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## STATEMENT

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### **ITUC intervention in the High-Level IIA Conference at the 2016 WIF**

We welcome the work of UNCTAD on the reform of IIAs especially for proposals

- aiming at introducing transparency
- and eliminating frivolous cases

However, we want UNCTAD to go further. UNCTAD should provide alternatives for countries that choose to denounce Investment Agreements.

That said, property needs to be protected against arbitrary expropriation. The best way to achieve this is rule of law. If in order to attract investment a country had to improve its rule of law and convince that foreign investment is actually protected, rule of law would be improving globally.

On another issue: sustainability. UNCTAD claims that the era of Sustainability for investors has dawned. However, this we do not see this happening. Global supply chains are infested with precarious and unsafe work, and often child labour and slavery. Overfishing, deforestation, and increased CO2 emissions are outcomes of the current business model.

Business planning needs an overhaul in order to start taking into account costs that are currently externalized on labour and the environment. To this end, we need UNCTAD to guide countries to apply the UN Guiding Principles and advocate mandatory due diligence all the way down the supply chains.

UNCTAD needs to work on a framework for enforceable investors' responsibilities urgently. A major review of the International Policy Framework for Sustainable Development could achieve this. Enforceable investors' responsibilities need to be incorporated in Investment Agreements so that governments can act together and protect human rights and the environment.

We welcome the fact that UNCTAD started work on investment facilitation and the release of an Action Menu for Investment Facilitation.

Although overall the recommendations are useful, we note that investment is treated neutrally and on a basis of non-discrimination. Contrary to this, we argue that governments should have the ability to screen and condition investment negatively.

For instance, if an investor has had evidently a bad behavior (including exploitation of labour, dumping on the environment, corruption and tax manipulation), a government should be able to use guarantees against such an investor - and even reject the investment.

UNCTAD should become more ambitious on the nexus of “investment and sustainability” and we hope that this Conference gives it a strong mandate to do so.