

## IsDB Investment Policy Principles

Statement by Mr. Mohammad Usman Piracha, Chairperson, ISDS Reform Negotiations (OIC)

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Attracting sustainable development-oriented investment has become increasingly central to our discussions on investment policymaking. It is a concept that has gained significant prominence and is now considered a mainstream imperative. The role of soft policies, particularly the Guiding Principles developed by UNCTAD, IsDB and ICIEC in fostering regional cooperation to harness investment policymaking for sustainable development is enormous.

The Guiding Principles signify a collaborative effort to advance sustainable development through investment policymaking. In an era marked by growing environmental, social, and economic challenges, investment plays a pivotal role as a driver of equitable economic and social growth. To confront these challenges and achieve sustainable development goals, it is therefore vital to mobilize investments and ensure they contribute to our collective objectives. In this context, soft policies serve as a compass for our nations, guiding us towards a coherent, consciously designed, and consolidated approach to investment policymaking.

On the international stage, we find an increasing shift toward investment policies that integrate sustainable development. Some member nations have initiated significant investment policy reforms aimed at facilitating, promoting, and protecting such investments; recognizing that investment should be a tool not just for economic growth but for growth that benefits all - particularly the most vulnerable among us. These reforms are aligned with IsDB's commitment to fostering innovative and sustainable solutions to development challenges.

However, not all IsDB member countries have embarked on such reform efforts. This diversity in the reform landscape within our network emphasizes the importance of the Guiding Principles. These principles are designed to help each country in its reform journey, ensuring they can adapt their investment policies to changing dynamics, while adhering to sustainable development objectives. By providing a flexible framework, the Guiding Principles can in effect also apply to nations not those strictly IsDB member countries, in realizing the shared goal of sustainable and inclusive growth.

When it comes to the current status of IIA reform in IsDB member countries, we observe both opportunities and challenges. Our diverse group of nations has signed a significant

number of bilateral investment treaties (BITs). This calls for a careful review of these agreements, ensuring that they align with our present-day sustainable development objectives. The Guiding Principles act as a North Star in this reform process, emphasizing the importance of balance, coherence, and the right to regulate to protect critical interests like public health and the environment.

As we explore the role of the Guiding Principles, we are reminded of the concrete progress being made within the OIC framework. The recent progress made in this regard - and specifically the steps and meetings held towards establishing a permanent dispute settlement mechanism and protocol under the OIC, is an essential component in our quest to make investment a driving force for inclusive growth and sustainable development.

During these discussions, experts have highlighted the global trends in reforming investor-state dispute settlement processes. They stressed the need for substantive reform in investment agreements amongst OIC Member States, in addition to the procedural reforms being undertaken through the establishment of a permanent dispute settlement mechanism and protocol. These initiatives play a pivotal role in our journey towards a more equitable and sustainable future.

Moreover, there is an explicit call for OIC Member States to actively engage in this process, submitting their observations and comments on the Protocol for consideration at future meetings. This inclusivity emphasizes the cooperative nature of these initiatives.

Our gathering today signifies our collective commitment to attracting sustainable development-oriented investment, fostering cooperation, and enhancing the reform of investment policies within the IsDB network. The Guiding Principles, as soft policies, are the tools that empower us in this journey. They provide us with a framework for policy coherence, governance, balanced rights, obligations and facilitation. These principles also stress the importance of corporate responsibility, regional cooperation, and capacity development.

As we continue down this path of reform, let us remember that investment policies play a vital role in our pursuit of inclusive growth and sustainable development. By adhering to these Guiding Principles, we stand united in our endeavor to harness investment policymaking for the benefit of all, leaving no one behind.

Thank you.