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Key International Issues for Sovereign Wealth Funds

The Fletcher School
Sovereign Wealth Fund Initiative

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Dr. Eliot Kalter
Senior Fellow, CEME
The Fletcher School, Tufts
University
ekalter@emstrategies.com

Thomas F. Holt, Jr.
Partner
K&L Gates LLP
thomas.holt@klgates.com

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TABLE OF CONTENTS

Executive Summary	4
<i>Key International Issues Identified and Briefly Summarized.....</i>	<i>5</i>
<i>Looking Ahead.....</i>	<i>6</i>
The Report.....	7
I. Santiago Principles and SWF External Relations	7
(a) <i>Summary of Key Issues From SWFI Participants.....</i>	<i>7</i>
(b) <i>Key Concerns of Recipient Countries.....</i>	<i>7</i>
(c) <i>Key SWF Concerns with respect to the OECD Declaration on SWFs and Recipient Country Policies</i>	<i>7</i>
(d) <i>Going Forward : The International Working Group of Sovereign Wealth Funds.....</i>	<i>8</i>
<i>Discussion Points</i>	<i>8</i>
II. SWFs As Global Participants Face Discriminatory Restrictions	10
(a) <i>Summary of Key Issues From SWFI Participants.....</i>	<i>10</i>
(b) <i>Key Concerns of Recipient Countries.....</i>	<i>10</i>
(c) <i>Key SWF Concerns.....</i>	<i>10</i>
(d) <i>Specific Issues Noted by SWFs</i>	<i>11</i>
<i>Discussion Points</i>	<i>12</i>
III. Mission and Global Focus: SWF Mandate and Investment Process.....	13
(a) <i>Summary of Key Issue From SWFI Participants</i>	<i>13</i>
(b) <i>Key Concerns.....</i>	<i>13</i>
(c) <i>Specific Issues Noted by SWFs</i>	<i>13</i>
<i>Discussion Points regarding Shift in Asset Allocation</i>	<i>14</i>
<i>Discussion Points regarding Process Underpinning Asset Allocation.....</i>	<i>15</i>
IV. The Global Financial System and Future Regulatory Framework.....	16
<i>Specific Issues Noted by SWFs</i>	<i>16</i>
<i>Discussion Points</i>	<i>16</i>
V. Growing Demand for Knowledge and Expertise	17
VI. The Role of the Sovereign Wealth Fund Initiative	18
(a) <i>Role of the SWFI in the Context of the IMF’s International Forum</i>	<i>18</i>
(b) <i>Distinguishing Features of The Fletcher School’s SWFI.....</i>	<i>18</i>
(c) <i>Specific Areas of The Fletcher School’s Expertise</i>	<i>19</i>
(d) <i>Legal Issues Affecting SWFs Currently Under Study by SWFI.....</i>	<i>19</i>
About the Authors.....	20
<i>Dr. Eliot R. Kalter.....</i>	<i>20</i>
<i>Mr Thomas F. Holt, Jr.</i>	<i>20</i>



Executive Summary

Sovereign Wealth Funds (“SWFs”) have emerged as an important source of cross-border capital flows and the subject of intense public discussion and political dialogue. While calls in the international community for SWFs to follow international best practices may currently be somewhat less in the forefront, the global financial crisis and its aftermath have added an additional layer of complication. Throughout, an understanding of the SWF perspective generally has been lacking from the public discourse.

The Fletcher School’s Center for Emerging Market Enterprises (“CEME”) has launched the Sovereign Wealth Fund Initiative (“SWFI”) to provide SWF senior decision makers with a value-neutral venue and world-class resources to identify their key international issues of concern and develop understanding of and approaches for better management of external relationships in potential cross-border issues.

The initial activity of the SWFI has been to meet with SWF senior decision makers and country authorities (collectively referred to as “financial participants” or “participants” in this report) from the Gulf Cooperation Countries (GCC), Latin America, Singapore, and several industrial countries to identify and analyze key international issues from the SWF point of view.*

The report that follows is based on these discussions and identifies key issues for SWFI research and meetings. Three general points of note:

- Recent events present multiple challenges and opportunities for the management of SWF operations and their cross-border interactions. These include the emergence of SWFs in the public spotlight, the adoption and follow-up process of the Santiago Principles, and the aftermath of the global financial crisis.
- Participants support the Fletcher role as a resource for SWFs that provides a value-neutral venue and world-class research resources and indicated interest in participating in the SWFI, including by offering their assistance and input.
- The discussion and report that follows is the start of the process of reaching out to SWFs, thereby interacting with participants to further identify key issues for SWFI research and meetings. We are particularly grateful to the participants and thank them for the time and attention they have given.

** This piece is partially based on a research note by Neil A. Allen and Eliot Kalter entitled “Key International Issues for Sovereign Wealth Funds,” which drew from interviews conducted in the Gulf Cooperation Countries and was completed in Spring 2009.

Key International Issues Identified and Briefly Summarized

(a) Santiago Principles and External Relations

Participants had different reactions and positions, ranging from embracing and seeking to lead to ignoring the process of reaching generally accepted principles and practices. On the whole, the Generally Accepted Principles and Practices issued by the International Working Group of Sovereign Wealth Funds in October 2008 (the “Santiago Principles”) are seen as a positive way of promoting free global capital flows. Nevertheless, some participants questioned the impact of the Santiago Principles going forward due to its voluntary nature and broad grouping of heterogeneous investment funds. Key international issues identified by financial participants included misperceptions concerning the definition of sovereign wealth funds and the transparency and purpose of their investment decisions.

(b) SWFs as Recognized Global Participants Face Discriminatory Restrictions

SWFs have moved from the shadows into the global political and sometimes economic spotlight. The experience has left a residue of hard feelings and concerns. In particular, SWFs are confronting the challenge of being recognized global participants whose activities are misunderstood and risk being mistreated and discriminated against. Participants stressed that recipient country discriminatory restrictions on SWFs are of concern and affect the general availability of capital. Financial participants were incredulous that SWFs as a group face discriminatory restrictions while hedge funds are not regulated.

(c) Mission and Global Focus

SWFs see themselves primarily as professional investment management firms with specific missions and investment objectives to deliver investment returns from diversified, international portfolios. A key operating assumption and mandate has been that international markets are the place to be, except when local markets require temporary financial support. The current global downturn is creating pressure on management to participate locally and regionally in ways that may be outside of their mandates, organizational skill sets and core competencies.

(d) The Global Financial System and the Future Global Financial Architecture

Participants’ confidence in the global financial system has been tested by the global crisis. The performance of the global investment banks, the complete failure of supposedly sophisticated risk management systems and senior firm management, and lack of effective national and international regulation are seen as scandalous. SWFs are rethinking what is required and what role they may play individually and/or collectively to reshape a new global investment regime.



(e) *Knowledge and Expertise*

Facing evolving international issues and roles that they will play in a difficult financial environment, participants are seeking to determine what skills and expertise they already possess and will need in order to better define and achieve their objectives going forward.

Looking Ahead

Participants indicated interest in the SWFI as a resource for SWFs that provides a value neutral venue and world class research resources to:

- Identify and analyze key international issues
- Share information, present views and discuss agreed issues
- Promote dialogue among SWFs and between SWFs and other financial participants, policy makers and policy influencers
- Define, articulate and promote issue and policy responses
- Develop and release to the public views and positions from group discussions and meetings

SWFI research and meetings are expected to focus initially on the following:

- The usefulness, implementation, and impact of the Santiago Principles
- SWF as global participants, discriminatory regimes, reciprocity and case studies
- The impact of the global crisis on SWF mission and focus
- A new global financial architecture: what SWFs want and need
- Knowledge and expertise: human capital needs of SWFs and educational links, including on emerging markets, risk management and corporate governance

The Report

The following report summarizes discussions, while maintaining individual participant confidentiality, and suggests next steps toward a better global understanding of the SWF perspective.

I. Santiago Principles and SWF External Relations

(a) Summary of Key Issues from SWFI Participants

Participants had different reactions and positions ranging from embracing and seeking to lead, to ignoring the process of reaching generally accepted principles and practices. On the whole, the Generally Accepted Principles and Practices issued by the International Working Group of Sovereign Wealth Funds in October 2008 (the “Santiago Principles”) are seen as a positive way of promoting free global capital flows. Nevertheless, some participants questioned the impact of the Santiago Principles going forward due to their voluntary nature and the broad grouping of heterogeneous investment funds. International issues identified by financial participants included misperceptions concerning the definition of sovereign wealth funds and the transparency and purpose of their investment decisions.

(b) Key Concerns of Recipient Countries

- Motivations behind SWF investment;
- Excessive economic and political leverage of these funds;
- Lack of transparency and government use of “inside information”; and
- Efficacy of Santiago Principles in achieving stated objectives due to the voluntary and non-binding nature of such principles and resulting unenforceability

(c) Key SWF Concerns with respect to the OECD Declaration on SWFs and Recipient Country Policies (the “Declaration”)

In June 2008, the OECD Ministerial Council adopted the Declaration. Although OECD recipient nations have begun working collaboratively to address international concerns about SWFs, the results of their efforts have been limited due to the following considerations:

- The Declaration does not prohibit recipient nations from regulating SWFs, but rather seeks to establish a framework by insisting that such regulations be transparent and limited to national security interests;
- Similar to the Santiago Principles, the Declaration is nonbinding, voluntary and unenforceable; and



- Fear of political considerations in recipient countries that may affect the openness of markets and return on investments

(d) Going Forward : The International Working Group of Sovereign Wealth Funds

The International Working Group of Sovereign Wealth Funds (“IWG”) announced the establishment of the International Forum of Sovereign Wealth Funds (the “Forum”) in Kuwait, in recognition of the importance of establishing ongoing dialogue on matters of shared interest between SWFs and interested parties such as investment recipient countries. It is anticipated that the Forum, a voluntary group of SWFs, will meet at least once a year to exchange views on issues of common interest and facilitate an understanding of the Santiago Principles and SWF activities. The Forum will also facilitate dialogue among parties such as the SWFs, investment recipient countries, the European Commission, the OECD, representatives of other multilateral organizations, and the private sector.

The Forum is expected to act as a platform for:

- Exchanging ideas and views among SWFs and with other relevant parties. These will cover, inter alia, issues such as trends and developments pertaining to SWF activities, risk management, investment regimes, market and institutional conditions affecting investment operations, and interactions with the economic and financial stability framework;
- Sharing views on the application of the Santiago Principles including operational and technical matters; and
- Encouraging cooperation with investment recipient countries, relevant international organizations, and capital market functionaries to identify potential risks that may affect cross-border investments, and to foster a non-discriminatory, constructive and mutually beneficial investment environment.”

Discussion Points:

- Has the adoption of the Santiago Principles affected the operations of SWFs, as they attempt to achieve their respective stated goals and purposes?
- What are SWFs’ most pressing issues, concerns and obstacles to the improvement of external relationship and potential conflict management?
- As it applies to SWFs more generally, have the understandings reached under the Santiago Principles been beneficial in dealing with the financial crisis, for example, by providing a regulatory review process to help avoid political and public perception issues with investment recipient countries?
- Has the global financial crisis affected the sustainability of SWFs carrying out the Santiago Principles?
- Has the financial crisis reduced pressures on SWFs to meet the Santiago Principles because of the increasing need of recipient countries for capital?
- What actions by recipient countries would facilitate reaching mutual objectives?



- Do SWFs expect the Forum to be useful with respect to issues related to risk management, investment regimes, market and institutional conditions affecting investment operations, and interactions with the economic and financial stability framework?
- Do SWFs see the Forum as a viable and efficient means to oversee compliance with the Santiago Principles? If not, what function(s) do SWFs see the IWG performing?

II. SWFs as Global Participants Face Discriminatory Restrictions

(a) Summary of Key Issues from SWFI Participants

SWFs have moved from the shadows into the global political and economic spotlight. The experience has left a residue of hard feelings and concerns. In particular, SWFs are faced with the particular challenge of being recognized global participants whose activities and motivations are misunderstood, and risk being mistreated and discriminated against as a result of such perceptions. All participants stressed that recipient country discriminatory restrictions on SWFs are of concern and affect the general availability of capital. Financial participants were incredulous that SWFs as a group face discriminatory restrictions while hedge funds are not regulated.

(b) Key Concerns of Recipient Countries

- Motivations behind SWF investment;
- Excessive economic and political leverage of these funds;
- Lack of transparency and government use of “inside information”; and
- Efficacy of Santiago Principles in achieving stated objectives due to the voluntary and non-binding nature of such principles and resulting unenforceability

(c) Key SWF Concerns

SWFs emphasize that the Santiago Principles could only be effective if recipient countries also act in a transparent and nondiscriminatory manner in their relationship with SWFs.

“The need to enhance transparency and maintain an open dialogue is in essence a two-way street. Recipient countries share responsibility for maintaining an open investment regime that is transparent, proportional and accountable... The International Working Group expects that recipient countries will not subject SWFs to discriminatory measures to which other foreign or domestic investors in similar circumstances are not subjected.”[†]

“There are incipient signs of protectionism. Following the inclusion of “Buy American” clauses in the US stimulus plan in February, we have heard in recent weeks of similar “Buy local” initiatives by economies such as China and the Australian State of New South Wales. The commitment of governments and international bodies to combat protectionism looks set to be sorely tested. But it is important for governments everywhere to maintain their resolve, because global growth cannot return without the growth of trade and capital flows. Protectionist measures that reverse these flows will ultimately result in a no-win situation for all countries.”[‡]

All participants emphasized the importance of the possible impact of recipient countries’ legal and regulatory regimes and practices on SWF external relationships. There was broad

[†] Hamad Al-Suwaidi of the United Arab Emirates

[‡] Singapore Senior Minister Goh Chok Tong



agreement that recipient country legal and regulatory regimes are important factors affecting investment decisions and external relationships. While all SWFs agreed that financial and macroeconomic variables were prime considerations, SWFs take into consideration recipient country legal, regulatory and political factors in their decision making. Participants stressed that recipient country discriminatory restrictions on SWFs are of concern and could affect the general availability of capital. Financial entities were incredulous that SWFs as a group face discriminatory restrictions while hedge funds are not regulated.

The United States Government Accountability Office (“GAO”) Report on U.S. restrictions on SWF investment notes that there are no restrictions specifically on SWFs; however, the U.S. has broad discretionary powers through the Committee on Foreign Investment in the United States (“CFIUS”) to restrict investments based on national security interests. It is under this provision that SWFs are concerned that they could be treated on a discriminatory basis.

(d) Specific Issues Noted by SWFs

Definition of SWFs

- The Santiago Principles impose a Norwegian model on SWFs out of concern about the behavior of State Enterprises and entities classified as SWFs that behave as State Enterprises. Issues have been politicized by these concerns.
- There is a need for a clear distinction between Funds that have autonomy in investment decisions, investing purely for commercial purposes, and SWFs and State Enterprises that have less autonomy and may invest for political purposes.

Investment for Commercial Purpose

- Most SWFs are not interested and do not have the expertise to take majority positions in their direct investments. Many said that they will only take minority investments while others noted possible interest in 100% ownership where CIFIUS does not present a problem. A unanimous objective is to stay out of the public eye.
- Participants were surprised by concerns about their investment motives because they are driven by the objective of good returns to assure wealth for future generations.
- The nonpolitical nature of SWFs is institutionalized in most countries, making it difficult for local governments to get cooperation with SWF portfolio managers even during times of crisis. SWF managers, by their training, are more open to international bankers than to their home country politicians.

Transparency

- One remaining issue is the transparency of SWF investments. In addition to the Santiago Principles calling for increased transparency, several participants noted that society is demanding transparency and the corresponding accountability needed for long term returns for future generations.
- Indeed, a number of participants noted that many SWFs are increasing their transparency by publishing more information and working with credit rating agencies.



- However, other SWFs still have open issues, noting that “external transparency is fine but the pressures that come with internal transparency are unwanted.” Specific SWFs were pointed out as examples where transparency has resulted in pressures to invest for noncommercial (social) purposes.

Discussion Points:

- Are protectionist policies in recipient countries affecting SWFs investment strategy?
- How much consideration is given to recipient countries’ legal and regulatory regimes prior to targeting asset allocation?
- What steps do SWFs take prior to investing to understand and comply with the various regulatory and taxation regimes?
- What strategies do SWFs employ to remain in compliance with local/national rules and customs for each investment?
- Which countries’ regimes would SWFs point to as a role model?
- What do SWFs see as a balanced set of rules and regulations that protect the target countries interests and also their respective interests?

III. Mission and Global Focus: SWF Mandate and Investment Process

(a) Summary of Key Issues from SWFI Participants

SWFs see themselves primarily as professional investment management firms with specific missions and investment objectives to deliver investment returns from diversified, international portfolios. A key operating assumption and mandate has been that international markets are the place to be except when local markets require temporary financial support. The current global downturn is creating pressure on management to participate locally and regionally in ways that may be outside of their mandates, organizational skill sets and core competencies.

(b) Key Concerns

A SWF that has an arms-length relationship with its government gains full control to operate under its investment mandate. The lack of an arms-length relationship can cause the investment mandate to be multifaceted and without a principal mandate. This may result in a lack of continuity in the investment program, impeding the SWF's ability to build strong human capital needed for investment decisions. SWFs without an arms-length relationship with their respective governments tend to have a greater likelihood of investing in their domestic markets and in higher P/E industries domestically and abroad.

In the context of the global financial crisis and sharp decline in assets under management, there has been evidence of increased investing regionally and domestically by SWFs. Some SWFs have a role in stabilizing their country by providing liquidity during the crisis while maintaining their investment mandate, which does not include long-term domestic investments. Other SWFs have a mandate which includes making financing available for domestic budgetary purposes in the short run but with proceeds repaid as soon as circumstances allow.

(c) Specific Issues Noted by SWFs

Financial entities are maintaining their investment mandate ...

- Financial entities interviewed emphasized that their long-term investment mandates and objectives were still intact. Several SWFs noted their “similar mandate to pension funds and endowments for offshore investments, with a focus on long-term value maximization.”
- Several SWFs noted that their funds’ mandates remain to invest solely in international investment abroad but that these flows had slowed while “waiting for global market conditions to stabilize; while a build-up of cash reserves is now going to support local investment needs.”

...While, for some, fulfilling their role of short-term financing for budgetary purposes

- Several participants noted their role in stabilizing the country by providing liquidity during the crisis while maintaining their investment mandate which does not include long-term domestic investments. “We can act as a stabilization fund but, while pressure exists to bail out ailing entities in this crisis, we are holding firm in adhering to our investment mandate.”
- Other financial entities emphasized that their mandate includes making financing available for domestic budgetary purposes in the short run but that these proceeds would be repaid when domestic financial circumstances improved. Moreover, this allocation was taking place within strong risk management systems and capital adequacy requirements.

Growing investment opportunities in SWFs’ own regions...

- A number of participants stressed that “increased regional investment also is being driven by the realization that their knowledge and expertise in their own region positions them to take advantage of growing investment opportunities.”
- Financial entities noted that region-based asset allocation was rising based purely

...While some participants expressed concern about pressures from within and abroad

- However, concern was expressed that “a reversal of recently gained financial openness could be taking place and that, on the contrary, emphasis needs to be placed on lessons from the crisis, with enhanced monitoring and controls.” One participant warned that pressure to invest domestically was increasing and that “recipient country regulatory discrimination will hasten these pressures.”
- Another financial entity stressed that it was “not clear whether some SWFs have the risk management capacity to make decisions that may be needed given the pressures to invest inward for domestic purposes, especially given the segmentation of risk-management capacity between domestic and external investment.”

Discussion Points regarding Shift in Asset Allocation

- How sizable is the shift towards own-country and regional investment as a result of the global financial environment?
- Has the global financial crisis caused a shift in SWFs’ fixed income/equity/alternative asset portfolio allocation?
- Is portfolio allocation of assets to emerging market countries outside own region becoming more or less attractive; has this been affected by the global financial environment?



- What are the driving factors in any asset allocation away from the OECD countries? How important are legal and regulatory regimes or related uncertainties?
- Is any sizable reallocation of assets taking place within international standards of asset-liability management as stated in the Santiago Principles?

Discussion Points regarding Process Underpinning Asset Allocation

- What is SWFs process of making operational decisions on cross-border policy issues?
- What is the path between forming SWFs respective strategic missions and their respective investment objectives?
- Has this relationship been affected by the global financial crisis; are shifts in SWFs investment strategy made necessary by the global financial crisis achieved within their respective existing strategic missions?
- Has the decision-making process served SWFs well in the face of protectionist pressures and the global financial crisis, or have fundamental adjustments to these processes been required?
- In light of recent global instability, are SWFs re-examining their organizational structures, human asset policies, information and intelligence systems, and approaches to managing risk and uncertainty?

IV. The Global Financial System and Future Regulatory Framework

Participants' confidence in the global financial system has been tested by the global crisis. The performance of the global investment banks, the complete failure of supposedly sophisticated risk management systems and senior firm management, and lack of effective national and international regulation are seen as scandalous. SWFs are rethinking what is required and what role they may play individually and/or collectively to reshape a new global investment regime.

The contrast was drawn with the financial system in many of the SWF countries. One financial participant noted that his government "tightened financial regulations and publicly advocated for people to divest out of real estate while people complained that they were too rigid...the loose regulatory environment in the Western financial system made it even more difficult to take this course of action." Another financial participant emphasized that "in the good days, we rebuilt our reserves and paid down debt so we could cushion the economy during the bad times."

Specific Issues Noted by SWFs

- SWFs, as long-term institutional investors, have a key role to play in the reform of the global financial system post-crisis. Large institutional investors and SWFs can provide useful inputs to help guard against the danger of financial protectionism.
- SWFs will be important providers of capital to battered financial institutions and companies and should therefore give inputs to the central banks and governments that are designing new regulations.
- Stabilizing the financial system has involved extensive government intervention, with taxpayers taking over distressed assets. Governments will eventually need to sell off such assets on a massive scale to reduce debt and exit businesses better managed by the private sector. This will inevitably need to involve long-term investors like the SWFs.

Discussion Points:

- Some SWFs and related stakeholders have expressed the view that sustained financial stability can only be achieved through a substantial overhaul of the existing global financial system and its regulatory architecture. Are SWFs satisfied with progress so far?
- SWFs have been important sources of long-term capital for the international financial system. Are participants satisfied with the role SWFs have achieved so far in giving inputs to the central banks and governments that are designing new regulations to prevent the problems that led to the financial meltdown?
- SWFs are rethinking what is required and what role they may play individually and/or collectively to reshape a new global investment regime. What more would SWFs like to see in the reform of the international financial system?
- There is some consideration being given for SWFs to work with central banks, governments and international organizations to help get securitization markets working again, and of continuing to strengthen local capital markets. Would this be of potential interest?

V. Growing Demand for Knowledge and Expertise

Facing evolving international issues and a difficult environment, SWFs are seeking to determine what skills and expertise they already possess and will need in order to better define and achieve their objectives going forward.

- Financial participants stressed an increased demand for expertise in a range of areas, including in specific sectors, some emerging markets, risk management and corporate governance. SWFs' full range of possible asset allocation has been limited by a scarcity in this knowledge base.
- Several SWFs remarked on the need for strategic partnerships with other sectors in order to gain from their expertise. "We are having problems with our usual partners as they became short of cash; therefore can no longer align with traditional partners such as Calpers and Harvard. At the moment, we have interest in deals where financial partners such as hedge funds or private equity shops have relevant expertise."
- Most SWFs use external managers, either to match index returns or to create active risk-adjusted return. Although public sector investment managers have significant experience in fixed-income markets, they often have limited capacity for investment in other asset classes, such as equities. Participants noted that "a number of SWFs pay government wages and cannot attract the best and brightest, nor are they viewed as good places to work."
- SWFs rely on external fund managers to implement their strategic asset allocation in areas where their capacity is limited. However, a number of SWFs indicated the importance of a minimum level of internal expertise to enable choice and guidance of external managers. They mentioned that they were set up to manage portfolios, not projects and that they do not have the expertise to do direct investments on their own. Nevertheless, even in these cases, SWFs mentioned that they needed to build up a domestic base of expertise in order to best choose external managers in respective investment allocation. Several other SWFs explained that had established a high quality of in-house capacity, though lacking in some areas.

VI. The Role of the Sovereign Wealth Fund Initiative

(a) Role of the SWFI in the Context of the IMF's International Forum

- Driven by the needs of the SWF themselves, including in dealing with international community, rather than driven by the needs of the international community
 - Rather than the International Forum approach of “encouraging cooperation with investment recipient countries, relevant international organizations, and capital market functionaries,” Fletcher’s SWFI seeks to determine and meet the needs of SWFs
- Responsive to help SWFs prepare for issues on the agenda of the International Forum or deal with issues raised during the International Forum
 - SWFI allows senior staff from SWFs to gather to discuss group position on issues relative to recipient countries, formulate policy responses if disagree with likely position of recipient countries
 - Helps find common position of SWFs in their relations with International Forum and outside world more broadly
 - Facilitates in-depth discussion on key international issues identified by SWFI or during International Forum
- Facilitate consensus building among SWFs
 - Support SWF working groups
 - “Thought leadership”
 - If unanimous agreement, common views reached during these SWFI Group meetings could be released without attribution to the public
- Bring in world-class, value-neutral expertise to help with issues identified by group or bilaterally
- Modalities of human capital needs of SWFs that could be supported by Fletcher will also be discussed during the SWFI meeting
 - Educational links between Fletcher and SWFs could be strengthened

(b) The Distinguishing Features of The Fletcher School's SWFI

- Value-neutral venue with full confidentiality for participants
- Access to resources of Fletcher and surrounding academic community
- Outside expertise beyond academic community brought in to facilitate discussions on specific issues
- Commitment by Fletcher to fund further research on key issues raised in SWFI

(c) Specific Areas of The Fletcher School's Expertise:

- Discriminatory practices in recipient countries
- The optimal level (costs and benefits) of SWF transparency
- Failed financial policies (such as in Iceland and other cases) to help avoid similar fate
- Private equity issues such as corporate and fund governance and regulatory requirements
- Attracting and keeping talent in SWFs
- Risk management

(d) Legal Issues Affecting SWFs are Currently Under Study by the SWFI

- Access to K&L Gates, a global law firm that serves as legal advisor to the SWFI, on a pro bono basis
 - Legal expertise regarding various issues affecting SWFs that are being examined by the SWFI
 - Subject matter-specific expertise to various legal issues under consideration (*e.g.*, foreign investment regulation, transportation regulation, maritime laws, financial services regulation, government relations and policy initiatives)
 - Legal and legislative updates to SWFI participants on developments that could potentially affect SWFs
 - Presentations, at the request of SWFI, on relevant subjects

About the Authors

Dr. Eliot R. Kalter

Dr. Eliot R. Kalter brings thirty years of experience in the study and practice of global capital markets, with a focus on emerging market countries.

Dr. Kalter established and is President of EM Strategies, Inc., which facilitates the relationship between emerging market (EM) countries and institutional investors. He also holds the position of Senior Fellow, Center for Emerging Market Enterprises (CEME) at the Fletcher School, Tufts University, where he heads the Sovereign Wealth Fund Initiative.

Dr. Kalter retired from the International Monetary Fund in 2007 as Assistant Director of the Capital Markets Department; prior to that he was Assistant Director of the Western Hemisphere Department. He began his career in 1976 as an economist at the Board of Governors of the Federal Reserve System. His career at the International Monetary Fund started in 1979, with more recent responsibilities including heading up financial programs in Latin America, leading assistance on local capital market developments to EM countries globally and running the Public Debt Managers Forum, bringing together international institutional investors and debt managers from all principal EM countries.

Dr. Kalter has an M.A. and a Ph.D. in International Finance from the University of Pennsylvania, an M.Sc. in International Monetary Economics from the London School of Economics and a B.A. from the University of Cincinnati. His publications are in the areas of international and local capital markets, public debt management, corporate restructuring, international competitiveness, and financial crises.

Mr. Thomas F. Holt, Jr.

Mr. Holt is a senior partner in the Boston office of K&L Gates, an international law firm with approximately 1,800 lawyers located in 33 cities in North America, Europe and Asia. He has served as a member of the K&L Gates firm-wide management committee. Mr Holt is a Professor of Law at The Fletcher School, Tufts University and is legal advisor to the School's Center for Emerging Market Enterprises (CEME) Sovereign Wealth Fund Initiative. He holds a bachelor of arts degree from Trinity College, Dublin, an M.A. and an M.A.L.D. from The Fletcher School, and a J.D. degree from Boston College Law School, where he was the articles editor of the Boston College International and Comparative Law Review.