



Permanent Mission of Pakistan to the UN **Geneva**

Statement by Pakistan **at**

Multi-Year Expert Meeting on Investment, Innovation and Entrepreneurship **for Productive Capacity building and Sustainable Development Goal** (21 September 2020)

Mr. Chairman,
Excellencies,
Distinguished panellists,
Ladies and gentlemen

1. Let me begin by congratulating Mr. Raul Vargas Juarez of Mexico, on his election as the Chair and Ms. Sara Nasr of Lebanon on her election as Vice-Chair cum Rapporteur. My delegation assures you of its support to the successful conclusion of this meeting. My delegation also thanks the two Directors on their insight presentations.

Mr. Chairman,

2. UNCTAD's work on international investment agreements has been of great value to developing countries. A number of countries including Pakistan have benefited directly from UNCTAD's expertise in the design of new model investment agreements for reforming, modernizing and updating the existing agreements.

3. The COVID-19 pandemic forced countries to take measures to revive their economies and to protect public health. These measures were taken in the public interest and in exceptional circumstances. We note with concern that there may be a tension between such measures adopted to combat the pandemic and existing international investment agreements that were signed in early 80s and 90s.

4. To reform the old treaties and to introduce clarifications and exceptions in key provisions to protect the right of governments to regulate investment in their public interest, the developing countries seek assistance from UNCTAD's existing policy tools and instruments such as its investment policy framework for sustainable development. Pakistan in cooperation with UNCTAD is developing a new model bilateral investment treaty that aims at creating a balance between investment protection and the right of the State to implement measures for the protection of public policy concerns.

5. We have also worked closely with UNCTAD in the review of our existing international investment treaties. We would like to thank UNCTAD for its assistance.

Mr. Chairman,

6. We note with concern that the 2020 World investment Report shows that the number of investor-State disputes has reached over 1000 cases. In many of these cases, foreign investors claimed compensation against legitimate measures taken by governments in public interest. The provisions found in the old investment treaties were drafted broadly enabling investors to bring claims against the states.

7. Today in the context of COVID-19, the reform of the old treaties in line with UNCTAD's recommendations has assumed urgency. Indeed, there is a risk of further rise in investor-State disputes based on measures taken by government to protect public health and to revive the economy during and in the aftermath of COVID-19. Today more than ever, UNCTAD's work on investment treaty reform needs to be reinforced and supported.

8. We encourage UNCTAD's work to develop a new IIA reform accelerator that will provide specific and action oriented recommendations for countries given today's challenging context.

9. Finally, we commend UNCTAD for its cooperation with the D-8 Organization of Economic Cooperation in the design of joint guiding principles for investment policymaking. The principles will assist D-8 members in designing the new generation investment policies that maintain investment protection, but without limiting the right to regulate in the public interest.

10. We look forward to continuing our close cooperation with UNCTAD and encourage it to strengthen its efforts to assist developing countries moving forward with investment treaty reform, including through the use of virtual technical assistance means.

I thank you.
