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I would like to thank UNCTAD for the opportunity to participate in this discussion and congratulate the IIA team on the launch of the Guiding Principles for International Investment Agreements Reform. The Guiding Principles – including the associated Guidelines and Annotations – translate years of insight from supporting investment treaty reform into a framework that provides both normative direction and flexibility to cater for diverse situations and choices. They are a welcome step forward in efforts to reform international investment law.

Public recognition of the need for reform has only intensified over the past 15 years, driven by concerns about safeguarding policy space and linking investment to sustainable development objectives. In practice, however, there has been substantial continuity in the investment treaty system. This is partly because, although some states have "recalibrated" their more recent treaties, "old-generation" treaties cover the larger share of global foreign direct investment stocks, even more so in developing economies and Least Developed Countries,[1] and they have served as the basis for the vast majority of investor-state dispute settlement cases to date.[2]

The Guiding Principles provide new opportunities to advance systemic reform, if they are leveraged to enhance coherence in three areas:

- Coherence between evidence and policy. Incremental reforms have often involved recalibrating treaties in response to specific concerns or arbitral interpretations. But research has highlighted more fundamental questions about whether investment protection treaties promote investment in the first place, about the limited effectiveness of piecemeal recalibrations and about the wider range of available options. By grounding reform in evidence-based assessments of investment needs and of most appropriate policy responses,[1] and by calling on states to consider all reform options,[2] the Guiding Principles provide an entry point to create stronger links between evidence and policy.
- Coherence between policy goals. States naturally and legitimately have different policy interests and priorities. But without some key common ground, polarised interests can make it harder to secure broad-based agreement for reform. By establishing high-level normative direction for reform initiatives, in terms of both process and content, the Guiding Principles can provide a foundation for

[1] Guideline 2.4.
[2] Guideline 2.5.

bringing together different policy interests around a shared set of goals that link investment to sustainable development – such as safeguarding regulatory space, ensuring responsible and inclusive investment, and maximising development benefits.[3]

- Coherence between policy arenas. The fact that international investment law rests primarily on a complex network of bilateral and regional treaties has made it harder to secure systemic reform. Reform initiatives have themselves been unfolding in different spaces – at national, bilateral, regional and multilateral levels. Through their global coverage and their spanning policy objectives, substantive provisions, dispute settlement and implementation tools, the Guiding Principles offer a comprehensive common framework that can be leveraged to guide, coordinate and enhance the coherence of reform efforts at all levels.

Ultimately, outcomes will depend on how the Guiding Principles are translated into practice; the challenge ahead is to integrate this guidance into national, bilateral, regional and multilateral reform processes. IIED would be delighted to continue working with UNCTAD and all actors to advance this reform agenda.

[3] Guidelines 3.6, 3.7 and 3.8.