

UNCTAD Virtual IIA Conference 2020: “IIA Reform in Times of COVID-19”

Opening statement

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11:00 to 14:00 Geneva time

Excellencies,

Distinguished Experts,

It is my pleasure to welcome you to our 2020 Virtual IIA Conference: “IIA Reform in Times of COVID-19” – a World Investment Forum Satellite event.

The number of participants today attests that IIA reform is high on your agenda as policymakers and stakeholders. As you are aware, UNCTAD has been working on the reform of the international investment regime for many years. Our work has been always guided by a few key questions:

- How to establish a modern international investment system?
- How to ensure that the international investment regime promotes investment for sustainable development?
- How to foster coherence and synergy between the IIA regime and other international economic policies?

Today we are addressing a specific challenge: How to deepen and accelerate the reform of IIA regime in the COVID-19 era and beyond – and what lessons can we learn from the crisis for IIAs?

IIA reform is well underway with most new IIAs reflecting UNCTAD’s five action areas identified in its Investment Policy Framework for Sustainable Development, and the Road Map for Reforming the International Investment Regime:

- safeguarding the right to regulate, while providing protection;
- reforming the investment dispute settlement mechanism;
- promoting and facilitating investment;
- ensuring responsible investment;
- and enhancing systemic consistency.

We have made significant progress in formulating a new generation of IIAs. But a lot remains to be done to reform the existing stock of outdated IIAs. Old BITs still bite! The total ISDS cases had reached well over 1,000 with at least 55 new arbitrations initiated in 2019.

Most investment arbitrations were brought under IIAs signed in the 1990s or earlier. These challenges are today exacerbated by the COVID-19 pandemic and the risk of friction between existing IIA commitments and States' policy responses to mitigate the impact of the pandemic.

It is against this context that UNCTAD released its IIA Reform Accelerator a few weeks ago to assist countries in expediting the modernization of the existing stock of 2,500 old-generation IIAs which are still in force today. The Accelerator responds to the need for changing substantive aspects of the IIA regime by focusing on a selection of reform-oriented formulations for eight key IIA clauses. It identifies ready-to-use model language, accompanied by recent IIA and model BIT examples.

It is my hope that today's IIA Conference will contribute to modernizing the international investment regime and ensure that it promotes and facilitates investment for sustainable development and inclusive growth in the post-pandemic era.