



INVnet Biweekly Update, May 21, 2002

Recommended Citation

Ethical Governance Of Investment Network Bulletin, "INVnet Biweekly Update, May 21, 2002", Uncategorized, May 21, 2002, <https://nautilus.org/uncategorized/invnet-biweekly-update-ma-21-2002/>

LATEST REPORT

May 21, 2002

Volume 2, #04

Ethical Governance Of Investment Network Bulletin

1. [OECD re-launching the MAI?](#)
2. [Code 'is failing' to prevent rich companies from bribing officials](#)
3. [Mandatory social reporting--an idea whose time has come?](#)
4. [Philippines Back On US CalPERS Pension Fund Invest List](#)

OECD re-launching the MAI?

Contributed by Sander van Bennekom, ANPED International Secretariat

From 10 to 12 April the OECD Committee on Investment and Multinational Enterprises (CIME) met in Paris to discuss their work programme. The meeting included a session with NGOs, trade unions and business on the 11th. Negotiating global rules for investment is high on the agenda of the OECD-CIME, and they intend to make a serious contribution to the WTO programme on investment.

It is remarkable how little interest NGOs express in the CIME. Consultations with the WTO attract large crowds of NGOs, but there were no more than two NGOs (SOMO and ANPED) present at the OECD. When considering that most proposals for the global economic system originate in the OECD, there clearly is a need for more NGO capacity. Few people remember that it was the OECD-CIME, where the first drafts of the Multilateral Agreement on Investment (MAI) originated in 1995. Since the cancellation of MAI-negotiations in 1998, the Member States of the OECD have tried to get a mandate on investment negotiations in the WTO. Many participants of the CIME consider the outcome of the Doha Ministerial as a renewed mandate to start negotiations on investment, including many of the issues that were part of the MAI. Especially the business community wants increased access to foreign markets, whether it is through privatisation, mergers and acquisitions, (financial) services or Greenfield investment. Hence, the Doha statement will give the old believers in the MAI renewed confidence.

CIME and the WTO negotiations on investment Yet, the CIME seems to move too quick. The Doha statement explicitly links the negotiating agenda on investment issues to a decision (to be made by consensus) at the next Ministerial meeting of the WTO. Before that, the work on investment of the

WTO will be focused on clarification. Hence, we are far away from actual WTO negotiations on investment. The statements made by the CIME secretariat [in the document: Doha Development Agenda on Investment: Implications for CIME Work), DAF/IME(2002)1] suggest the opposite:

- "... the inclusion of investment in the post-Doha work programme and negotiating agenda is an important step supported by OECD Members..."

- "... The [CIME] Committee is ... particularly well positioned to make positive contributions to the Doha development agenda in this area."

The CIME gives the impression that the WTO is already negotiating on investment and preparing several proposals and strategic plans. Especially the business community puts the CIME under pressure to be more active in generating support from developing countries to accept a more liberal investment regime. But, they refuse to wait for a programme that will be negotiated with all WTO parties. Instead, they are trying to establish a greater authority over the development of rules on investment within the WTO! The CIME gave a clear indication that the OECD countries are still very anxious to move investment to the WTO. NGOs that were concerned about the MAI negotiations should pay much more attention to the developments in the CIME, if only because they are the most active think-tank on how to develop a new global regime on investment.

What can NGOs do?

There are many opportunities for NGOs to be more actively involved in the work of CIME. The CIME will hold the annual Roundtable on 'corporate responsibility in the supply chain' taking place on June 18 in Paris. This is a unique opportunity for NGOs to bring issues such as responsibility from multinational enterprises for subcontractors and affiliates to the public eye. In many ways, the CIME is the forum where business and industrialised countries first present their policy proposals. If NGOs do not participate in a dialogue with this forum, they will find it much harder to counter these proposals once they have reached the WTO.

Code 'is failing' to prevent rich companies from bribing officials

According to the Financial Times, bribery of foreign public officials by companies from rich countries is still rife in spite of an international convention to stamp it out.

Mandatory social reporting--an idea whose time has come?

The idea that companies can only improve their social and environmental impacts by measuring and reporting on them has become a truism. However, the multiplicity of codes and standards in existence and the diversity of expectations from NGOs and socially responsible investors makes it difficult for many companies to know where to begin, writes Peter Frankental in Ethical Corporation magazine.

Philippines Back On US CalPERS Pension Fund Invest List

According to the Dow Jones Newswire, the largest public pension fund in the U.S. can once again invest in Filipino stocks after the ambassador of that nation convinced financial analysts that his country's economy is solid.

View this online at: <https://nautilus.org/uncategorized/invnet-biweekly-update-may-21-2002/>