



BOLIVARIAN REPUBLIC OF VENEZUELA
Permanent Mission of the to the United Nations

Side Event

Investor-State Arbitration: Lessons Learned

The law on promotion and protection of foreign investment has gone through major changes during recent decades. Thirty years ago, as UNCTAD reports indicate, only about 200 investment treaties for promotion and protection of foreign investment existed. Today, however, that number is approximately 3.500, including bilateral investment treaties (BITs) and investment chapters of free trade agreements. In the 1990s alone, States around the world entered into about 1.500 new investment treaties. Despite the promise of attracting much needed foreign investment for development, the ramifications have been severe for many States because foreign investors have used these treaties to bring or threaten enormous claims against host States that States entering into these treaties never anticipated or thought possible.

The mechanism for bringing such claims is the dispute resolution clause of the treaties, which grants foreign investors a direct right to commence international arbitration against host States before the World Bank's International Centre for Settlement of

This side event is designed to provide an overview of the current state of the system and an opportunity for exchange of ideas and experiences of all Member States to bring awareness through open debate.