

Lunchtime presentation during the
2nd Global Forum on Responsible Business Conduct

**Updating the OECD Policy Framework for Investment
Chapter 7: Responsible Business Conduct**

This presentation will focus on the update of chapter (7) on responsible business conduct of the OECD Policy Framework for Investment (PFI). It draws from the lessons learnt through the country-level Investment Policy Reviews (IPRs), regional programmes, the updated OECD Guidelines for Multinational Enterprises, and consultations with the global Task Force for the update of the PFI co-chaired by Myanmar and Finland.

Background on the PFI

The PFI is a non-prescriptive tool for improving **investment policy for development**, adopted as a follow-up to the 2002 UN Monterrey Consensus. The PFI raises issues for policy makers in ten policy areas including investment, competition, tax, corporate governance, anti-corruption, infrastructure, public governance and other policy domains which affect the business climate. The PFI was developed by a multilateral Task Force and comprised of representatives from 60 countries.

In the context of OECD Investment Policy Reviews (IPRs), the PFI has been used by over 25 countries at varying levels of development and across all continents, as a tool for assessing investment and business climates, and for designing reforms to improve them. The PFI also provides a basis to support on regional investment policy dialogue. Established regional economic communities are currently using the PFI to promote peer learning on regional investment policy and policy harmonisation among their members. For example, the Secretariat of the Southern African Development Community (SADC) has partnered with the OECD in developing a regional investment policy framework, while numerous SADC member states have undertaken IPRs. Governments in Asia, Southeast Europe and the MENA region are also using the PFI for regional investment policy dialogue and country-level investment climate reforms.

Updating the PFI

Since the PFI was endorsed in 2006, new forces have reshaped the global investment landscape, including the global economic and financial crisis, which started in 2008 and from which many economies have still not recovered, the emergence of new major outward investors within the G20, the spread of global value chains, and signs that pressures for investment protectionism are on the rise. Numerous lessons have also been learnt through the use of the PFI, particularly in developing and emerging economies.

To reflect new global economic fundamentals, an update of the PFI was launched in 2013 and is due to be completed in 2015.

Read more: www.oecd.org/investment/pfi.htm.

