

## Accelerating IIA Reform Convergence: Insights from UNCTAD's IIA Reform Platform

### HIGHLIGHTS

- ▶ UNCTAD's Multi-stakeholder Platform on IIA Reform was launched at the UNCTAD High-level IIA Conference in 2023 as an inclusive forum for informal expert-level deliberations on ways to fast-track the reform of international investment agreements (IIAs). Participants from governments, international organizations, civil society, academia and the private sector convened for two meetings in 2024 to discuss inhibitors and accelerators of IIA reform, and explore trends of substantive convergence and divergence in ongoing IIA reform efforts.
- ▶ Participants identified four barriers to IIA reform and opportunities to overcome them. Capacity and resource constraints, concerns regarding adverse signalling, limited political buy-in, and reform fatigue slow down the progress of updating IIA networks. Key strategies to overcome barriers and unlock reform include providing demand-driven capacity-building, disseminating knowledge, reframing treaty reform as an upgrade that aims to increase sustainable investment flows, and strengthening regional forums.
- ▶ New-generation treaties converge around sustainable development-oriented reform. Treaty reform shows in four substantive areas in recent IIAs: (i) safeguarding the right to regulate, while providing refined protections; (ii) strengthening the investment facilitation and promotion dimension of IIAs; (iii) including investor obligations and responsible investment clauses; and (iv) reforming investor-State dispute settlement mechanisms.
- ▶ Overall convergence on shared reform goals coupled with country-specific and regional divergence offers a promising path forward. The shared objective to align investment governance with sustainable development is a strong driver for moving reform efforts towards greater convergence. A degree of divergence appears between countries and regions when negotiating and selecting concrete drafting choices in IIAs.
- ▶ UNCTAD is in the process of developing Guiding Principles on IIA Reform. Following a call from stakeholders at the High-level IIA Conference 2024, the Principles will build on UNCTAD's existing policy instruments and reform expertise, and incorporate lessons from a decade of reform action. They aim to provide a framework that guides policymakers and inspires reform action to embed sustainable development at the core of the international investment regime.

# Introduction

The international investment agreements (IIA) regime is at a crossroads. Reform efforts are under way in many countries and regions. Progress on the reform path is visible in new-generation treaties, which increasingly address economic, social and environmental objectives (UNCTAD, 2024b; UNCTAD, 2025c). Yet, reform remains peripheral in the overall IIA regime. About 85 per cent of the approximately 2,600 IIAs in force today were negotiated before 2010 and reflect the policy priorities of a bygone era. The IIA reform paradox manifests itself in States' willingness to agree on treaty reform and engage in the adoption of new-generation IIAs, contrasted with the impasse on the modernization of old treaties. As highlighted at UNCTAD's 2024 High-level IIA Conference, the challenge is to accelerate the reform of old-generation treaties and to move sustainability in all its dimensions from the periphery of the system to its core.<sup>1</sup>

Comprehensive IIA reform could help transform the current IIA network into a 21st-century governance system that effectively embeds sustainable development and fosters sustainable investment. As previously outlined by UNCTAD, old-generation IIAs grant extensive investment protection but lack concrete and proactive investment promotion and facilitation provisions (UNCTAD, 2012; UNCTAD, 2015). The role of these old-generation treaties in attracting foreign direct investment (FDI) flows remains inconclusive as there is no mono-causal link between the existence of an IIA and increased FDI inflows. This highlights the need to examine how IIAs interact with other enablers as a large number of determinants drive firms' investment decisions (UNCTAD, 2015). At the same time, a continuing concern is the impact of old-generation IIAs on host countries' right to regulate. This is accentuated by the risk of investor-State dispute settlement (ISDS) claims which can add substantive costs for governments when taking regulatory action to achieve public policy objectives and pursue broader development agendas.

The modernization of international investment governance aims at aligning the regime with today's imperatives, mitigating litigation risks and mobilizing investment that supports more inclusive, sustainable and resilient economies. The importance of such modernization efforts is universally recognized, including in the 2024 Pact for the Future, where States signalled their intent to support the creation of a more enabling international regulatory environment for investment (United Nations, 2024), and the 2025 Compromiso de Sevilla, in which States "encourage updating and reforming outdated investment agreements" (United Nations, 2025).

UNCTAD has been supporting countries' and regions' IIA reform efforts with comprehensive guidance. The Investment Policy Framework for Sustainable Development (UNCTAD, 2012; UNCTAD, 2015) and the Reform Package for the International Investment Regime (UNCTAD, 2018) provided a blueprint for aligning investment policy with sustainable development imperatives. More recently, the IIA Reform Accelerator (UNCTAD, 2020) translated policy options into concrete model clauses for eight IIA provisions most in need of reform. Tailored analysis and IIA reform options were further provided on public health (UNCTAD, 2021), climate action (UNCTAD, 2022), the energy transition (UNCTAD, 2023b; UNCTAD, 2023c), investment facilitation (UNCTAD, 2023a), and the digital economy (UNCTAD, 2025c). This policy guidance draws on research and analysis conducted by UNCTAD and is complemented by capacity-building activities and steady efforts at building global consensus on IIA reform. The 2023 World Investment Forum strengthened these efforts by launching the Multi-stakeholder Platform on IIA Reform (IIA Reform Platform), grounded in UNCTAD's role as an inclusive, UN-wide forum for policy dialogue on IIA reform.

<sup>1</sup> See summary of the 2024 UNCTAD High-level IIA Conference "The path to mainstreaming sustainable development in international investment agreements", available at <https://investmentpolicy.unctad.org/news/hub/1757/20241220-the-path-to-mainstreaming-sustainable-development-in-international-investment-agreements>.



This IIA Issues Note distills insights from the informal deliberations of the IIA Reform Platform that took place in 2024. The Platform initially convened attendees of the 2023 High-level IIA Conference and its reach is now extending to a wider range of IIA experts (box 1). The first meeting focused on reform processes, sharing experiences on inhibitors and accelerators of IIA reform. The second meeting turned to substantive areas of IIA reform, discussing areas of convergence and divergence across new-generation IIAs. By capturing the knowledge and experiences of governments, international organizations, civil society, academia and the private sector, this IIA Issues Note maps the status quo, informs next steps and supports countries and regions in moving sustainable development-oriented reform to the core of the international investment regime.



### **Box 1**

#### **What is the UNCTAD Multi-stakeholder Platform on IIA Reform?**

The [UNCTAD Multi-stakeholder Platform on IIA Reform](#) (IIA Reform Platform) serves as a forum for informal expert deliberation and dialogue to accelerate IIA reform in line with sustainable development priorities. The IIA Reform Platform was launched at UNCTAD's High-level IIA Conference, which took place as part of the 2023 World Investment Forum in Abu Dhabi.

The Platform aims to conduct regular meetings, exploring ways to promote sustainable-development-oriented IIA reform. The initial meeting mostly included attendees of the 2023 High-level IIA Conference. Since then, participation has grown to include an increasing number of stakeholders. The Platform is now composed of experts across a wide range of issue areas related to policymaking for sustainable investment, with specific expertise relating to the negotiation and reform of IIAs. This includes participants from governments, international organizations, academia, think tanks, civil society and the private sector. The Platform aims to ensure diversity in terms of gender, geographical distribution and area of expertise.

The IIA Reform Platform met twice during its inaugural year (first in February 2024,<sup>a</sup> with a second meeting convened in September 2024).<sup>b</sup> It complements discussions at the annual UNCTAD High-level IIA Conference and other forums such as UNCITRAL Working Group III on ISDS reform, the Future of Investment Treaties workstream of the OECD, and regional reform actions led by regional economic communities. The IIA Reform Platform explores possibilities for deepening and accelerating IIA reform and generates ideas for reform coordination at the national, bilateral, regional and international levels.

IIA experts who wish to participate in future meetings of the Platform can contact UNCTAD's IIA Section by emailing [iaa@unctad.org](mailto:iaa@unctad.org).

*Source:* UNCTAD.

<sup>a</sup> See <https://investmentpolicy.unctad.org/news/hub/1742/20240304-unlocking-investment-treaty-reform-through-unctad-multi-stakeholder-platform>.

<sup>b</sup> See <https://investmentpolicy.unctad.org/news/hub/1747/20240911-unctad-multi-stakeholder-platform-discusses-converging-and-diverging-iaa-reform-trends>.



# Inhibitors and accelerators of IIA reform

The first meeting of the IIA Reform Platform focused on factors that inhibit and those that accelerate IIA reform. Platform participants considered the operating environment of governments and IIA negotiators as well as the role of other stakeholders in supporting IIA reform action, including international and regional organizations, civil society, academia and the private sector.

## Barriers to IIA reform efforts

IIA Reform Platform experts identified four main inhibitors of IIA reform: (i) capacity constraints, including challenges in coordinating domestically; (ii) competing priorities that limit political buy-in for IIA reform; (iii) lengthy parallel processes and reform fatigue; and (iv) concerns around adverse signalling to investors when undertaking IIA reform. These challenges to IIA reform affect both developed and developing countries, although in different ways.

*Capacity constraints and coordination challenges:* Experts identified capacity and resource constraints as primary inhibitors of treaty reform, including lack of personnel and technical expertise. For example, countries may face difficulties in developing and retaining sufficient numbers of staff with the required specialized expertise (e.g. due to staff turnover and reassignments). Additionally, some countries lack the necessary domestic institutional structures to determine reform needs and support renegotiations (e.g. interministerial mechanisms). These are long-standing issues for developing countries and least developed countries, affecting engagement in IIA reform processes (box 2). Relatedly, Platform participants noted a lack of financial and human resources that hinders developing countries' participation in forums for sharing experiences and best practices, reinforcing asymmetries in technical expertise and bargaining power that inhibit IIA reform.



### Box 2

#### Coordination and capacity challenges in starting and implementing IIA reform processes

UNCTAD's Reform Package 2018 outlined several national coordination and capacity challenges in starting and implementing IIA reform processes.

**Complexity of devising an IIA reform strategy at the national level:** Countries need to determine their IIA reform strategy and formulate clear policy positions, after comprehensive and fact-based cost-benefit analyses in light of their individual circumstances and priorities. This requires coordination between different ministries and government agencies in charge of the various dimensions of a country's investment policy framework (e.g. IIAs, domestic investment rules) and related issues (e.g. taxation). The process to develop an IIA reform strategy may benefit from broad stakeholder consultations. Regional contexts and coordination can also play an important role.

**Lack of capacity to prepare for and carry out IIA reform processes:** Reform requires strong domestic structures, with solid processes, decision-making and implementation capacities (e.g. for sustained internal coordination among State organs). This can be particularly challenging for developing countries and least developed countries, which often face limited human resources, institutional and administrative capacities.

*Source:* Based on UNCTAD, 2018.



*Competing priorities that limit political buy-in for IIA reform:* Platform participants pointed out that political buy-in needs to be strengthened in developed and developing economies alike. IIA reform often competes for political attention with other economic, social and development policies. Awareness of the potential risks and costs associated with old-generation IIAs such as reduced policy space, exposure to ISDS claims and increasingly large damages awards (UNCTAD, 2024a) may not always reach all levels of decision-making. Without high-level attention, technical experts within the ministries or government agencies in charge of IIAs cannot advance the comprehensive reforms needed to modernize the stock of thousands of old-generation IIAs.

*Lengthy parallel processes and reform fatigue:* Experts identified lengthy processes in multiple settings and reform fatigue as challenges to the modernization of IIA networks. Bilateral renegotiations proceed treaty by treaty, are resource- and time-intensive, and require coordination with the treaty partner as well as national decision makers. In parallel to bilateral reform, government staff devote time and resources to discussions at the regional and international levels. Platform participants noted the opportunities for ambitious reform of the IIA regime within reasonable time frames by adopting a layered approach. Bilateral reform can be reinforced by regionally anchored strategies that have the potential to simultaneously reform a large number of old-generation agreements.

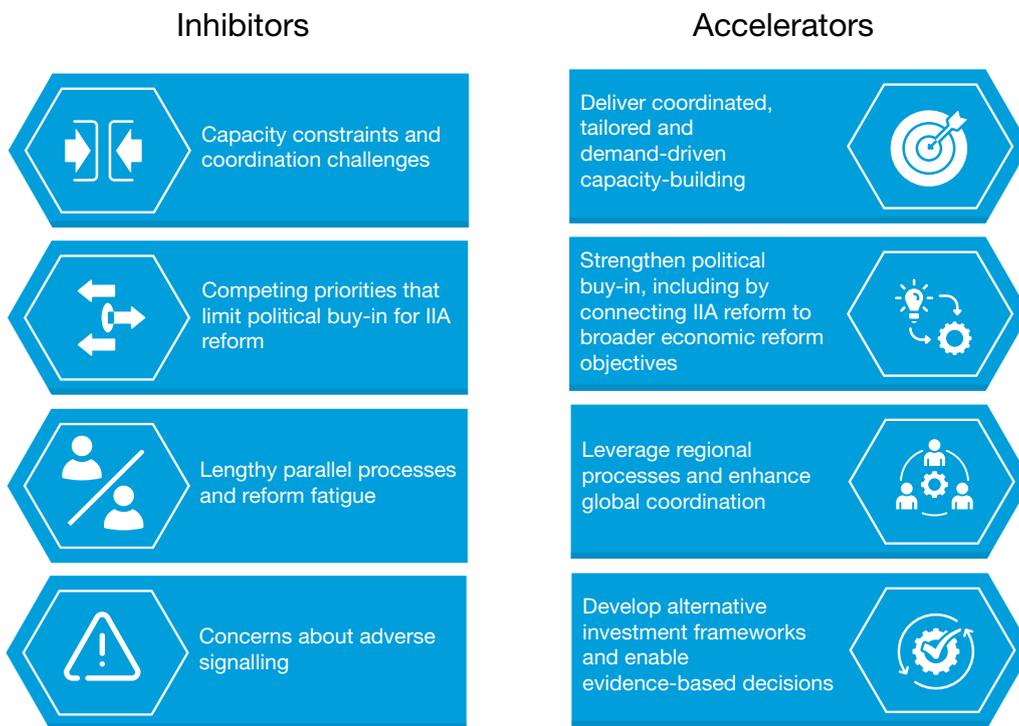
*Concerns about adverse signalling:* Platform participants indicated that some policymakers have concerns around adverse signalling to investors when engaging in IIA reform processes such as amending, renegotiating or terminating old-generation IIAs. Reform plans could be perceived by some members of the business community as a retreat from investment protections instead of modernization. It was suggested that recasting reform as an update that aims to enhance FDI flows and align treaties with sustainable development objectives could set a positive agenda for change. In this context, experts pointed out that old-generation protection-focused IIAs do not do enough to effectively increase flows of investment for sustainable development. Lastly, some Platform participants noted that despite the urgency for reform there are still some stakeholders that have reservations to reform the IIA regime, and prefer to maintain the status quo.

## **Opportunities to accelerate IIA reform**

Opportunities and strategies exist to address each of the above challenges (figure 1), typically through a mix of country-specific, regional and global responses. In addition to governments, such responses can benefit from the involvement of a range of stakeholders, including international and regional organizations, civil society, academia and the private sector (table 1).



**Figure 1**  
**Turning inhibitors into accelerators of IIA reform**



Source: UNCTAD.

*Deliver demand-driven capacity-building and strengthen domestic coordination:* Forums for knowledge exchange and experience sharing can enable peer-learning for treaty negotiators from developed and developing economies. Experts pointed out that developing-country participation in such forums may need to be enabled through targeted financial assistance, including for organizers. Additionally, Platform participants underlined the importance of efforts of international, regional and non-governmental organizations to strengthen the delivery of demand-driven technical assistance and capacity-building, tailored to the specific needs of countries and regions. Enhanced collaboration and coordination can increase the overall reach and effectiveness of capacity-building.

*Strengthening political buy-in:* Experts suggested that political buy-in for IIA reform can be strengthened by linking it to strategic agendas such as attracting investment for clean energy, digital transformation and domestic revenue mobilization. This may help gather political momentum for timely action. Additionally, regional forums can build partnerships and create political momentum. Experts mentioned examples such as the negotiation of the African Continental Free Trade Area (AfCFTA) Investment Protocol, intra-European Union coordination on IIA reform, including the reform momentum that had built around the Energy Charter Treaty, and initiatives of the Association of Southeast Asian Nations (ASEAN) to upgrade investment policy frameworks. These experiences illustrate how regionalism can help mobilize governments for reform. At the multilateral level, UNCITRAL Working Group III on ISDS reform is an example of a focused reform process that involves a large number of countries across regions. The use of flexible opt-in instruments such as the UNCITRAL multilateral instrument, currently under negotiation, allows States to signal collective IIA reform intent while providing flexibility to individually choose from reform elements. Lastly, Platform discussions suggested that broad-based stakeholder engagement can keep reform visible on crowded policy agendas and may help secure political support.

*Connecting reform discussions and increasing reform momentum:* Platform participants reflected on strategies to address lengthy parallel processes and reform fatigue. One solution could be to strengthen regional processes for IIA reform. Platform participants mentioned how regional agreements such as the AfCFTA Investment Protocol and the European Union's Agreement for the Termination of Bilateral Investment Treaties between the Member States can lead to the reform of hundreds of old-generation IIAs at once. Other examples are the ongoing processes advanced by the Common Market for Eastern and Southern Africa and the League of Arab States. To connect these regional advances, experts highlighted the need for stronger global coordination. This includes, for example, strengthening universal forums that convene cross-regional dialogues, ensuring that best practices and reform innovations in one regional bloc diffuse to others. International and regional organizations could also facilitate matchmaking for IIA reform, bringing countries together to explore possibilities for joint actions concerning old-generation agreements.

*Addressing concerns around IIA reform and adverse signalling:* Experts suggested that accelerating IIA reform may require communicating treaty modernization to stakeholders as an upgrade that aims to increase FDI flows and stimulate economic development. Doing so requires the development of a positive reform agenda providing alternatives to old-generation IIAs. Efforts are already taking place to adopt and operationalize instruments focused on enhancing flows of sustainable investment. New types of treaties and other investment policy tools broaden the menu of options available to governments for stimulating FDI flows. Non-treaty tools to lower investment risk include domestic investment laws (UNCTAD, 2024c; UNCTAD, 2025a), political risk insurance (UNCTAD, 2025b), public-private partnerships, and blended financing models involving investors, host States and (multilateral) development partners (UNCTAD, 2023c). Treaty modernization can go hand in hand with increased reliance on these core investment policy tools. In this context, experts suggested that reform would benefit from analytical studies on the impact of modernized frameworks on sustainable investment flows. There is a need for more evidence-based analysis as to which instruments, models and provisions can help attract sustainable investment. Lastly, Platform participants advocated to strengthen the dissemination of knowledge on IIA reform, including the sharing of experiences and research studies. The discussions underlined that efforts to accelerate IIA reform should consider the voices of developed and developing countries. Targeted financial support for developing-country participation in global forums can support the aim of a more inclusive debate.





**Table 1**  
**Strategies, action points and stakeholder engagement for accelerated IIA reform**

Strategy	Action points	Action leads and stakeholder engagement
Building capacity and coordinating domestically	Deliver coordinated, tailored and demand-driven technical assistance and capacity-building for devising and operationalizing national IIA reform strategies	International, regional and civil society organizations with the support of donor governments
	Organize forums that facilitate the sharing of experience and peer learning	International, regional and civil society organizations with the support of donor governments
	Identify relevant ministries and agencies, and create mechanisms for coordination and sharing of information	Governments
Strengthening political buy-in	Connect the IIA reform agenda to broader economic reforms and revenue mobilization objectives	Governments, international and regional organizations
	Use regional and international forums to inform decision makers, build partnerships and create political momentum	International and regional organizations, governments
	Maintain broad societal engagement to keep IIA reform on political agendas	Civil society organizations, academia, private sector
Connecting reform discussions and increasing reform momentum	Leverage regional processes for IIA reform	Regional organizations, governments and other international organizations
	Enhance global coordination and foster cross-regional dialogue	International and regional organizations
Addressing concerns around IIA reform	Develop alternative treaty approaches centred around sustainability	Governments, international and regional organizations, civil society organizations and academia
	Recast IIA reform as broader investment policy modernization, including the upgrading of investment promotion and facilitation	Governments, international and regional organizations, civil society organizations, private sector, academia
	Promote the use of non-treaty instruments, such as national investment laws and political risk insurance	Governments, investors, international organizations, multilateral development banks, specialized insurers
	Generate and disseminate IIA reform knowledge	International and regional organizations, civil society organizations, academia
	Engage with stakeholders at national, regional and international level	Governments, international and regional organizations, civil society organizations, private sector, academia

Source: UNCTAD.



# Convergent and divergent approaches to IIA reform

The second meeting of the IIA Reform Platform focused on areas of convergence and divergence in IIA reform. Experts largely agreed that overall convergence on shared reform goals coupled with country-specific and regional divergence offers the most promising path forward. A shared baseline on sustainability-related issues and overall reform objectives can enhance system-wide coherence and predictability. Yet it was stressed that a one-size-fits-all approach would ignore the wide variation in countries' development levels, policy priorities and institutional capacities. Accordingly, guidance on overarching goals is desirable while preserving latitude so that each State can choose its own approach to IIAs in line with its national priorities and development strategy.

## Areas of convergence in IIA reform

Participants of UNCTAD's IIA Reform Platform underscored a growing convergence in new-generation treaties on sustainable-development objectives, which is visible across four substantive reform areas: (i) safeguards for States' right to regulate alongside refined investment protection; (ii) investment promotion and facilitation provisions; (iii) investor obligations and responsible investment clauses; and (iv) reformed ISDS provisions.

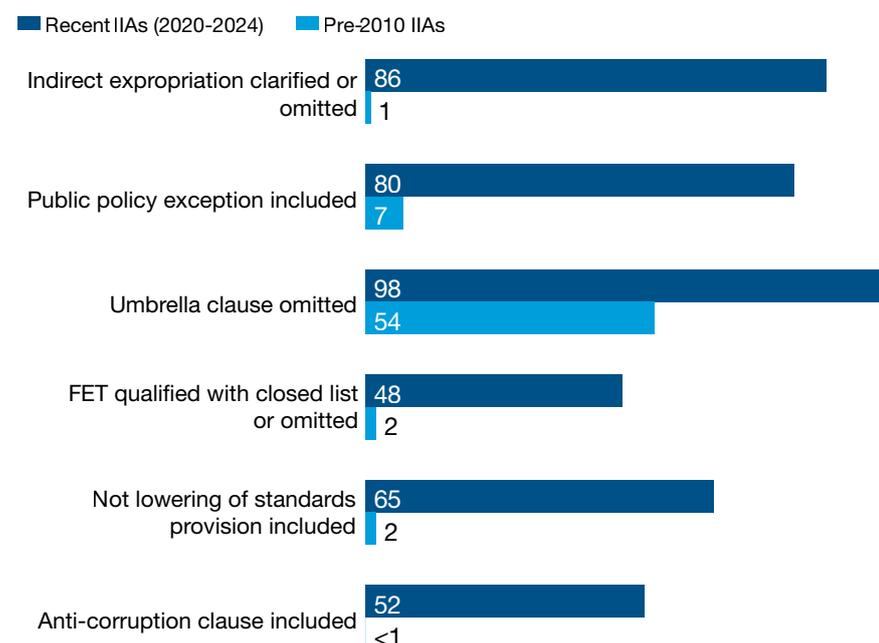
Recent regional and bilateral agreements tend to circumscribe key standards such as fair and equitable treatment (FET) and indirect expropriation through more precise definitions and explicit references to the State's right to regulate (UNCTAD, 2025c). Many IIAs now also pre-empt treaty shopping with refined definitions, more effective denial-of-benefit clauses and limit the systemic effects of most-favoured-nation (MFN) treatment provisions. In addition to balancing investment protection with regulatory space, newer treaties, for example, also include clauses aimed at combating corruption in investment activities (figure 2). More detailed provisions are emerging in areas such as environmental protection, labour standards, public health, and climate goals, translating sustainable-development imperatives into treaty language.



**Figure 2**

### The prevalence of select reform features in recent IIAs compared to pre-2010 treaties

(Percentage)



Source: UNCTAD.



Convergence is equally visible in the rise of promotion and facilitation provisions that streamline procedures, enhance transparency and strengthen investor services (UNCTAD, 2025c). BITs focused on investment cooperation and facilitation signed by countries such as Brazil, as well as the Angola–European Union Sustainable Investment Facilitation Agreement provide examples of new types of treaties. Some treaties also link facilitation and promotion tools to broader sustainability commitments, illustrating how investment facilitation and promotion can be pursued with a focus on sustainable development objectives (UNCTAD, 2023a). Platform participants pointed more generally to the increasing role investment facilitation plays in global investment policymaking, including in the context of the Investment Facilitation for Development Agreement negotiated and finalized by participating WTO members.

A third strand of reform addresses the reciprocal nature of investment relations. Some agreements impose binding investor obligations – for example, compliance with national and international environmental and labour rules or anti-corruption measures – while others use aspirational or best-efforts language or impose a duty on States to encourage responsible business conduct (UNCTAD, 2025c). The inclusion of these types of clauses signals a shift away from one-sided investment protection to more balanced rights and responsibilities.

Finally, some IIA Reform Platform experts noted that broad agreement existed on the need to reform the existing ISDS mechanism. This is reflected in a trend to improve, limit or replace ad hoc investor–State arbitration in new-generation IIAs (UNCTAD, 2019) as well as the ongoing work in UNCITRAL Working Group III on ISDS reform.

### **Divergence in IIA reform**

While many countries and regions share a general interest in reforming IIAs and treaty provisions, differences appear when negotiating and selecting concrete drafting choices. This becomes visible in the specific wording ultimately used in signed treaties.

Split choices surface with respect to core protection standards found in old-generation IIAs such as the FET clause. Many new treaties contain a closed list of breaches and some omit or replace FET, whereas others retain a broader FET clause (see figure 2).

Another layer of divergence concerns the prevalence and depth of sustainable development-oriented provisions in recent IIAs. For example, a few new-generation IIAs contain binding references to responsible business conduct. Many recent treaties adopt non-binding provisions requiring best efforts on the part of the State to encourage responsible business conduct (UNCTAD, 2024d; UNCTAD, 2025c). Other recent IIAs do not address responsible business conduct at all.

With respect to ISDS, Platform participants pointed out the range of approaches adopted by countries and regions. Many recent IIAs include improved ISDS procedures, limit access to ISDS or omit ISDS entirely while relying on dispute prevention mechanisms, State-to-State dispute settlement or domestic remedies (UNCTAD, 2019; UNCTAD, 2025c). A few treaties provide for a standing court-like tribunal; others retain an unreformed ISDS mechanism (UNCTAD, 2019).

Lastly, the intensity of countries' engagement in IIA reform processes and the speed at which they reform their stock of old-generation IIAs is uneven. Some governments have opted for the large-scale termination of many or all of their old-generation IIAs, whereas others pursue a path of selective renegotiation and replacement. Still others continue to evaluate their options or, for the time being, have chosen not to take concrete action to address their stock of old-generation IIAs.



### Drivers of convergence and divergence

Platform participants' discussions affirmed that the shared imperative to align investment governance with sustainable development is the strongest driver for moving reform efforts towards common ground (figure 3). Developed and developing economies increasingly seek to craft IIAs that actively support sustainable development and mobilize investment flows while safeguarding regulatory space. International organizations, regional bodies and civil society amplify this pull by supplying policy options, facilitating peer learning and benchmarking progress. Together, this generates a rising floor of expectations that new and old treaties should be aligned with sustainable development.

A number of factors can drive divergence when the broad objective of pursuing sustainable development meets the individual IIA reform agendas of countries and regions. Platform participants identified different national and regional priorities as key drivers of divergence in IIA reform. These priorities are shaped, for example, by different levels of economic development, outward and inward investment patterns, historical perceptions, perceived risk of exposure to ISDS claims, past experiences with ISDS cases, public opinion, and policy preferences.



**Figure 3**  
**Convergence in IIA reform: key driver and areas**



Source: UNCTAD.

Elaborating the components of the shared sustainable development imperative – as an overarching driver of IIA reform – could help overcome some divides in reform approaches. This involves translating the broad sustainability paradigm into clearer guidance for IIA reform. In light of different national development priorities, IIA reform guidance can accommodate individual countries' contexts while providing key elements for pursuing sustainable development-oriented investment policymaking.



## Conclusions

The unreformed provisions of over 2,200 pre-2010 treaties stand in contrast with the increasing number of recent IIAs that include sustainable development-oriented considerations (UNCTAD, 2024b). UNCTAD's initiatives to support policymaking and global consensus-building on IIA reform – from the 2012 Investment Policy Framework for Sustainable Development to the 2023 launch of the IIA Reform Platform – show how far reform thinking has advanced and how much remains to be done to move sustainability from the periphery of the IIA system to its core.

Reform progress still meets obstacles. Platform participants identified four principal inhibitors – capacity and resource constraints, limited political buy-in, reform fatigue, and concerns around adverse signalling to investors when undertaking IIA reform. However, they also discussed key strategies to overcome reform barriers by disseminating knowledge, providing demand-driven capacity-building, reframing treaty reform as an investment promotion upgrade, strengthening regional forums, and collaboration among like-minded countries. Taken together, the discussions pointed to the value of building further on shared objectives and developing collective guidance for countries to accelerate IIA reform around the overarching goal of sustainable development.

On substance, Platform participants found convergence around four themes: safeguarding the right to regulate and refining investor protections, enhancing investment promotion and facilitation, embedding investor responsibilities, and reforming ISDS. The key takeaway is that global IIA reform activity continues, and new treaties increasingly display common reform features. Yet divergences exist concerning the design of individual IIA clauses, for example when it comes to the inclusion or omission of specific treaty elements, and the exact formulations used. Countries and regions adopt approaches with varying levels of reform ambition and implement them at different speeds. Platform participants reflected on ways to help bridge the gaps in reform progress and address reform barriers.

A common theme that transpired throughout the discussions was that reform efforts can benefit from additional consensus-building and IIA reform guidance. This need has equally been recognized at UNCTAD's High-level IIA Conference in December 2024. Following the call from stakeholders, UNCTAD is in the process of developing Guiding Principles on IIA Reform.

The principles will build on the leading role of UNCTAD as the convening forum on IIA reform over the past decade, on the basis of which consensus emerged on the need to reform the international investment regime. More than 130 countries and regional organizations have benefitted from the core policy guidance tools developed by UNCTAD – the Investment Policy Framework for Sustainable Development launched in 2012 and updated in 2015 (UNCTAD, 2015), the IIA Reform Package (UNCTAD, 2018) and the IIA Reform Accelerator (UNCTAD, 2020).

Building on UNCTAD expertise and incorporating lessons from the past decade of reform in action, the principles aim to provide a framework that guides international investment policymakers on both the process and the substantive aspects of IIA reform. The overarching goal is to embed sustainable development at the core of the international investment regime, covering all practical steps in the reform process. The principles will support countries in developing an IIA reform strategy, in designing and negotiating reformed IIAs and in operationalizing new-generation IIAs for maximum impact.

The draft principles will form the basis for discussion at the High-level IIA Conference 2025 and will gather comments from a broad range of stakeholders, including as part of the IIA Reform Platform.



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# IIA Issues Note

International Investment Agreements

Division on Investment and Enterprise

