Preface

The International Centre for Settlement of Investment Disputes (ICSID) has conducted research on foreign investment law for more than twenty-five years. During this period, a significant development in international law has been the proliferation of bilateral investment treaties (BITs). More than 700 such treaties have by now been concluded. Most of these are published in ICSID's multi-volume collection of *Investment Treaties.*

In this book, also prepared under the auspices of ICSID, Rudolf Dolzer and Margrete Stevens examine BIT provisions with particular focus on treatment, expropriation and the settlement of disputes. The authors show that a great degree of uniformity exists in modern investment treaties and thereby clearly establish that the significance of these treaties does not lie only in the extensive network of rights and obligations of their respective parties. Equally important is the contribution of these treaties to an emerging international acceptance of common standards for the treatment of foreign investment.

Recognition at the multilateral level of the emerging role of modern bilateral investment treaties was first made nearly a decade ago, when the groundwork was laid for the operations of the World Bank's newest affiliate, the Multilateral Investment Guarantee Agency (MIGA). Under the Operational Regulations that were then devised for MIGA, the Agency could, for the purposes of its underwriting decisions, consider an investment as having adequate legal protection if it were protected under the terms of a bilateral investment treaty. Some years later, the 1992 World Bank Guidelines on the Treatment of Foreign Direct Investment relied in part on a survey of bilateral investment treaties, for the formulation of generally acceptable international standards to promote the flow of foreign investments. The North American Free Trade Agreement and the European Energy Charter Treaty provide further evidence of the contributions that bilateral investment treaties are making to the general development of international law.

The proliferation of bilateral investment treaties and the acceptance in multilateral instruments of standards that have their origin in BITs, come at a time when the need for international legal standards is accentuated by a worldwide quest for foreign investment. This book presents all the elements of modern BITs and explains what the main problems are. Based on research that has never been published elsewhere, it offers a valuable contribution to the understanding of an area of international law that is currently undergoing tremendous change.

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