**Press Release: People will suffer if only investors’ concerns are considered**

**The European Union (EU) and Myanmar have entered the final negotiations on an Investment Protection Agreement. The agreement aims to promote EU investment in Myanmar, investment intended to bring foreign capital, employment, new technologies, skills and know-how to the country. However, a new report, commissioned by ACT Alliance EU and Myanmar, warns that the agreement, alongside stimulating investment, may also lead to human rights violations and hinder future development.**

* ‘Investment agreements have failed to prevent human rights abuses by foreign investors. And I am sorry to note how we as European countries prioritize growth and trade above basic human rights. Many governments are eager to attract and promote investments, but if these come at the expense of human rights, development for poor and vulnerable people may be jeopardized’ says ACT Alliance EU Director, Floris Faber

**An investment agreement can lead to uncertainty for local communities**
On the one hand, investment agreements provide companies and investors with the assurance to confidently make long term investments in the country. On the other hand, experience shows that trade and investment agreements can have negative side effects such as land grabbing and in other ways jeopardize the rights and livelihoods of peoples and communities.

* ‘People in Myanmar fear that investments may come at the expense of their land rights. Investors want to know that *their* rights are assured and protected, and this is indeed catered for in the EU-Myanmar Investment Protection Agreement. However, from their side poor and vulnerable people, including indigenous communities, also need assurance that the agreement will not undermine their rights to land use, or in other ways disadvantage them’, says Jonas Vejsager Nøddekær, Development Director of the Danish ACT Alliance EU member, DanChurchAid.

**Disempowerment of Myanmar?**

The report [“The pending EU-Myanmar Investment Protection Agreement: Risks and Opportunities”](http://actalliance.eu/wp-content/uploads/2017/04/EU-Myanmar-IPA-Risks-and-Opportunities.pdf%22%20%5Ct%20%22_blank) stresses that the forthcoming agreement may limit Myanmar’s ability to prevent or redress future problems regarding land investments and human rights.

* ‘If Myanmar at a later stage wishes to reform and strengthen domestic land legislation, the country may be hindered by its agreement with the EU. Myanmar becomes disempowered’, fears ACT Alliance EU Director, Floris Faber.

**Need for responsible investments**

An agreement about foreign investments will affect laws and policies in Myanmar. However, for the concrete impact on people and communities on the ground, what really matters is the actual *behaviour* of companies and investors. Binding provisions on performance criteria such as requirements that investors employ a certain percentage of Myanmar staff, or on people’s rights to make use of an appeal mechanism are not included in the draft agreement currently under negotiation.

* ‘Responsible business can contribute to local development and positively affect human rights. But a lack of responsibility can achieve the opposite. Companies should adhere to the United Nations Guiding Principles on Business and Human Rights, and they should be held accountable for the responsibilities they have to the communities where they invest’ stresses Femmy Bakker, Strategy and Policy Advisor Responsible Business, at ACT Alliance EU member ICCO Cooperation (lead of Civic Engagement Alliance).

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