

**UNCTAD High-level Conference 2017:  
Moving to the Next Phase of IIA Reform  
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Since it started, the reform of the International Investment Agreements (IIAs) regime made significant progress and it continues. It may have been fragmented and we may not be able to, at this point of time, have a clear picture of how substantive results could be expected, but it is being done and it is irreversible.

Now, it is time to move to the second, in our view, more difficult phase of the reform. The success of this phase is contingent on several important preconditions. Therefore, before anything else, we must ask ourselves the following questions:

- Do we all see the modernization of the “old-generation” treaties necessary?
- Are we ready and to what extent to engage in this process?
- Are we going to apply the same principles and actions as we did in new treaties?

From the perspective of a small economy in transition, the answer to all three questions is “yes”. There is no doubt this phase is going to be a long one, complex, difficult and with uncertain results. Still, can we afford to remain disengaged? In this multifaceted and multi-layered world of IIAs, can we be sure that we are on a safe side and need not to act at all?

We in Bosnia and Herzegovina believe that unless the reform is done in its entirety it will make the situation even more challenging for both the states and investors. In this vicious circle, the states would get more and more frustrated with rising number of challenges being brought against them before international arbitration tribunals (including corresponding costs) and investors could suffer from such frustration. No one can win in such situation.

And the world still has to secure funds for achievement of the Sustainable Development Goals decided by the Heads of States and Governments and High

Representatives in September 2015. We can put the IIAs to work for that cause and to have them doing so, we need to re-establish the trust and balance. We need to make sure that they are working for the benefit of those investing their resources and those using their investment for sustainable economic development. If we do so, we have good chances to succeed. On the other hand, if we make our mind depending on whether we can find ourselves on the respondent side and by whom, then our efforts will have only limited result.

We all need to be able to imagine ourselves wearing both hats, be open for constructive dialogue and make decisions based on that. This international forum has proven the capacity to put us together in one place, make us discuss important issues and shape the future actions. I am, therefore, very much hoping that we can move forward in this vital phase of the reform.

We the small economies, with limited human and other resources, owe a great appreciation to UNCTAD for playing an important role in the IIAs reform process. As the key United Nations' focal point for international investment and all-inclusive discussions on the IIAs regime, they have assisted many of us with their extensive research and analytical work none of us could make individually. We therefore commend them for such good work and invite them to keep up with it.

To conclude, the second phase of the IIAs reform is vital for the whole process. We must, therefore, approach it in an all-inclusive and systemic manner and monitor the progress so as to be able to cross-check if the desired results were to be achieved. We stand ready to actively engage and hope others will do also.

Thank you.