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IIA Issues Note

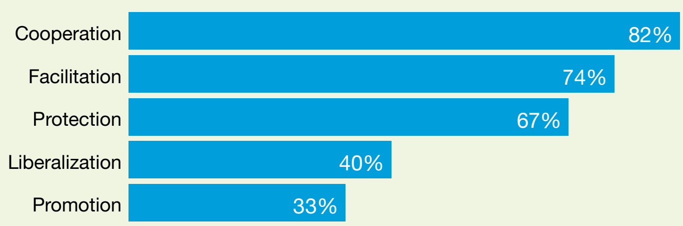
International Investment Agreements

The reform of international investment agreements – state of play

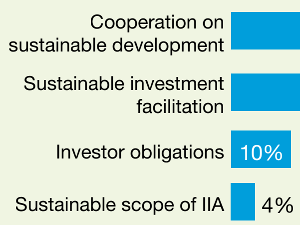
HIGHLIGHTS

- UNCTAD's analysis of international investment agreements (IIAs) concluded between 2010 and 2024 identifies two main phases of reform. The first phase focused on recalibrating traditional investor protection standards and dispute settlement mechanisms. From 2015 onward, a second phase emerged, characterized by the growing inclusion of investment cooperation and facilitation provisions.
- New-generation IIAs increasingly emphasize cooperation and facilitation, continue to refine protection standards, and show a gradual expansion of liberalization commitments–though these require carefully designed flexibilities.
- Investor–State arbitration appears less frequently in new IIAs. Sustainable development provisions are becoming more prominent, albeit they are not yet fully mainstreamed across the regime.
- Despite these advances, new treaties coexist with a large stock of older, unreformed agreements that continue to dominate the investment regime and constrain regulatory space in critical policy areas.

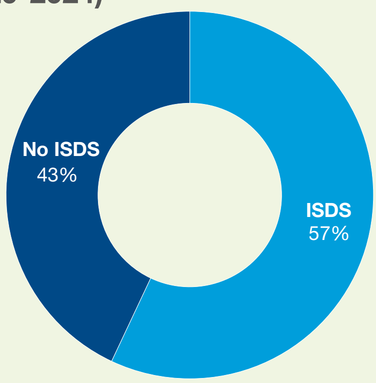
IIA substantive content (2020-2024)



IIA proactive sustainable development content (2020-2024)



Investor–State arbitration in IIAs (2020-2024)



Note: ISDS, investor–State dispute settlement

Conclusion and termination of international investment agreements in 2024

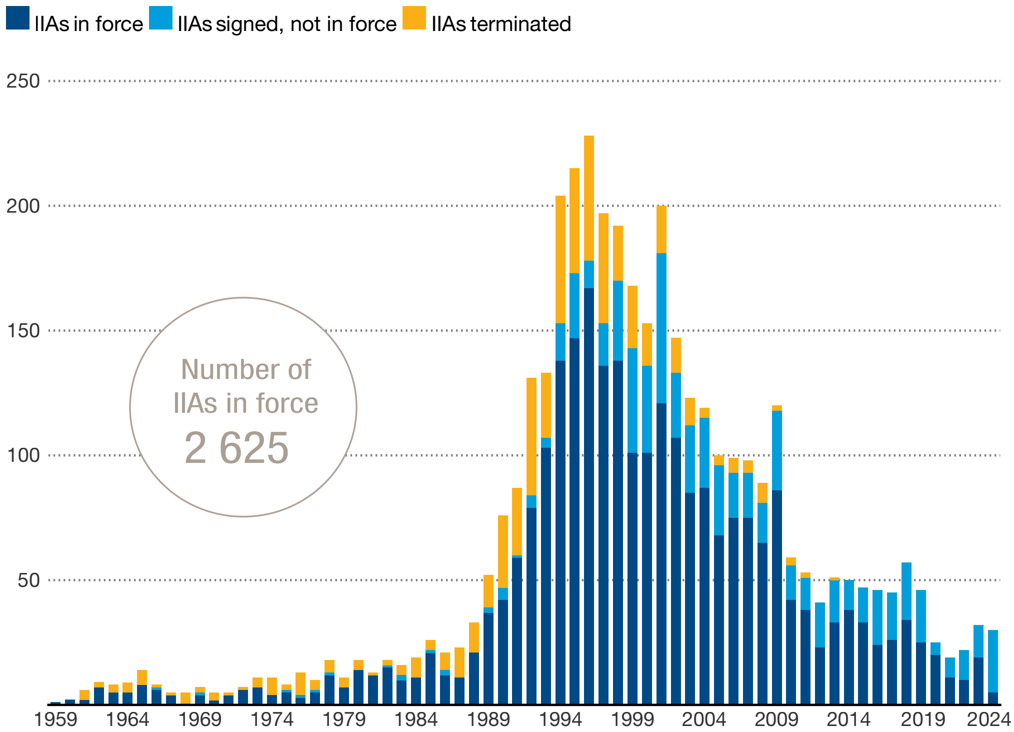
In 2024, countries concluded at least 17 bilateral investment treaties (BITs) and 13 broader economic treaties with investment provisions (TIPs). This brought the size of the IIA universe to 3,323 (2,843 BITs and 480 TIPs). In addition, at least 22 IIAs entered into force and four were terminated, bringing the total number of IIAs in force to at least 2,625 at the end of the year.

Continuing the trend from previous years, most IIAs concluded in 2024 were implemented alongside existing agreements rather than replacing them. This leaves the IIA universe dominated by treaties signed in the 1990s and 2000s with unrefined protection standards and broad access to investor-State arbitration, thereby raising the risk of disputes (figure 1).

Figure 1

Agreements from the 1990s and 2000s continue to dominate the international investment regime

Number and status of agreements by year of signature



Source: UNCTAD, IIA Navigator database, accessed 24 March 2025.

Note: The UNCTAD IIA Navigator is updated continuously as new IIA-related information becomes available.

Developing economies were signatories to all 30 of the IIAs concluded in 2024. The United Arab Emirates concluded at least nine agreements, followed by India (four), Türkiye (four) and China (three). Developed economies concluded 11 agreements. Of those, Australia signed three and the Republic of Korea two. In addition, two agreements were concluded by regional organizations – the European Union and the European Free Trade Association (EFTA).

As in the past four years, in 2024 the importance of TIPs continued to grow, both in terms of numbers and based on the number of new treaty relationships that they created. The regional coverage of the three multiparty TIPs signed in 2024 created treaty relationships among 47 countries.[1]

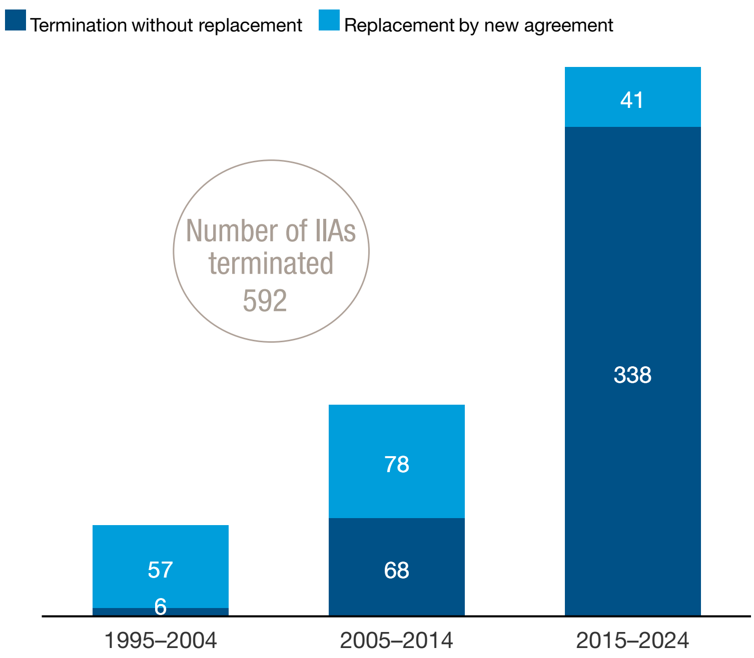
After reaching a high number in 2020–2022 related to the coordinated termination of BITs between member States of the European Union (UNCTAD, 2021; UNCTAD, 2022b; UNCTAD, 2023), the annual number of IIA terminations in the past two years slowed down. Of the four IIAs terminated in 2024, two were terminated by consent, one was unilaterally denounced and one was replaced by a new agreement.

This brought the total number of terminations to at least 592 by the end of 2024. About 70 per cent of them took place in the last decade (figure 2). Whereas in earlier decades the majority of terminated IIAs were replaced by new ones, in the last decade only 11 per cent of terminations have led to replacements. Notably, IIAs between developed economies, which represent less than 20 per cent of the IIA universe, account for 58 per cent of terminations without replacement in this period.

Of the total number of IIAs terminated without replacement, 52 per cent were terminated by consent, 43 per cent were unilaterally denounced and the remaining 4 per cent expired. Terminations by consent mostly concerned IIAs among developed economies (95 per cent), while unilateral denunciations and expirations were prevalent methods for IIAs with developing country participation (94 per cent).

Pursuant to sunset clauses, IIAs may continue to protect investments in existence at the time of termination or withdrawal and may grant investors access to investor-State dispute settlement (ISDS) for up to 25 years. In view of this risk, most terminations by consent included a provision neutralizing the sunset clause in the agreement (94 per cent).[2]

Figure 2
The past decade has seen few replacements of old-generation agreements
Number of terminations by decade



Source: UNCTAD, ISDS Navigator database, accessed on 1 April 2025.

Note: Some cases concerned both sectors.

[1] The European Union–Kyrgyzstan Enhanced Partnership and Cooperation Agreement (2024), the EFTA–India Trade and Economic Partnership Agreement (TEPA) (2024) and the Indo-Pacific Economic Framework for Prosperity Agreement Relating to a Clean Economy (2024).

[2] Based on 206 IIAs for which information on the termination process was available.

IIA reform and modernization from 2010 to 2024 – state of play

Taking stock of the reform process shows an IIA regime in flux. The evolution of IIA content in the past fifteen years is marked by two broad stages.

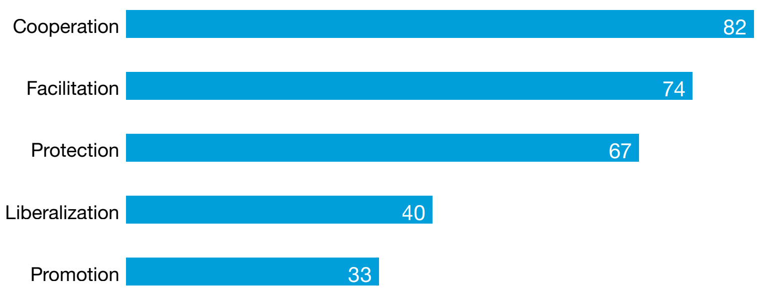
In the early 2010s, supported among others by UNCTAD's Investment Policy Framework for Sustainable Development which was first published in 2012 (UNCTAD, 2015), reform efforts focused on refining traditional protection and dispute settlement provisions, based on policy options slowly diffusing among IIAs signed at the time.

Starting from 2015, IIA approaches privileging facilitation and cooperation, as well as alternatives to investor–State arbitration added to the first stage of reform efforts. Concurrently, more agreements started to include refined protection standards and reformed ISDS provisions (UNCTAD, 2017), a trend that intensified in the past five years (figure 3).

The evolution manifests in five salient features.

1. IIAs increasingly incorporate more proactive commitments aimed at cooperation, facilitation and promotion of investment.
2. Investment protection standards are becoming more refined.
3. Liberalization commitments are on the rise.
4. ISDS is being reformed and, at times, replaced by other mechanisms.
5. Attention to sustainable development in IIAs continues to increase.

Figure 3
The focus of investment agreements is in flux
Agreements signed by type of provision, 2020–2024 (Percentage)



Source: UNCTAD, based on various sources.

Note: Based on 78 IIAs with investment content for which texts are available.

Abbreviation: IIA, international investment agreement.

Cooperation, facilitation and promotion

IIAs concluded in the period between 2020 and 2024 incorporated more proactive provisions on facilitation, cooperation and promotion compared with old-generation IIAs, which typically focused on protection.

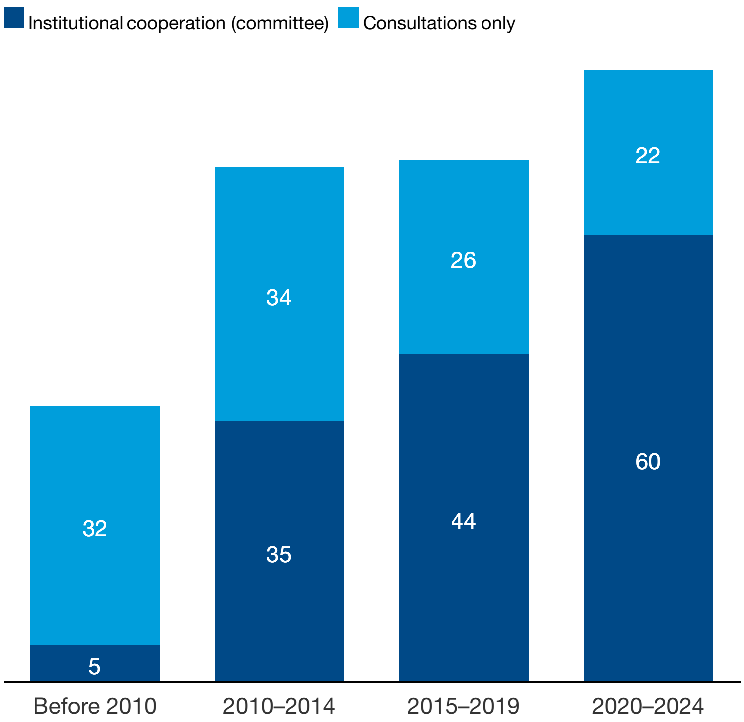
Cooperation

Over 80 per cent of IIAs concluded since 2020 contain cooperation provisions that often establish a committee which meets regularly to exchange information, review implementation and promote cooperation on investment matters. This reflects an upward trend that began in the early 2010s. Such provisions complement and strengthen traditional provisions allowing either party to request consultations on any matter related to the interpretation or application of the treaty. They do so by ensuring lasting institutional cooperation mechanisms in the treaty (figure 4).

Figure 4

Investment agreements increasingly opt for lasting institutional cooperation

Agreements by type of cooperation provision, 1959–2024 (Percentage)



Source: UNCTAD.

Note: Based on 2,862 IIAs with investment content mapped under the IIA Content Mapping and the IIA Facilitation Mapping databases.

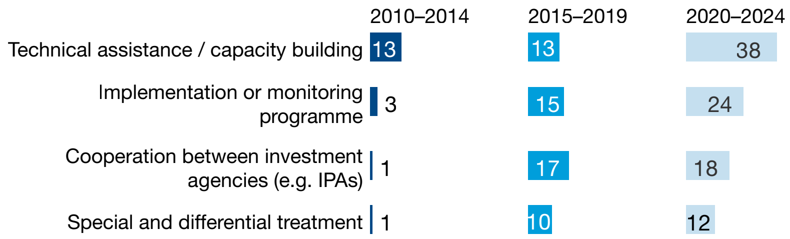
Abbreviations: BIT, bilateral investment treaty; IIA, international investment agreement; ISDS, investor–State dispute settlement; TIP, treaty with investment provisions.

In addition, a small but growing number of IIAs specifically set schedules and targets for joint activities in sectors of particular relevance to the contracting parties (figure 5). This can be done through novel green economy agreements that focus strongly on cooperation provisions (such as the Indo–Pacific Economic Framework Clean Economy Agreement (2024)) or chapters in broader TIPs (such as the European Union–Kenya Economic Partnership Agreement (EPA) (2023)). About a third of the IIAs analysed include such topic-specific cooperation provisions, often referring to infrastructure, information and communication technology, digitalization, agriculture, the blue economy, or renewable energy. In other agreements, cooperation goals are defined as part of joint working programmes (e.g. the Brazil–India BIT (2020)) or under complementary memorandums of understanding. For example, the Australia–United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA) (2024) includes six memorandums on investment cooperation covering data centres and artificial intelligence projects, food and agriculture, green and renewable energy, and infrastructure development, as well as in the minerals sector.

Finally, more remains to be done to enhance the developmental potential of IIAs. While the share of development-related provisions is growing, technical assistance provisions and special and differential treatment provisions are, respectively, present in less than 20 per cent and less than 10 per cent of IIAs concluded between 2010 and 2024 (figure 5).

Figure 5
More can be done to enhance development and implementation provisions

Agreements by type of provision and period, 2010–2024 (Percentage)



Source: UNCTAD, IIA Facilitation Mapping database, accessed 1 December 2025.

Abbreviation: IPA, investment promotion agency.

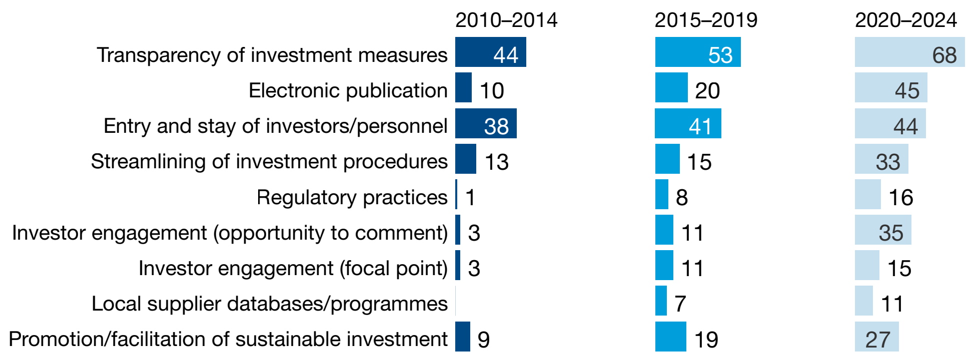
Facilitation

In the last decade, the IIA regime has seen a move towards investment facilitation, with an increase of both the share of new IIAs that contain facilitation provisions and the breadth and depth of their content (figure 6).

Most commonly, facilitation provisions require transparency of the investment framework (68 per cent in the period 2020-2024) or other improvements to the regulatory environment, as well as improvements to the procedures for entry of investors and/or their key personnel (44 per cent for 2020-2024) (see also UNCTAD, 2023). A small but growing number of these provisions call more specifically for the streamlining of administrative procedures (e.g. the Regional Comprehensive Economic Partnership (RCEP) (2020)) and for the digitalization of investment processes (e.g. the Angola–European Union Sustainable Investment Facilitation Agreement (SIFA) (2023)).

Figure 6
Investment facilitation continues to gain ground in investment agreements

Agreements by type of provision, 2010–2024 (Percentage)



Source: UNCTAD, IIA Facilitation Mapping database, accessed 1 December 2025.

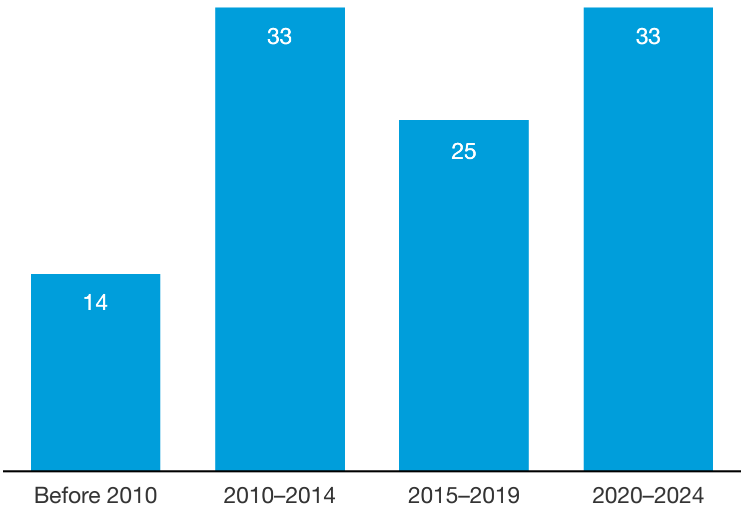
Facilitation commitments also focused on the regulatory environment are complemented by mechanisms aimed at engaging with investors (35 per cent) and supporting linkages between them and local suppliers (11 per cent).

Less than 30 per cent of facilitation commitments in IIAs directly target sustainable investment, and an even smaller share includes provisions that prescribe more specific actions in this respect (e.g. the African Continental Free Trade Agreement (AfCFTA) Investment Protocol (2023)). In comparison, national policymakers often target priority sectors or specific types of investments in their facilitation and promotion policies.

Promotion

While remaining relatively modest, the share of promotion provisions has more than doubled compared with old-generation IIAs. They feature in about a third of recent IIAs (figure 7). These provisions often complement facilitation clauses (as in the Sri Lanka– Thailand Free Trade Agreement (FTA) (2024)) or constitute the focus of the cooperation provisions in the agreement (as in the Chile–United Arab Emirates CEPA (2024)). Some recent IIAs include commitments to promote investment with a view to achieving specific levels of investment flows (e.g. the EFTA–India Trade and Economic Partnership Agreement (2024)).

Figure 7
Promotion features in a third of recent investment agreements
Agreements with promotion commitments, 1959–2024 (Percentage)



Source: UNCTAD.

Note: Based on 2,862 IIAs with investment content mapped under the IIA Content Mapping and the IIA Facilitation Mapping databases.

Abbreviations: BIT, bilateral investment treaty; IIA, international investment agreement; ISDS, investor–State dispute settlement; TIP, treaty with investment provisions.

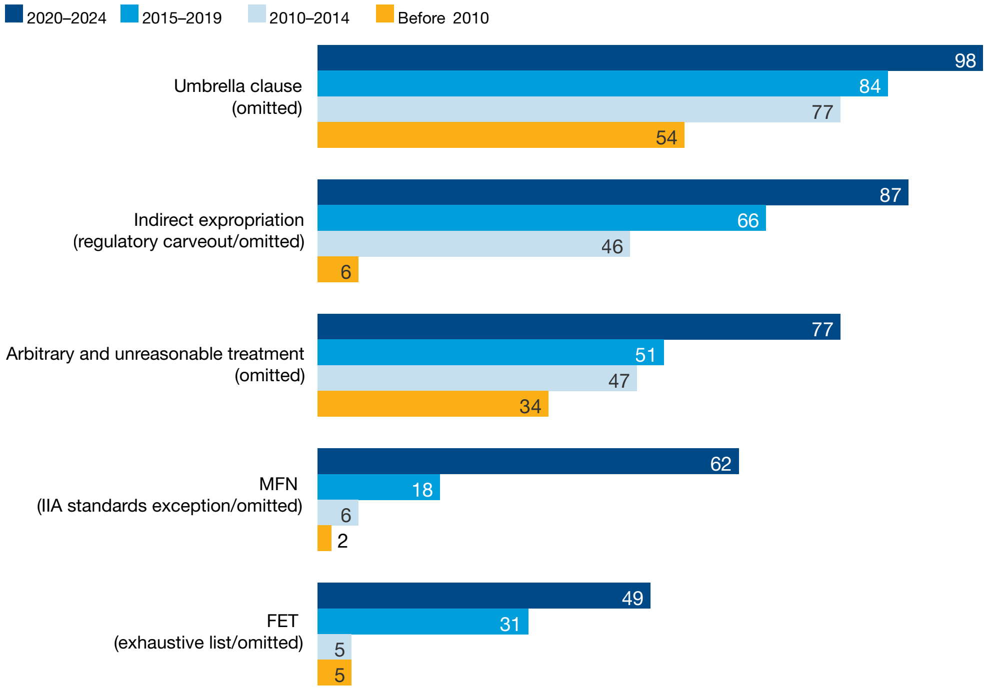
Protection

Investment protection standards increasingly include refinements aimed at safeguarding the State's right to regulate, including for the provisions that are most commonly invoked in ISDS cases – the fair and equitable treatment (FET) standard and indirect expropriation (figure 8).

Most notably, 49 per cent of the IIAs with protection standards signed in the past five years replace the FET standard with a closed list of obligations (e.g. the Australia–United Arab Emirates BIT (2024), the Chile–European Union Advanced Framework Agreement (AFA) (2023), the AfCFTA Investment Protocol (2023) and the Serbia–Türkiye BIT (2022)) or omit it (e.g. the Bolivarian Republic of Venezuela– Colombia BIT (2023) and the MERCOSUR (Southern Common Market)–Singapore FTA (2023)). The non-importation of IIA standards exception which limits the systemic implications of the most-favoured-nation (MFN) clause is present in 62 per cent of recent treaties signed between 2020 and 2024. This MFN refinement preserves the integrity of reformed language in new agreements. These are significant increases compared to the previous periods.

In addition, 87 per cent of IIAs since 2020 carve out generally applicable regulatory measures from expropriation provisions and 77 per cent omit arbitrary and unreasonable treatment standard provisions, continuing a steady upward trend in the past fifteen years. Umbrella clauses, which could extend protection offered by the treaty to non-treaty commitments made by the host State, are omitted in almost all recent IIAs.

Figure 8
Protection standards increasingly safeguard regulatory space
Agreements by type of protection standard and period, 1959–2024 (Percentage)



Source: UNCTAD, IIA Content Mapping database, accessed 1 December 2025.

Note: UNCTAD IIA database data derived from UNCTAD's IIA Mapping Project is a collaborative initiative between UNCTAD and universities worldwide to map the content of IIAs.

Abbreviations: FET, fair and equitable treatment; IIA, international investment agreement; MFN, most-favoured nation.

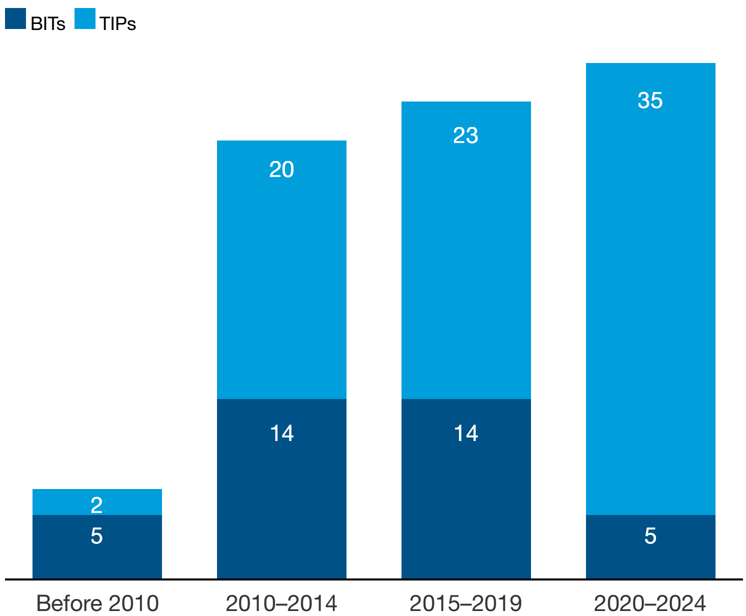
Liberalization

The share of IIAs that include investment liberalization provisions is also growing (figure 9). Forty per cent of IIAs concluded since 2020 contain pre-establishment provisions that commit the parties to removing entry restrictions and conditions for new investments from the IIA counterparty. They typically provide national treatment and MFN treatment for the admission of investment, often based on a negative-list approach. Two thirds of these IIAs also prohibit the imposition of performance requirements as a condition for entry of an investment. In a related upward trend, compared with old-generation IIAs, performance requirements specific to the operation of the investment are prohibited in about 18 per cent of IIAs that provide solely for post-establishment protection of the investment (e.g. the Türkiye–United Arab Emirates BIT (2022)). Some countries have excluded strategic sectors or resources, including critical minerals, from liberalization commitments to ensure sufficient policy space for the management of these resources (e.g. Chile–European Union AFA (2023)). Carefully crafted flexibilities are of particular importance in liberalization commitments, including as they pertain to performance requirements, to ensure that IIAs can support the development of priority sectors of the economy without negatively affecting local enterprises or stifling technology transfer and diffusion.

Figure 9

Liberalization is present in over a third of investment agreements since 2010

Agreements with liberalization commitments by type, 1959–2024 (Percentage)



Source: UNCTAD.

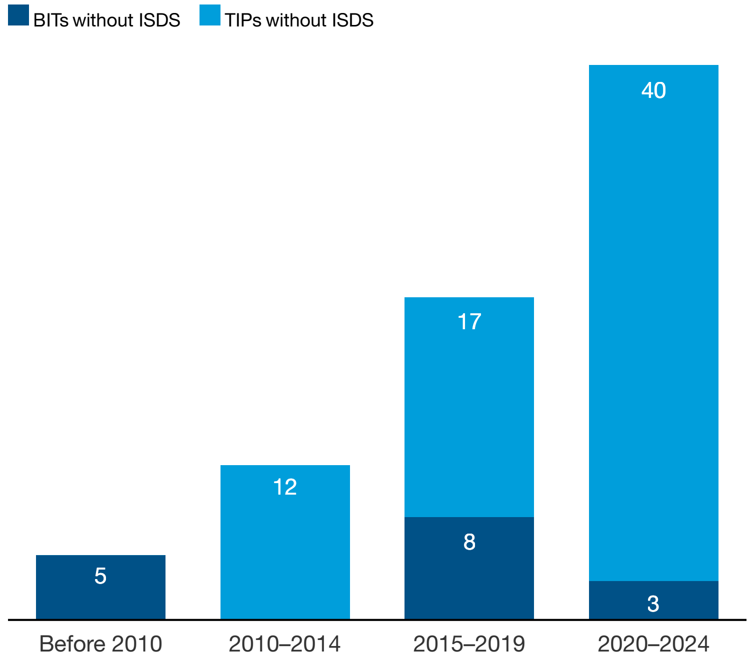
Note: Based on 2,862 IIAs with investment content mapped under the IIA Content Mapping and the IIA Facilitation Mapping databases.

Abbreviations: BIT, bilateral investment treaty; IIA, international investment agreement; TIP, treaty with investment provisions.

Investment dispute settlement

In recent IIAs, reliance on investor–State arbitration has become less common: 43 per cent of treaties concluded in the past five years do not contain any ISDS provisions (figure 10). The trend is most prevalent in TIPs – 80 per cent of which do not contain such a mechanism, up from 52 per cent in the period 2015–2019 years and 42 per from 2010–2014. It is omitted in certain BITs as well, most prominently all agreements concluded by Brazil since 2015 as well as other recent examples such as the Australia–United Arab Emirates BIT (2024).

Figure 10
An increasing share of international investment agreements do not contain investor–State arbitration
Agreements omitting ISDS by type, 1959–2024 (Percentage)



Source: UNCTAD.

Note: Based on 2,862 IIAs with investment content mapped under the IIA Content Mapping and the IIA Facilitation Mapping databases.

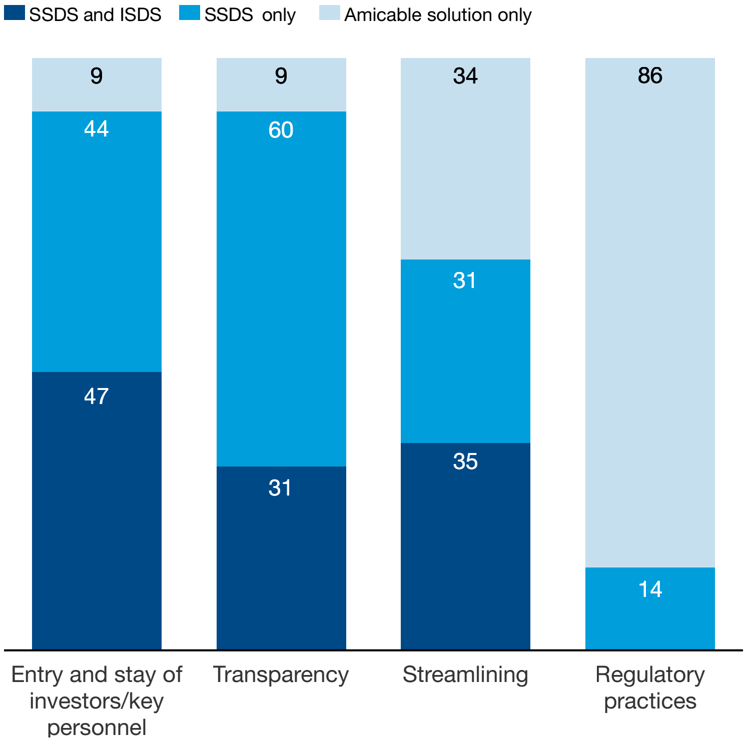
Abbreviations: BIT, bilateral investment treaty; IIA, international investment agreement; ISDS, investor–State dispute settlement; TIP, treaty with investment provisions.

Two complementary developments have contributed to this trend. First, with the greater share of IIAs focusing on facilitation, cooperation and liberalization, ISDS – which emerged in relation to protection provisions – is also less prominent. IIAs that include only provisions on investment facilitation, cooperation or liberalization consistently opt for amicable dispute resolution mechanisms and/or State–State dispute settlement (see e.g. the Angola–European Union SIFA (2023), the Indo-Pacific Economic Framework Clean Economy Agreement (2024), the Türkiye–United Arab Emirates CEPA (2023), the European Union–New Zealand FTA (2023) and the EFTA–Moldova FTA (2023)). Where such provisions exist in IIAs that include protection provisions and ISDS, they are commonly excluded from the scope of investor-State arbitration as well. This is the case for the majority of facilitation commitments (figure 11) and for a growing share of liberalization commitments as well (e.g. the Chile–European Union AFA (2023), the China–Nicaragua FTA (2023), the Indonesia–Republic of Korea FTA (2020), the Israel–Viet Nam FTA (2024) and the Sri Lanka–Thailand FTA (2024)).

Figure 11

State–State and amicable dispute settlement are preferred for facilitation commitments

Agreements by type of provision and dispute settlement, 2010–2024 (Percentage)



Source: UNCTAD, IIA Facilitation Mapping database, last accessed on 1 December 2025.

Note: Based on IIAs with relevant content mapping as part of the IIA Facilitation Mapping database.

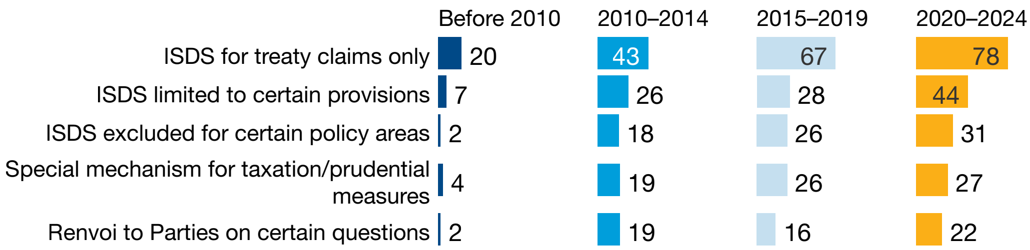
Abbreviations: IIA, international investment agreement; ISDS, investor–State dispute settlement; SSDS, State–State dispute settlement.

Second, the broad consensus on the need to reform the investor–State arbitration system drives new and more cautious approaches to dispute settlement in relation to investment protection provisions as well.

Since 2020, close to half (47 per cent) of the TIPs with protection content and one in five IIAs with such content overall have opted for only State–State dispute resolution (as in the Australia–United Arab Emirates BIT (2024), the MERCOSUR–Singapore FTA (2023), the New Zealand–United Kingdom FTA (2022) and the Costa Rica–Ecuador FTA (2023)) or have deferred negotiations on a possible dispute resolution mechanism (as in the RCEP (2020) and the AfCFTA Investment Protocol (2023)). Some countries also opted for a two-tier standing tribunal, moving away from the ad hoc arbitration system (e.g. the Chile–European Union AFA (2023)). For TIPs with protection content, this share is up from 29 per cent in TIPs concluded 2015–2019 and 26 per cent of those concluded in the period 2010–2014.

Countries also increasingly refine the scope of their consent to ISDS (figure 12), continuing a trend that UNCTAD had already observed in its 2019 stocktaking (UNCTAD, 2019). In over two thirds of recent IIAs, only treaty claims are subject to ISDS, up from 20 per cent before 2010, when broader consent to any dispute related to investment was the most common type of provision. Excluding certain provisions or policy areas from ISDS has increased by over 30 per cent compared to pre-2010 IIAs. Over 40 per cent of IIAs include at least one of these features. Since 2020, about a quarter of IIAs also include procedures that take certain sensitive questions, such as taxation, the use of prudential measures or the interpretation of liberalization commitments under country's annexes to specialized procedures or joint determination by the contracting parties.

Figure 12
Countries increasingly refine the scope of their consent to investor–State dispute settlement
Agreements with ISDS by type of provision, 1959–2024 (Percentage)



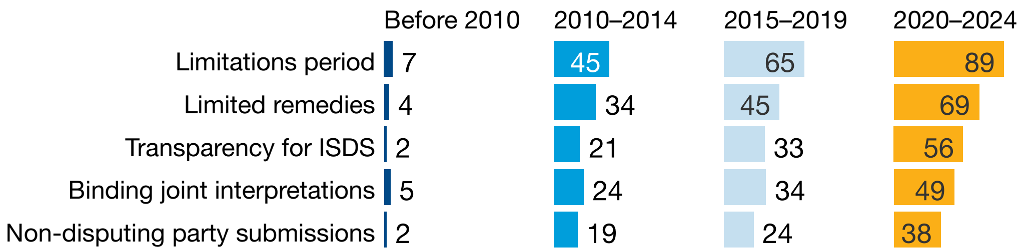
Source: UNCTAD, IIA Content Mapping database, accessed 1 December 2025.

Note: IIA Mapping database derived from UNCTAD's IIA Mapping Project. The IIA Mapping Project is a collaborative initiative between UNCTAD and universities worldwide to map the content of IIAs.

Abbreviations: IIA, international investment agreement; ISDS, investor–State dispute settlement.

Finally, over half of IIAs with ISDS signed in the past five years contain certain improvements to the dispute settlement procedure, reflecting a steady upward trend (figure 13). A small but growing number of IIAs also include express guidance to tribunals on some of the issues that give rise to systemic criticisms against the ISDS system, such as damages calculation, counterclaims, shareholder claims, double-hatting, and questions of impartiality and independence. Yet, more remains to be done as broad consent to arbitration with few procedural refinements continues to appear in a number of recent IIAs.

Figure 13
Improvements to the investor–State process are increasingly common
Agreements with ISDS by type of provision, 1959–2024 (Percentage)



Source: UNCTAD, IIA Content Mapping database, accessed 1 December 2025.

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Abbreviations: IIA, international investment agreement; ISDS, investor–State dispute settlement.

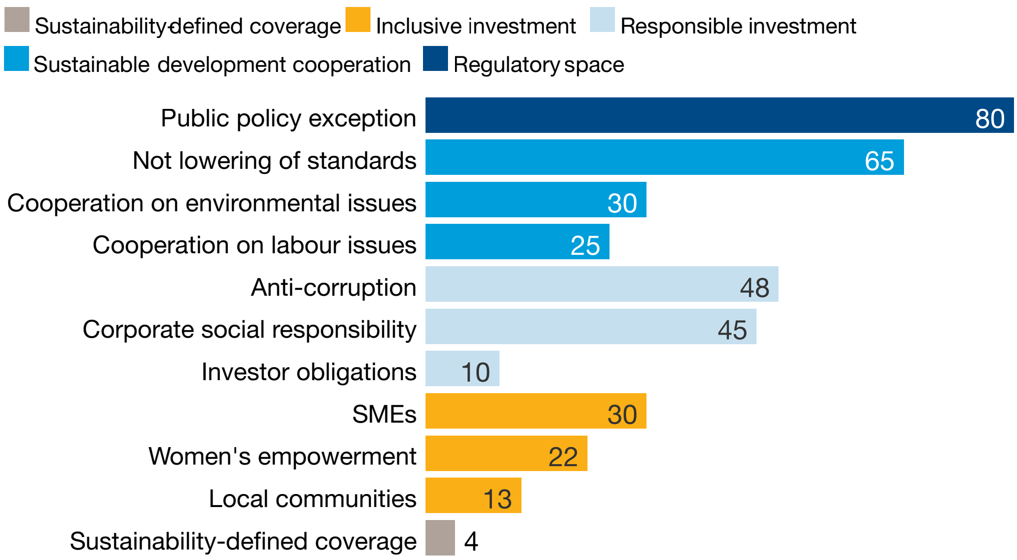
Sustainable development

IIAs concluded since 2020 contain a variety of sustainable development provisions, yet more is needed in terms of the depth of commitments and their diffusion into the majority of IIAs (figure 14).

Figure 14

More remains to be done to mainstream sustainable development in investment agreements

Agreements signed by sustainable development feature, 2020–2024 (Percentage)



Source: UNCTAD.

Note: Based on 78 IIAs for which texts are available.

Abbreviations: IIA, international investment agreement; SMEs, small and medium-sized enterprises.

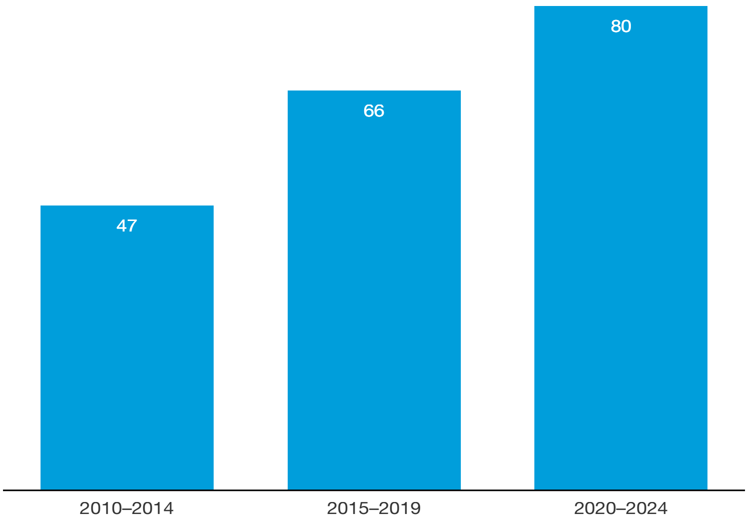
Right to regulate

The most common sustainable development-oriented provisions in IIAs remain safeguards to the right to regulate. Notably, the majority (80 per cent) of recent IIAs contain public policy exceptions for the protection of the environment, health and labour standards (e.g. the Chile–European Union AFA (2023) and the Sri Lanka–Thailand FTA (2024)). At times IIAs also adopt a novel approach to exceptions, adapted to each protection standard (as in the AfCFTA Investment Protocol (2023)) (figure 15).

Figure 15

Public policy exceptions feature in four out of five investment agreements since 2020

Agreements with public policy exception, 2010–2024 (Percentage)



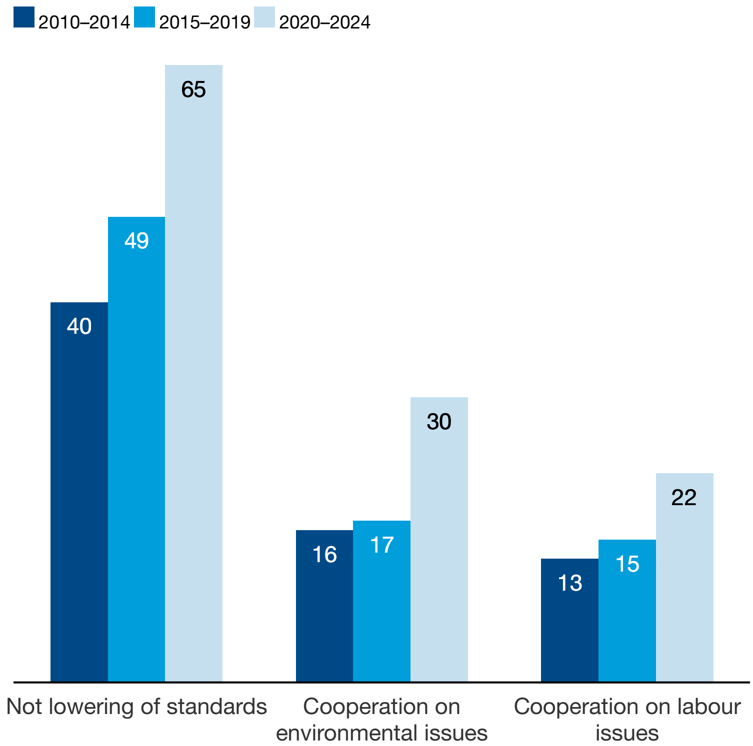
Source: UNCTAD.

Note: Based on 391 IIAs with investment content for which texts are available. Data partly based on the UNCTAD IIA Mapping Project. The IIA Mapping Project is a collaborative initiative between UNCTAD and universities worldwide to map the content of IIAs.

Sustainable development action and cooperation

The most common provision that prescribes sustainable development action by the treaty parties is the not lowering of standards provision, present in approximately two thirds (65 per cent) of IIAs (figure 16). Examples of more specific commitments include requirements for human capital development (as in the EFTA–India Trade and Economic Partnership Agreement (2024)), environmental and social impact assessment (as in the Canada–Ukraine Modernized FTA (2023)) or cooperation on investment related climate measures and technologies (as in the Australia–United Arab Emirates CEPA (2024) and the European Union– New Zealand FTA (2023); see also the Italy Model BIT (2024)). Such more detailed and proactive commitments continue to appear in less than a third of IIAs.

Figure 16
Not lowering of standards remains the most common commitment focused on sustainable development action
Agreements by type of provision, 2010–2024 (Percentage)



Source: UNCTAD.

Note: Based on IIAs with relevant content mapped as part of the IIA Content Mapping and IIA Facilitation Mapping databases. Data partly based on the UNCTAD Mapping project. The IIA Mapping Project is a collaborative initiative between UNCTAD and universities worldwide to map the content of IIAs.

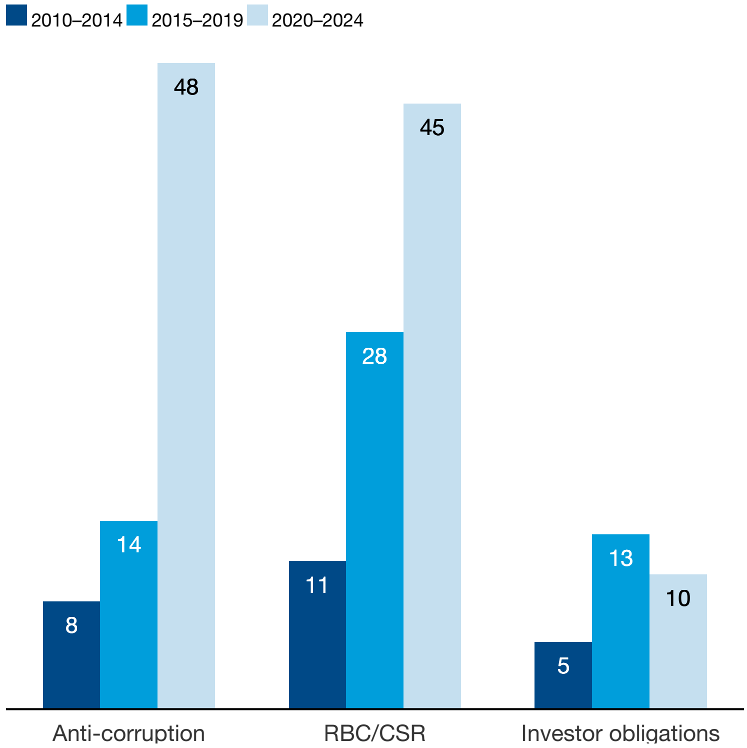
Responsible investment

Close to half of IIAs signed since 2020 contain responsible investment provisions, representing a notable increase from earlier periods (figure 17). This shift represents a welcome development, yet the most common provisions on responsible business conduct – those on anti-corruption requirements and corporate social responsibility – are often soft references that apply at the inter-State level. So far, they have had limited effect in investor–State disputes. The small but growing share of IIAs that include direct investor obligations may offer a more effective tool for rebalancing investors' rights and obligations in that context. About 10 per cent of treaties signed during 2020–2024 include such provisions. Investor obligations can cover topics such as the environment, labour, local communities, anti-corruption, transparent corporate governance practices, or taxation (e.g. the Belarus–Zimbabwe BIT (2021), the Brazil–India BIT (2020), the Indonesia–Switzerland BIT (2022), the AfCFTA Investment Protocol (2023) and the Cabo Verde–Morocco BIT (2023)).

Figure 17

Close to half of investment agreements since 2020 contain responsibly investment commitments

Agreements by type of provision, 2010–2024 (Percentage)



Source: UNCTAD.

Note: Based on IIAs with relevant content mapped as part of the IIA Facilitation Mapping database project.

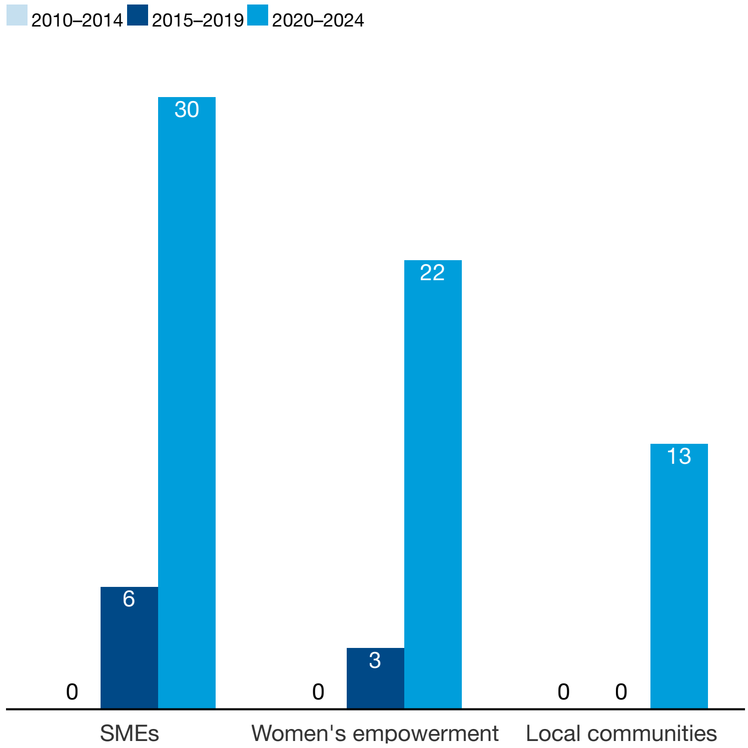
Abbreviations: CSR, corporate social responsibility; RBC, responsible business conduct.

Inclusive investment

Among the most recent developments in IIA drafting is a nascent trend of including provisions that refer to categories of enterprises and traditionally disadvantaged economic actors or communities which aim to create benefits from international trade and investment agreements in a more inclusive way (figure 18). Most common are provisions related to small and medium-sized enterprises (as in the RCEP (2020)), women's empowerment and gender (as in the Angola–European Union SIFA (2023)) and local communities (as in the Australia–United Arab Emirates CEPA (2024) and the AfCFTA Investment Protocol (2023)). Other inclusive investment commitments refer to the needs of persons with disabilities (e.g. the Australia–United Kingdom FTA (2021)) and youth (e.g. the AfCFTA Investment Protocol (2023)).

IIAs with such clauses typically provide for joint promotion activities and cooperation through dedicated information channels (as in the Costa Rica–Ecuador FTA (2023)). They may also encourage the establishment of accessible financial support and mechanisms for local supplier linkages for small and medium-sized enterprises (as in the Kenya–United Kingdom EPA (2020) or provide for not lowering of standards regarding gender equality laws (as in the Canada–Ukraine Modernized FTA (2022)).

Figure 18
Investment agreements are beginning to include provisions aimed at ensuring inclusivity
Agreements by type of provision, 2010–2024 (Percentage)



Source: UNCTAD.

Note: Based on IIAs with relevant content mapped as part of the IIA Facilitation Mapping database project.

Abbreviation: SMEs, small and medium-sized enterprises.

Sustainability-defined coverage

Almost all (96 per cent) of recent IIAs continue to cover investors and investments across all economic sectors and do not condition treaty application on the sustainable development impact or performance of the investments. Under the handful of recent IIAs that break away from that trend, investment coverage is at times contingent on specific conditions: the contribution of the investment to the sustainable development of the host State (as in the AfCFTA Investment Protocol (2023)), the exclusion of certain assets from coverage (as in the modernized Energy Charter Treaty) or, for cooperation-focused agreements, sector-specific proactive measures defined in line with the shared priorities of treaty partners (as in the Indo-Pacific Economic Framework Clean Economy Agreement (2024) and the Australia–Singapore Green Economy Agreement (2022)).

Way forward

The reform of the IIA regime has been gaining momentum since the early 2010s. New IIAs often include cooperation, facilitation and promotion provisions with relatively reduced reliance on ISDS. Investment protection standards are increasingly refined to ensure balance with States' right to regulate. At the same time, a growing share of IIAs include investment liberalization measures, requiring carefully crafted flexibilities. These developments are taking place against the backdrop of an aging network of investment treaties that continue to dominate the regime, placing constraints on governments' ability to regulate in the public interest and leaving them vulnerable to expensive ISDS claims (UNCTAD, 2025b). Comprehensive and effective reform requires larger scale action, covering new treaties as well as old-generation agreements, and enhancing synchronization of reform efforts at all levels of policymaking (national, bilateral, regional and multilateral).

UNCTAD has accelerated and deepened its work with countries and regional organizations to reform the IIA regime effectively across all levels of policymaking. This work is conducted in partnership with relevant stakeholders through a combination of technical assistance, research and policy analysis, and consensus-building efforts, most notably through the UNCTAD Multi-Stakeholder Platform for IIA Reform and the annual High-level IIA Conference. These efforts have delivered tangible outcomes, as more than 80 countries have embarked on the reform of older agreements, or the adoption and negotiation of modern ones designed to promote and facilitate sustainable investment. 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).

At the same time, the increase in IIA reform activity around the world has translated into novel challenges, such as managing and overcoming fragmented approaches across countries and regions (UNCTAD, 2025c). Following the call from stakeholders at the High-level IIA Conference 2024, UNCTAD is in the process of developing Guiding Principles on IIA Reform to facilitate IIA reform for sustainable development. The principles 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.

The principles' overarching goal is to embed sustainable development at the core of the international investment regime, covering all practical steps in the reform process. They will support countries in developing an IIA reform strategy, in designing and negotiating reformed IIAs and in operationalizing new-generation IIAs on the ground for maximum impact.

The principles will be launched at the High-level IIA Conference at the World Investment Forum 2026 following the incorporation of comments from a broad range of stakeholders, including as part of the UNCTAD Multistakeholder IIA Reform Platform.

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