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## FOCUSED SECTION

# World Investment Forum 2023: Key issues and elements of a forward-looking research agenda

## Introduction

UNCTAD's eighth World Investment Forum 2023 (WIF23) provided the opportunity to tap into the latest research and academic thinking to strengthen the support and advice to Member States. The forum had more than 150 sessions and 8,000 attendees, including more than 1,100 speakers. Heads of state and government, ministers and international organization representatives attended, as well as policymakers and legislators, parliamentarians, heads of investment promotion agencies, treaty negotiators, regulators, chief executive officers and other executives of multinational enterprises (MNEs), academics and civil society.

All sessions, from high-level panels to academic presentations, addressed the most important challenges facing sustainable investment in developing countries – including high risk ratings and capital costs due to debt distress, the deteriorating international investment climate, tight financing conditions, difficult business environments, and institutional and infrastructure shortcomings. The forum's outcomes identified investment priorities, such as renewable energy and energy infrastructure; agriculture and agrifood systems to improve food security, resilience and biodiversity; water management; and health care. We are now at the midpoint of the 2030 global development agenda, with a risk of slowing the progress achieved in various sectors. For example, UNCTAD's *World Investment Report 2023* shows that although international investment in sectors relevant to the Sustainable Development Goals in developing countries increased in 2022 – with higher project numbers in infrastructure, energy, water and sanitation, agrifood systems, health and education – when compared with 2015 progress remains very modest. In agrifood systems, which are critical for future food security, international investment is lower today than when the Goals were adopted.

### **The academic track**

For more than three decades, UNCTAD's Division on Investment and Enterprise has contributed to advancing research, policy analysis and technical assistance on foreign direct investment (FDI), the activities of MNEs and international production, most notably through its annual World Investment Report. It has done so in close collaboration with the academic community.

UNCTAD organized the academic track of the forum in partnership with the Academy of International Business (AIB), the Graduate Institute of International and Development Studies, the United Nations University World Institute for Development Economics Research (UNU-WIDER), New York University–Abu Dhabi and Middlesex University–Dubai, as well as other universities and institutions.

In the academic track, more than 100 speakers, including world-renowned scholars and doctoral students, participated in the series of thematic events integrating research and ideas from scholars, researchers, executives from global companies and senior policymakers. The events covered a broad spectrum of issues related to foreign investment, MNEs and development, including themes such as the energy transition, sustainable infrastructure, FDI and women's empowerment, SME internationalization, investment in Industry 4.0 and the future of global investment.

An innovation of the 2023 academic track was that leading scholars ran the discussions in core sessions of the forum, creating synergies between academia and the multi-stakeholder community and generating cross-fertilizing debates. This provided a unique opportunity to hear about the latest research emerging in the field, to reflect on the core issues and themes discussed across the forum, and to influence the future research agenda on investment for development.

The track also featured an Academic–Practitioner's Dialogue on Sustainable Finance and Business, and the High-level International Investment Agreements Conference 2023. The Conference covered key themes: making investment policy and international investment agreements (IIAs) consistent with national, regional and global climate commitments; ensuring that IIA commitments safeguard the right of states to regulate in the public interest; enhancing the effectiveness of environmental clauses in IIAs, investor obligations and responsibilities; and strengthening regional and global forums for continued dialogue and coordination on comprehensive IIA reform.

For the first time, an Investment for Development Research Square was organized at the Investment Village, in collaboration with the WIF23 academic partners. It provided a platform for discussions and exchange of ideas between policymakers, academics, business representatives and professionals from diverse backgrounds about current policy, industry and academic thinking in relation to the role of international investment and the achievement of the Sustainable Development Goals. The Square also featured exhibition booths as an outlet for research and publication, including award-winning papers and videos on investment-related topics from investment promotion agencies, leading companies and experts from the United Nations and other international organizations.

A highlight of the Investment for Development Research Square were the daily high-profile “fireside chats” between senior policymakers, practitioners, scholars and

other stakeholders on issues relating to international investment and development. To enrich the multidisciplinary research agenda, a special session was held to facilitate research dialogue between scholars and academic journal editors.

## **The future research agenda**

Traditionally, UNCTAD has used the academic track in the WIF to help refresh the research agenda on investment for development (Zhan et al., 2021). Following the events and discussions in the numerous sessions of WIF23, prominent issues and challenges emerged to guide the focus for future research and opportunities with UNCTAD partners in investment for development. Some of the emerging topics for future research include the sustainability imperative, notably the energy transition and the need for climate resilience and adaptation, with a call for more research on the incentives and economics of investing in clean sources of energy, and the incentives and barriers to decommissioning fossil fuel assets; investment in biodiversity, agrifood systems and food security; FDI and gender equality, with more prominent roles for investment facilitation and stakeholder collaboration; the role of market infrastructure, particularly stock exchanges and their regulators; and the reconfiguration of global value chains, notably for supply chain resilience and a more inclusive trading system for low-income and vulnerable countries; and new insights on how developing economies, including the least developed countries, could finance adaptation investment needs. The short perspective papers in this focused section reflect some of the key issues and topics for that agenda through the lens of academia and highlight avenues for future research.

First, Kunal Sen's paper looks at the role of investment and domestic savings for development, focusing on sub-Saharan Africa. The note argues that institutional quality is the key driver of the type of investment that is necessary for structural transformation. It concludes that policymakers can support the growth of pension and capital markets, and the fintech sector, through appropriate reforms and through re-orienting sovereign wealth funds towards more developmental purposes.

Paul M. Vaaler focuses on the discussions of green investment and sustainable development at WIF23, including how to effectively facilitate collaboration by leaders across sectors to achieve sustainable development. Topics addressed in this thought piece include critical reflections on IIAs, investor–State dispute settlement and the role of investment projects based on public-private partnerships in investment regimes to achieve the SDGs.

Ari Van Assche addresses one of WIF23's main messages: the urgent need for innovative solutions to facilitate the integration of LDCs in the global investment and trading system, focusing on the Global Value Chains for LDCs Initiative.

The paper suggests that the initiative could be an integral part of such a solution package for LDCs, including by encouraging corporate engagement in incorporating LDCs in their supply chains.

Finally, the perspective paper by Rudolf R. Sinkovics, Denanjalee Gunaratne and Noemi Sinkovics addresses two core issues at WIF23: the role of innovative business models as game changers and the use of Industry 4.0 technologies to tackle the grand challenges for sustainable development. Exploring innovative business models in the agrifood sector, the paper highlights the importance of collaboration between policymakers, business leaders and researchers to promote and scale up game-changer business models that create economic, social and environmental innovations.

## Reference

Zhan, James, Richard Bolwijn and Amelia U. Santos-Paulino (2021). "World Investment Forum 2021: Insights from the Academic Track and a future research agenda", *Transnational Corporations*, 28(3), pp. 127–133.