hosted the first Global Dialogue of the UN Sustainable Stock Exchanges Initiative, whose membership has now grown to 90 stock exchanges worldwide with a combined market capitalization of almost \$90 trillion and more than 50,000 listed companies.
- **WIF 2012** was held in parallel with the UNCTAD 13 Ministerial Conference in Doha. The Forum launched the *Investment Policy Framework for Sustainable Development* (IPFSD) which has since underpinned the emergence of a new generation of investment policies and spearheaded a global drive to reform the international



“

The World Investment Forum... played a positive role in improving the global investment environment and promotion of investment cooperation.

Mr. **Xi Jinping**, President of China, opening statement at the WIF 2010

”



“

We know that as we recover from the financial crisis that swept the entire globe, we will have more opportunities to accelerate investment and to encourage sustainable development in even more of the world's poorest countries. The World Investment Forum provides an essential platform for the international community to do just that.

Mr. **Bill Clinton**, former President of the United States. Filmed message to WIF 2012

”



We need a strong and realistic business plan to finance fair and efficient sustainable development. . . The latest UNCTAD World Investment Report showed this and proposed an action plan that offers a promising path.

Didier Burkhalter, President of Switzerland at WIF 2014



The World Investment Forum has been a trailblazer, mobilizing the global business community to play a key role by investing in ways that will support the achievement of the SDGs.

Ban Ki-moon, UN Secretary-General video message to WIF 2014



investment treaty regime: more than 150 countries have since used the IPFSD to modernize their national regulatory frameworks for investment and to reform their investment treaty networks. WIF2012 also provided rich inputs to the formulation of our *Entrepreneurship Policy Framework*, which filled an important policy gap in developing countries.

- **WIF2014** was held in Geneva at a crucial time for the development community, as world leaders were in the process of formulating the Sustainable Development Goals, which were adopted in 2015. With the first authoritative estimate for the SDG investment gap (\$2.5 trillion annually in developing countries), we put forward the *Action Plan for Investing in the SDGs*, consisting of six sets of transformative actions to mobilize funds, channel them towards investment in sustainable development, and maximize positive impact. The Forum reviewed and elaborated on the proposed actions and called for a Big Push for private investment in the SDGs.
- **WIF 2016** was held in conjunction with the UNCTAD 14 Ministerial Conference in Nairobi. It gave impetus to development-oriented outcomes with the launch of the Global Action Menu for Investment Facilitation, which has since played an important role in shaping the global debate on an important slice of investment policy, including at the G20 and WTO. WIF2016 also provided a timely global platform for formulating an implementation strategy for our *Reform Package for the International Investment Regime*, launched in 2015. In addition, we strengthened the focus on the downstream parts of the investment chain where impact is most visible, for example through new policy guidance to boost entrepreneurship development, including among women and youth.
- **WIF 2018** in Geneva saw the emergence of a realization among policymakers and business leaders that we are on the brink of a new era of globalization, with new challenges and opportunities for countries to use investment for structural transformation, industrial diversification and sustainable development. Considering the investment-dependent industrial policies adopted by more than 100 countries since the start of the decade, the Forum debated a framework for investment policymaking for a new generation of industrial development strategies. It also built on the theme of investing in the SDGs, launching a set of core indicators for SDG reporting by companies, a Policy Toolbox for Financing the SDGs, and an Entrepreneurship Policy Guide for Migrants and Refugees.

These selected highlights reflect the relevance and results-oriented nature of the WIF, which is also echoed in the rising numbers, geographic diversity, and prominence of participants. From a modest debut with fewer than 1,000 participants in Accra in 2008, successive Fora have steadily grown larger. WIF 2018 in Geneva drew more than 6,600 participants from 150 countries, and many were key decision-makers in governments and business.

As the WIF evolved, it broadened its scope to encompass the full spectrum of upstream and downstream investment stakeholders, thereby integrating sustainable development into what I call the “investment value chain”. This has proved paramount in amplifying development-oriented outcomes.

The Forum embraces a partnership approach, in step with our investment value chain perspective, which naturally needs to engage many actors. This approach has proved pragmatic, zooming in on key emerging issues from multiple angles and sectors and thereby yielding actionable outcomes that are broad, yet concrete and inclusive. We have partnered with close to 100 lead institutions to co-organize specialized sessions during the WIF.

Looking ahead, as the WIF prepares for the future, I see three key challenges for the global investment-development community that the Forum will need to address. They include:

- 1. Changes in global economic governance.** Fragmentation in international economic policymaking, and especially in trade and investment policy, including increasing regionalism and protectionism, systemic competition between economic powers, and shifts in national economic policymaking from liberalization to regulation and intervention.
- 2. Technological change and the new industrial revolution.** Potentially far-reaching consequences for the configuration of global value chains with important implications for development, growth depending on investment in new sectors, and the risk of premature de-industrialization.
- 3. The sustainable development imperative.** Climate change adaption will impact global supply chains and the sustainability drive will affect the operations of multinationals, leading to new patterns of investment and different investment-development outcomes.

Together these developments will have profound consequences for the new era of globalization and structural transformation in the decade ahead, posing a series of challenges and opportunities for all stakeholders along the investment chain and for the investment-development community at large.

The WIF will continue its mission, that is to provide a universal and inclusive platform for investment stakeholders to effectively address key and emerging investment-development issues and to formulate strategies to maximize the contribution of investment to sustainable development and prosperity for all.

With stakes as high as these, the World Investment Forum is on a path to ever greater success in its second decade ahead.



“

The WIF is a great opportunity to discuss together how we can stimulate investment that contributes to productive capacity.

Uhuru Kenyatta, President of Kenya at WIF 2016

”



“

The fact this forum has been active for a whole decade is the proof of how important it is...The forum has become a significant place for genuine dialogue of thousands of participants from various fields that work together to improve the global investment environment.

H.E. Mr. Milo Đukanovic, President of Montenegro at WIF 2018

”