

Annual Meeting of OECD Sustainable Development Experts

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“Promoting Sustainable Investment, Production
and Innovation”

Howard Mann

Senior International Law Advisor

International Institute for Sustainable Development

h.mann@sympatico.ca

Tel: +1 613 286 5383

www.iisd.org/investment

Agenda

- What is the problem?
 - Nature and scope of SD
- Responses to the Problem
 - “governance”
 - Getting real
- Getting real
- Getting there
- OECD Internal Governance and SD
- Try to integrate some quick reactions to some comments on Monday morning

The Problem

- Achieving Sustainable Development
 - Definition: Three pillars
 - Environmental
 - Social
 - Economic
 - “Sustainable Development” or other terms?

The Problem

- OECD Work programme: nature and scale
 - Country reviews
 - Measurement and assessment
 - OECD responses within AMSDE and beyond

Responses to the Problem

- OECD:
 - Governance
 - Country level
 - Internal?
- But much more needed, not policies but on the ground: let's get real
 - we need real changes, not just policies and governance
 - What are the real changes?

Getting Real

- Sustainable Development is an investment problem

WHAT'S MORE:

- The investments made TODAY will determine whether we achieve sustainable development TOMMOROW
- Real Changes needed: sustainable investments

Responses to the Problem

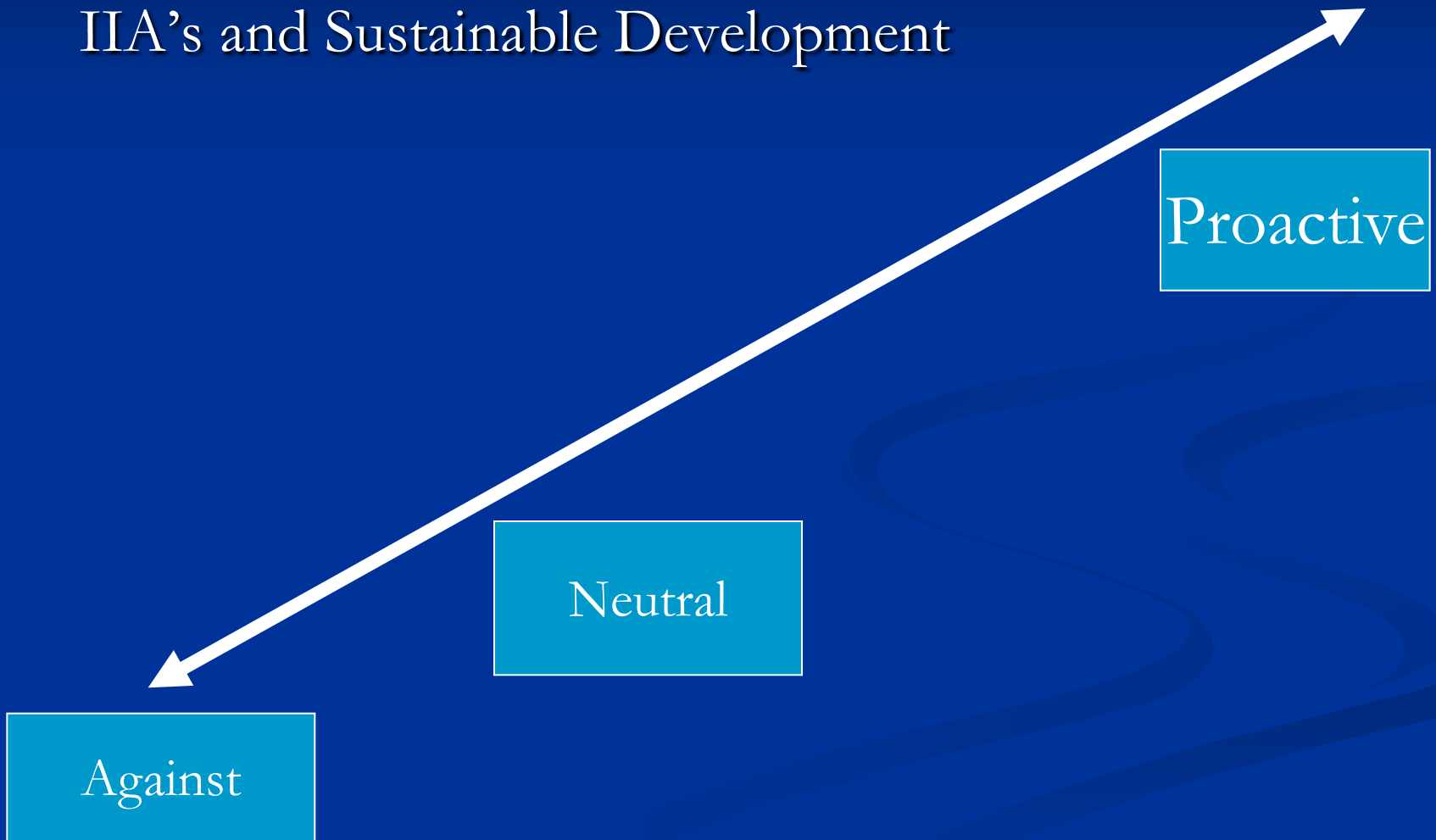
- OECD Approach to date:
 - Investments, left to the market, will produce development and SD
 - OECD Environment Outlook, among others, says this is not true
 - “external costs”
 - Focus on CSR: Policy Framework for Investment, Guidelines, etc.
 - Cannot achieve SD by CSR alone: market leaders not enough, and maybe not enough leadership
 - Climate debate in 1992-1993: leave it to us!

Responses to the problem: IIAs

- OECD heavily involved with current model of international investment agreements
- Against? Neutral? For?
- Now: not for except by chance, can work against
- Neutral: remove impediments to government measures to work for SD
- For: Proactive promotion of investment for sustainable development
 - Kyoto+ (2012+) an example
- Critical part of the response?

Responses to the problem: IIAs

IIA's and Sustainable Development



Responses to the problem: IIAs

- Do no harm

v.

- Do good

Responses to the problem: IIAs

- Do no harm:
 - No new tools needed, maybe beefing up existing ones, but need them across the board
 - Information:
 - EIA
 - Social impacts
 - human rights impacts
 - Transparency not just of investment rules but of government decisions
 - Anti-corruption (4 tribunals in last 2 years)
 - End avoidance of corporate liability through corporate law shields (apply EU model everywhere)
 - Good thing for OECD to do

Responses to the problem: IIAs

- Do good:
- Market forces alone not working
- Proactive tools:
 - Investor obligations in agreements that can be tested in arbitrations
 - Means to vitiate rights through legal process for non-compliance
 - Incentives should be available to states
 - Institutionalized regime needed, not ad hoc regime we have now

OECD Internal Governance for SD

- Investment not just an issue for the investment committee
- Sustainable investment must be a deliberate goal, not accidental or hoped for
- Swiss point: SD assessments of OECD committees:
 - Helps to know where you are to know how to move forward, prioritize
- AMSDE: Mainstream yes, but be vigilant too