



Seattle to Brussels  
Network

**Stop** the EU's Corporate trade agenda  
**The Seattle to Brussels Network is part of Our World Is Not For Sale**  
[www.ourworldisnotforsale.org](http://www.ourworldisnotforsale.org)

**Just EU Investment Policy now!**  
**Statement by the Seattle to Brussels Network (S2B)**

European Member States refuse necessary reform,  
ignore the will of the European Parliament and  
insist that future EU investment agreements copy their bad practices

**On Monday 12 September the General Affairs Council approved negotiating mandates for investment protection chapters in free trade agreements with Canada, India and Singapore.**

The mandates require the Commission to negotiate investment protection chapters that resemble the existing 1200 Bilateral Investment Treaties (BITs) to the maximum. By doing so, **the member states refuse necessary reforms** to create more balance between the rights and obligations of the investors, the host and home countries and to come to agreements that make investments instruments for sustainable development. The only thing that seems to matter to the member states is the unconditional maximum protection of their investors and investments abroad.

**The Seattle to Brussels Network believes that BITs are posing a threat to public policy, democratic governance and the public interest; and that they need to be radically overhauled**<sup>i</sup>

BITs give foreign investors the right to sue sovereign states before international arbitration tribunals if they think that they have not been treated fairly. Investors are increasingly making use of this possibility and do not hesitate to challenge governments' social, environmental and economic regulations that affect the profitability of their investment.

As a result, BITs have cost taxpayers millions in legal expenses and compensations and are eroding the ability of governments to act in the best interests of their citizens.

**The Seattle to Brussels Network stresses that the mandates adopted by the Council ignore the will of the European Parliament expressed in its resolutions of 6 April and 8 June<sup>ii</sup>.**

**The European Parliament** at least recognised some of the flaws in the EU Member States' current international investment agreements and

- urged the Commission and the Member States to be properly consulted on draft mandates for future investment negotiations and stressed that its views must be taken into account;
- demanded that investment agreements be based on investor obligations in terms of compliance with human rights and anti-corruption standards
- stated that speculative forms of investment shall not be protected
- expressed its deep concern regarding the level of discretion of international arbitrators and called on the Commission to produce clear definitions of investor protection standards
- stated with regard to expropriation that a clear and fair balance must be established between public and private interests
- proposed more precise wording with regard to non-discrimination and fair and equitable treatment.

In stark contrast to this last point the Council in its mandates insists explicitly on "unqualified" national and most-favoured nation treatment.

In the same vein, the mandates adopted by the Council call for an effective investor-to-state dispute settlement mechanism while the European Parliament considered that *"given the highly developed legal systems of Canada and the EU, a state-to-state dispute settlement mechanism and the use of local judicial remedies are the most appropriate tools to address investment disputes"*.

**The only possible bright light** in the Council's mandates is the paragraph that says that investment protection agreements shall be without prejudice **to the right of the EU and the Member States to adopt and enforce measures necessary to pursue legitimate public policy objectives**.

However it remains to be seen how strong this will eventually be reflected in the concluded agreements. And hopefully the Member States will allow this right also for the countries that the Commission will negotiate with and not just for "the EU and the Member States".

**The Seattle to Brussels network (S2B) will continue to campaign for** an investment regime guided by:

- the incorporation of investor obligations into investment agreements in particular in areas of human rights and corporate accountability
- more precise and restrictive language regarding investors' rights
- the abolition of one-sided and secretive investor-to-state dispute settlement mechanisms
- an explicit and effective recognition of the right of governments to regulate and to formulate policies of general interest
- a substantive social and environmental dimension.

**S2B also denounces**

- **the secrecy of the decision-making process for the adoption of these negotiating mandates** by the Council and the Commission,
- the secrecy on the part of the Member States' positions and their lack of willingness to organise public consultations on the matter, and
- the fact that negotiating mandates are not published so that a public assessment of the directions of the EU investment policy cannot be made.

**Therefore S2B has posted the [leaked text of the mandates](#) on its website.**

For further information contact

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The Seattle to Brussels (S2B) Network ([www.s2bnetwork.org](http://www.s2bnetwork.org)) is a pan-European network of more than 70 organisations from 16 countries campaigning to promote a sustainable, socially and democratically accountable system of trade. It includes development, environment, human rights, women and farmers organisations, trade unions, social movements as well as research institutes. The S2B Network is part of the global coalition 'Our World is Not for Sale' ([www.ourworldisnotforsale.org](http://www.ourworldisnotforsale.org)).

- i See Seattle to Brussels statements and reader at <http://www.s2bnetwork.org/themes/eu-investment-policy.html>
- ii European Parliament resolution of 6 April 2011 on the future European international investment policy, P7\_TA(2011)0141 and European Parliament resolution of 8 June 2011 on EU-Canada trade relations, P7\_TA(2011)0257