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## Vale and Columbia University launch center on sustainable international investment

Vale and Columbia University announce the establishment of the Vale-Columbia Center on Sustainable International Investment. The first of its kind, the center will promote learning, teaching, policy-oriented research and practical work within the foreign direct investment (FDI) area, paying special attention to the sustainable development dimension of this investment.

Vale, the world's second largest diversified mining company in market capitalization, is providing a \$1.5 million grant over five years to establish the center. Roger Agnelli, Vale's CEO, said that "Linking up with Columbia University underlines Vale's commitment to promote the study and practice of sustainable development, a key concern in today's world."

The center is a joint undertaking of Columbia Law School, led by Dean David M. Schizer, and The Earth Institute at Columbia University, directed by Jeffrey D. Sachs.

"The generous grant provided by Vale will be instrumental in achieving the goals of the Earth Institute and our mission to promote sustainable development," said Sachs. "Foreign direct investment plays a critical role in our global economy, and the new center will play an important role in bolstering FDI flows towards sustainable development both locally and globally. The center's work will span, and interconnect, our efforts in teaching, research, and applied problem-solving."

The center's focus reflects the rapid growth of foreign direct investment flows over the past decade and a half, reaching \$1.5 trillion in 2007. The world FDI stock now stands at over \$14 trillion, generating sales of an estimated \$14 trillion -- roughly twice the value of world exports (of which one third consists of intra-firm trade). This makes FDI the most important vehicle to bring goods and services to foreign markets, integrating furthermore national production systems.

"This partnership with Vale will help Columbia become the university of choice for anyone interested in FDI," said Karl P. Sauvart, who is Executive Director of the Columbia Program on International Investment and will be Executive Director of the new center.

As a global company committed to transforming mineral resources into economic growth and sustainable development, Vale sees the center as an important mechanism to foster knowledge and good practices regarding sustainable investment, especially if its partner in this endeavor is a world-class university as Columbia.

### The Vale-Columbia Center on Sustainable International Investment

Building upon the work of the Columbia Program on International Investment, established in 2006, the new center will link up with other academic institutions, as well as international organizations and NGOs. It will develop a menu of courses related to FDI and organize a cycle of cutting-edge conferences and symposia. The theme of the Third International Investment Conference, October 1-2, 2008, for example, is "FDI by State-Controlled Entities: Do the Rules Need Changing?"

The center will work on outward FDI from emerging markets. Its practical work will include workshops on such topics as resource endowments and FDI sustainability in the mining industry and sustainability and risk assessment/mitigation in the FDI area.

The center will also work with the Millennium Cities Initiative, an Earth Institute effort directed toward advising a number of mid-sized cities in sub-Saharan Africa to craft development strategies based on the Millennium Development Goals.

The center's Advisory Council will be headed by Vale's CEO, Roger Agnelli. Its Executive Director will be Karl P. Sauvart, currently Executive Director of the Columbia Program on International Investment and formerly a Director at the United Nations Conference on Trade and Development.

## FDI and Sustainable Development

Given that FDI consists of a package of tangible and intangible assets, all countries seek to attract it. But the issue is not only to attract FDI, but also to increase its contribution to sustainable development. Both objectives require careful analysis of the impact of FDI and the policies that are relevant in this respect. Since national FDI policies increasingly take place within the parameters set by the international law and policy system, special attention needs to be given to issues raised in relation to this system.

### More information

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