



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

NEWS PEG: Wednesday 7 July 2010, Brussels: the EU Commission adopted a draft regulation and a Communication on the EU's international investment protection agreements

EU failure to reform international investment agreements will have costs for taxpayers and the environment

European campaigners have denounced the EU Commission for failing to adequately reform international investment agreements, warning that ordinary taxpayers and our environment will suffer as a result.

Since the Lisbon Treaty entered into force on 1st of December 2009, the competence to negotiate international investment agreements has shifted from individual member states to the EU. Today, the European Commission adopted its investment policy proposals.

Trade justice campaigners working together in the "Seattle to Brussels Network" [1] are calling for a radical overhaul of international investment policy.

"Current EU member states' Bilateral Investment Treaties (BITs) are all about rights for corporations and nothing about their responsibilities," said Marc Maes, Trade Policy Officer of the Belgian NGO-umbrella 11.11.11. "They allow foreign investors to sue governments for social, environmental and economic regulations that are seen to affect company profits. The Lisbon treaty provided an ideal opportunity to change the balance back in favour of its citizens and the environment and terminate the member states' BITs. But the Commission missed that opportunity."

A whole industry of international law firms thrives on the extraordinary right of investors to directly challenge states through secret international tribunals without even having to exhaust domestic remedies.

"It is outrageous that the Commission wants to copy member states' flawed practice of international investor-to-state arbitration. It is only a matter of time until European taxpayers will have to compensate foreign investors with hundreds of millions of Euros because they challenge policies in the public interest. It is high time investor-to-state arbitration is done away with all-together," said Peter Fuchs from WEED, Germany.

The imbalance between corporate profits and environmental and social needs is typified by the litigation announced in April 2009 by the Swedish energy multinational Vattenfall against the German government. It challenges environmental restrictions imposed on a coal-fired power plant in the city of Hamburg. Vattenfall is seeking €1.4 billion in damages for delays and restrictions imposed upon the company's project. European taxpayers will end up paying the costs, financially and environmentally. [2]

"Today the Commission has at least recognised that investment arbitration lacks transparency, that investment policies have to balance public and private interests with regard to expropriation and that they have to be in line with the human rights and sustainable development objectives of the Lisbon Treaty. But the Commission's failure to specify and balance key provisions¹ unmasks this as little but feel-good rhetoric," said Antonio Tricarico of the Campaign to Reform the World Bank, Italy.

¹ "National Treatment", "Most Favoured Nation", "Fair and Equitable Treatment", "Full Security and Protection" and "Umbrella Clauses"

The Commission was supposed to release its proposals last week, but member states led by Germany and the UK intervened via their Commission members to get rid of a provision in the draft regulation that would have put an expiry date on the existing BITs. The draft adopted today only provides for a “review”.

The Seattle to Brussels Network today also published a 45 pages strong reader on the issue of international investment policy [3]. A civil society statement demanding an international investment policy in the public interest has been sent to Parliamentarians, EU member states and the Commission [4].

Contacts:

Marc Maes, 11.11.11.
Phone: ++32 (0)4 97 60 04 42
Email: Marc.Maes@11.be
Spoken languages: NL, FR, EN

Peter Fuchs, WEED (World Economy, Ecology & Development)
Phone: ++49 (0)177 633 4900
Email: Peter.Fuchs@weed-online.org
Spoken languages: DE, EN

Antonio Tricarico, Campaign to Reform the World Bank
Phone: 39 (0)3 28 84 85 44 8
Email: atricarico@crbm.org
Spoken languages: IT, EN

Notes:

[1] The Seattle to Brussels (S2B) Network (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).

[2] IISD (2009): Background paper on Vattenfall v. Germany arbitration,
http://www.iisd.org/pdf/2009/background_vattenfall_vs_germany.pdf

[3] EU Investment Agreements in the Lisbon Treaty Era: A Reader, July 2010,
<http://www.tni.org/report/reclaiming-public-interest-europes-international-investment-policy>

[4] Reclaiming public interest in Europe's international investment policy. Civil society statement on the future of Europe's international investment policy, July 2010,
www.s2bnetwork.org/s2bnetwork/download/BITS%20Statement%20100702%20with%20signatures.pdf?id=379