

II. THE ACTION

1. DESCRIPTION

0.1. Objectives

Assessors will refer to information already provided under Part A (Concept note), therefore **do not** include any information here as it will not be taken into account.

0.2. Relevance

Assessors will refer to information already provided under Part A (Concept note), therefore **do not** include any information here as it will not be taken into account.

1.1. Description of the action and its effectiveness (max 14 pages)

– **Making reference to the overall objective(s) and specific objective(s), outputs and results described in the concept note form elaborate on specific expected results indicating how the action is likely to change the behaviour of the target groups and impact the development problem addressed. Indicate notably foreseen publications and material which will be produced.**

The overall objective of this action is that **EU investment policy is coherent with development policy and contributes to the achievement of the MDGs, sustainable development, and the realization of human rights in developing countries.** In order to achieve this overarching objective, one specific objective and four expected results have been identified.

Foreign investment is a recognised tool for economic development and can contribute to economic growth. However, the relationship between foreign direct investment (FDI), the creation of economic wealth and the distribution of that wealth is not clear-cut. If foreign investment is to genuinely contribute to sustainable development, as set out inter alia in the Millennium Development Goals, much depends on the conditions governing market access and post-establishment policies related to the investments. These are laid down in international investment agreements (IIAs). In establishing the rights of foreign investors in host countries, these agreements help determine how FDI – through its links to land, agriculture, water provision, public services, infrastructure, health, human rights of affected communities, decent work, public finance, trade flows, and regulatory powers in general – impacts on development outcomes. EU investment policy, with its potential impacts on such a wide range of issues, is closely linked to the social dimension of globalisation. Critical engagement with EU IIAs and the main policy framework governing EU foreign direct investment is therefore a key focus of the proposed action.

The need for a common EU investment framework is a direct outcome of the shift in competences from the member states to the EU level brought about by the Lisbon Treaty of 2009. In time, all the current EU member states' BITs will have to be brought into this common regime. This shift in competences offers a unique window of opportunity to raise awareness about investment-related development concerns with the aim of ensuring that the new EU investment agenda adheres to the EU's Principles for Policy Coherence for Development (PCD) as enshrined in Article 208 of the Lisbon Treaty.² Investment is explicitly mentioned in the MDG agenda, and there are immediate links with the PCD agenda's priority areas of trade and finance and global food security. The PCD agenda

² *The DEAR study explicitly mentions investment as a policy area that needs to be 'publicly addressed and critically assessed with regard to [its] development impact if DEAR is to make an effective contribution to eradication of global poverty and to sustainable development'. P.19.*

already prioritizes trade and finance and global food security as key areas where to ensure that implications for development are taken into account.

The EU is the largest source of foreign direct investment for developing countries. Thus, because of the size and impact of its FDI and the upcoming establishment of a new investment policy, this action would take advantage of a unique opportunity to have a tremendous impact on global FDI and its impact on the global South. Specifically, the project aims to contribute to redefining the purpose and content of the EU's future common investment policy, taking global development goals as a starting point.

Specific objective

In order to influence the scope and direction of the EU's common investment policy, the project identifies as a specific objective: **to raise awareness among citizens, CSOs, academics and policy makers and to gain their active support for a reformed EU Investment Policy for Sustainable Development.** Investment and investment policy has significant impact – both positive and negative – on economic development. However, these links are not widely discussed in the context of the (public) development debate. There is an urgent need to fill this awareness gap in the interest of improving policy coherence in these fields. The action targets specific target groups: citizens and students of economics, investment law and development, CSOs (including trade unions), academics, and policy makers. These groups are known to be aware and/or interested of the need for fairer relationships between the North and the South. In their specific areas of interest and expertise, they (sometimes unknowingly) come across incidences when investment rules impact poverty and North-South relationships. This action aims to expand their awareness of the various links between investment and development, and specifically the links with decent work, sustainable development and human rights. By raising awareness of such links, this action aims to mobilise the support of these target groups to engage actively with policy makers both at the EU and the Member State level to call attention to the contradictions they identify in their own fields of expertise between the EU's trade and investment policy and sustainable development, and to persuade them to incorporate concrete environmental and development-related reform proposals in the EU's common investment policy.

- *This SO will result in 51 examples of debates on this issue in national and EU politics & 200 policy makers call for a revision of EU investment policy to include development objectives*

Expected results

The project has identified four expected results, which centre around the identified target groups outlined above. The following paragraphs will outline per **specific expected results** how the action is likely to change the behaviour of the target groups and impact the development problem addressed as well as **indicating notably foreseen publications and material** which will be produced. In general, the action will produce a number of concrete educational and advocacy materials. These materials can also be used by organisations, governments and universities who are not directly involved in the project. The lessons learned in the course of the action will be shared with and transferred to other civil society organisations and non-state actors, particularly in the CEE countries as well as in the participants' Southern CSO and NSA networks. The preferred means to do so will be either direct – i.e. through trainings and the dissemination of publications – or indirect, through work on joint campaigns or projects. For civil society in the new Member States, many of the topics (such as awareness-raising on development issues and critical engagement with investment as a development tool) and work methods (such as monitoring corporate conduct abroad) used in the action constitute new approaches that will help expand their work field and toolbox.

R1: EU citizens including students better understand the link between investment and development and engage policy makers for a reformed EU investment policy.

EU Citizens – including students dealing with international investment issues and voters taking part in the next European election – will be targeted to create a positive 'sounding board' for policy reforms. Many people in these groups already have a basic interest in fairer North-South relations with a view to reducing poverty globally. Based on this nascent interest we will expand their knowledge of the links between investment and development and encourage active engagement with policy makers. The need for easy to understand information will be addressed by a range of online tools and media work

while more detailed proposals such as lectures specifically targeted at students will build on their more technical knowledge of the subject area. In addition, the media in the EU and MS plays a crucial role in raising awareness and informing the general public, which is the main target of this action. Together more recent forms of online communication, daily newspapers, radio and TV continue to shape public opinion, and put pressure on policy-makers, companies and investors.

Foreseen publications and material for ER1: Public campaign website; E-Action; Video; Cartoon; Materials for lecture series for students; Materials for Speaker tour; 22 Press releases; 11 Articles/Op eds in media *Result R1*

- *With this action we want to reach 3 million EU citizens and ensure they are made aware of the link between investment and development through their exposure to project materials. 40,000 EU citizens take action based on their increased understanding of the issue. 2,000 students attend lectures in PCD and investment policy*

R2: A broad range of CSOs understand the issue, engage in the action for a reformed EU investment policy and encourage their members to take action.

European CSOs and their constituencies are a significant part of the European public with a lot of multipliers. Different thematic CSOs including labour organisations, the CSR community, human rights groups, environment and development organisations will be targeted. Investment policy has strong implications for their work but most CSOs lack awareness or technical knowledge of this link. This action will garner their support for a united political advocacy agenda. Target groups from CSOs will be selected based on their concrete thematic interest and the impact that international investment flows and policies have on their core issues (defending human rights, labour rights, environmental and development interests). The action thus seeks to mobilize a wide range of civil society organisations to build a mutual understanding on what the most pertinent issues are when it comes to investment and sustainable development. Outreach to a wide range of civil society organisations should help build the necessary interlinkages to engage in a policy dialogue with EU institutions, both in ad hoc coalitions and individually on specific issues. The aim is to build a strong, concerted and comprehensive civil society voice that can feed specific development risks and policy coherence issues into the investment policy debate. The action aims to provide civil society stakeholders working in relevant policy areas with tools to strengthen their capacity to signal and assess the impacts of investment policy on their own areas of work and expertise, to raise awareness among their constituencies and to intervene with policymakers on these issues. As a result, a broader range of stakeholders will be engaging with policy makers to rebalance IIAs and investment policy frameworks to genuinely promote sustainable development.

Foreseen publications and material for ER2: 1 Baseline mapping exercise; 8 Briefings for CSOs; Targeted materials for European summer school; 1 Advocacy guide

- *Result R2: With this action 600 CSOs throughout Europe are exposed to the project's messages and 200 CSOs support e-action*

R3: Relevant academics from law, development and economics challenge the inconsistency between investment and development policy helping to reframe the debate

International investment policy is heavily framed and influenced by academic discourses and professional advice from the investment law community. Academics in this field mostly do not focus on development concerns. The project would explore and consult with members of the academic community to identify 'warm' academics who might become more involved in the action, for example by providing feedback on materials, speaking at events, or permitting project messages to be included in their course materials. A significant number of academics will support a sign-on statement that challenges inconsistencies between existing investment policies and development goals. This letter will influence the wider academic community, and should help generate support for more pro-development investment at the national and EU levels. By addressing the academic community and involving selected academics in our workshops, expert meetings and a public statement, this action will contribute to increasing awareness and support of development considerations among those that frame the academic debate.

Foreseen publications and material for ER3: CSO open letter to academics; Academic sign-on statement

- *Result R3: With the action, 28 academics will attend expert meeting and consultation; 500 academics are reached through the open letter; and 100 academics challenge inconsistencies by signing the 'sign-on' statement*

R4: EU policy makers better understand the link between investment and development policy and support reforms for policy coherence.

Since the Treaty of Lisbon has shifted the competence on investment from the EU member states to the European level, this action must ensure that EU policy makers understand the need for and support pro-development investment policy. The establishment of a new framework that takes into account critiques that the current investment protection agreements are heavily biased towards safeguarding investor rights and that seeks to balance investor protections with a comprehensive take on investor obligations in order to better harness investment for sustainable development, requires a critical engagement with policy makers at the levels of both the EU and the Member States. In order to ensure that policy makers take these concerns into account, the action will engage with a wide range of EU and MS level policy makers regularly throughout the project. The first three expected results – the support of the public, CSOs, and academics – will all contribute to the fourth, as the views of citizens and civil society actors are usually significant considerations for policy makers.

Foreseen publications and material for ER4: 3 Position papers targeted at policy makers; 1 Policy report targeted at policy makers; 10 Letters to policy makers; 3 Briefing papers for policy makers (with translation)

- *We will reach out to 100 EU policy and 300 national policy makers with project materials. In addition the project aims to ensure that project materials and activities contribute to 200 EP candidates and 100 elected MEPs publically declaring support for policy coherence in investment policy by the EU elections in 2014.*