



Negotiating Group on the Multilateral Agreement on Investment (MAI)

Expert Group No.1 on Selected Issues Concerning Dispute Settlement and Geographical Scope

SUMMARY RECORD

Meeting on 15-16 April 1996

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1. Adoption of the Agenda

The Group adopted the Agenda [DAFFE/MAI/EG1/A(96)3].

2. Approval of the Summary Record of the meeting held on 6-8 March 1996

The Group approved the Summary Record [DAFFE/MAI/EG1/M(96)2].

3. Geographical Scope of Application of the MAI

The Expert Group:

- Reviewed the Chairman's Note [DAFFE/MAI/EG1(96)6];
- Noted the comments by delegations and the written contributions by two of them [DAFFE/MAI/RD(96)2 and DAFPE/MAI/RD(96)4/CORR1];
- Agreed that its report to the Negotiating Group should reflect the status of the discussions on this issue so far. It agreed to put forward a text representing the "geographical approach" and an alternative text illustrating the "functional" approach indicating the levels of acceptance for the texts;
- Noted the comments by many delegations that this question would have to be re-examined once other substantive issues in the MAI, including the definition of investments, and the nature and content of the reservations and exceptions have been examined.

4. Dispute Settlement in the MAI: A Conceptual Framework

The Expert Group:

- Examined the Chairman's Note [DAFFE/MAI/EG1/(96)7];
- Noted the comments by delegations and the written contributions:

DAFFE/MAI/RD(95)14
DAFFE/MAI/RD(95)14/ADD1
DAFFE/MAI/RD(95)14/ADD2
DAFFE/MAI/EG1/RD(96)1
DAFFE/MAI/EG1/RD(96)3
and Annex

DAFFE/MAI/EG1/RD(96)5

DAFFE/MAI/EG1/RD(96)6

DAFFE/MAI/EG1/RD(96)7

- Discussed the issues relating to a dispute settlement mechanism in the MAI, including the role and function of a Parties Group, consultations, conciliation and mediation, and binding third party dispute settlement (state-state and investor-state);
- Agreed to attach to its report for the Negotiating Group the broad conceptual framework which had emerged; noting delegations' concern that the different options identified not be prematurely foreclosed;
- Agreed to recommend to the Negotiating Group that the Expert Group could return to these issues after further progress had been made on other aspects of the negotiations.

5. Application of the MAI to Overseas Territories

The Expert Group

- Discussed the question of the application of the MAI to overseas territories based on a Note by the Chairman [DAFFE/MAI/EG1(96)8];
- Agreed to include in its report to the Negotiating Group a draft text which addressed the issue.

6. Next Steps

The Expert Group:

- In accordance with its mandate, decided to report to the Negotiating Group on 18-19 April.