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# INVESTMENT DISPUTE SETTLEMENT AND THE INTERNATIONAL CENTER FOR EFFECTIVE SETTLEMENT TO ENCOURAGE INTERNATIONAL INVESTMENT AND PROVIDE CONFIDENCE IN THE DISPUTE RESOLUTION PROCESS

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## ABSTRACT

The adoption of International Center for Settlement of Investment Disputes Convention thus led to the establishment of the Centre which is an institution for resolving investment related disputes among participating countries. First, there was a Secretariat with a mandate to handle conflicts judiciously while the Administrative Council served as the governing agent at the Centre. The association was managed by a member-driven governance arm. "Subsequently arising dispute of any legal nature between a contracting state (or any subdivision and/or agency of a contracting state, designated by that state to the Centre), and the national of another contracting state as determined in writing by those parties, which the Centre will be able to administer regulation and mediation of that dispute," the explained clause read. separately from the fact that it doesn't matter if a written set of official limitations related to the center would be established, the investor's country as well as natural or legal people should be demanded to meet some conditions. International Center is a central actor that has this ability too. In addition to that, the Washington Convention of 1965, which involves the issue about investors who had their legal personality in international law lost, also grants the right of these investors to be able to ask their host countries before the tribunals of that center for investment. The agreement stipulated conciliation as the first method of dispute resolutions but arbitration when all of other approaches fall short. The \$100,000 investment agreement was finally enforced in 1966. Though the nation with jurisdiction about the investment's territory was kept, foreign investors could also use the judge's

powers from their country of origin, in case the nation dwelling against the developed provisions of the center. This agreement stipulates that the parties are generally considered to be allowed to choose which system of law will rule the conflict and which legal process will be used. The parties, unless the agreement has stated otherwise, do have the obligation of implementing the arbitral judgment and are not supposed to challenge it. Rulings conform to the harmony of agreements and are binding with the result that fiscal obligations on the territory of each member state are 100% guaranteed by recognition of this other member.

**Keywords:** Effective Investment, International Law, Encourage International Investment, Confidence, Resolution process.

## INTRODUCTION

The 1965 International Center for Settlement of Investment Disputes convention stipulating the establishment of the ICSID, also known as the Center. The Centre was divided into two parts: a Member-based body named the Administrative Council is granted with the supervisory role while a Secretariat is to be in the capacity to deal with conflict under its jurisdiction. The Centre's job is to arbitrate and mediate every kind of legal conflict among contracting nation that comes from a party of dealings between the constituent unit of that state and a national of another country who has given her/his consent, Therefore, the establishment of such institutions defray the exchange of monetary resources close to home, as well as technical know-how both useful for foreign investments and the very importance of the subject which the research is intended to reflect on and resolve .

Given the distinguished position and great importance of this International Center, which was established by the Washington Agreement of 1965 to settle disputes that may arise as a result of foreign investment, the basic research problem may be to discuss and solve a set of questions: What does "the center" mean? Is the refers to the core of our lives, to what gives us meaning, to our ancestors, or to the future generations? Disputes over international investment are to be dealt with following the general rules and procedures of international law and the World Convention 1965 of Washington. Under what external impact does it operate within this law? What are the arbitration and conciliation institutions which maintain the files and check that the investment disputes settled in accordance with the Washington Convention are in line with International Law? How do these institutions create the prerequisites for the solution of

the mentioned problems and the mechanisms of regulations in the quint-essential questions of international law?

### **Methodology**

The study will adopt a deductive and inductive approach which will be based on the relevant legal texts regulating the operations of the Center. These legal texts may impinge upon other arbitration institutions specialised in arbitration of various investment disputes or on some International Law principles which are relevant due to the magnitude of the topic under assessment. To offer a precise and transparent picture of what the Center does on this subject in particular, the treaties related to the Washington Convention of 1965 were also employed, as it has been examined very recently in light of the progress made concerning jurisprudential decisions as well as rulings given by international tribunals. In some of the cases, nonetheless, the trend has shifted toward presenting the historical approach, indelibly not an isolated approach, to observe the facets of the organization condition.

### **Research scope**

This research is focused on the role and influence of the Washington Convention of 1965 that gave birth to the International Center for the Settlement of Investment Disputes and shows how the establishment of such a model legal structure affect the operation of the center. Besides, it focuses on the function of international law as a tool for making harmonious laws that are used in resolving the matters in this domain via the flow of already prepared laws. The framework can be considered to be clearly laid out and it is designed to handle any disputes relating to international investment that occur in the center of CFDIA, and it will have the ability to tackle any implications.

### **Strategy for the research**

The choice of this one case for studying for the crucial reason that ICSID acts within the laws is because it is very important to demonstrate the legal reality of the work of the Center and its contribution to the expansion and the successful performing of the Center. The introduction should enable the readers to understand a preliminary research background of the topic while the conclusion should include the most important outcomes and recommendations. The first requirement was concerned about the International center for the settlement of investment

disputes in contrast to the second, that is focused on the legal grounds of the International disputes.

### **Global Investment Contract Dispute Resolution Service**

The 1965 Washington Convention is an agreement which inextricably links general international law, international economic and commercial relations as well as a necessity for investment disputes to rules governing this field of law. This center which will become ever more urgent in the process of peaceful and fair solution of investment disputes particularly those in the context of international investment contracts ,where remedies of dispute arise from an interrelation of complex and often some times far reaching nature, require a lot of time devotion in order to be settled amicably between states. As part of the surge in the cases, ICSID tribunals and ad hoc bodies have been involved in creating a body of rules which give an indication of what a violation of international investment obligation consists of. The jurisprudence concerning the availability and the status of methods of procedure like the provisional measures, stay of proceeding, or bifurcation of proceedings and the interpretation of words like "investment" in purpose of arbitration by tribunals has been enriched deeply by ICSID. However, while ICSID tribunal rulings have been seen to clarify respectively the meaning of "national treatment," "most-favored nation treatment," "expropriation" and "fair and equitable treatment" as they can be understood in different treaties' and laws' substantive duties, they have also redefined restrictive rules and interpretations sometimes framing the negotiations.

### **The International Center for Settlement of Investment Disputes**

Determining what to study in which class can involve much thought and reflection; the opposite holds true with what to keep personally, as these will come flying at you no matter what! Particularly notable were regulations modifications in 2006 and 2022. Besides other things, these changes have demonstrated that ICSID as a leader in the sector. In 2006, ICSID made a landmark step forward for the process toward making it more transparent. These amendment activities consequently ensured that there was public access to case awards and decisions, hearing established open for all, and third-party certificate to the cases were permitted for as long as they would help the tribunal to better assess facts and legal interpretations than the parties themselves. While the international center expects to see investment contracts involving

citizens of different member states, this might generate legal troubles however the center being international is here to solve such cases. Attachment to the Center of the Center is open for all states, since it is a regional, international agency (1).

This court is under two different personal or subjective jurisdictions, one being New-York and the other being England where the cause of action arose. The fact that this centre's strengths are only formulated by investment disputes makes it credible. For instance, investment disputes arise when there is trouble between international investment parties, such as appointed to a country or from another country. It cannot be otherwise: there always is a conflict for the Court to be seized and eventually decide. One of its nominal prerogatives is the very act of adjudication and resolution of controversies rather than the substantive law. International investment law understands the contracting parties' responsibilities under the contract and their area of jurisdiction (2).

It restricts components of membership or lawsuit subject to personal jurisdiction that the Center can accept, which means it is confined between the member nations having signature to Washington Convention of 1965. It involves both amending the availability of dispute settlement options for parties and the investing states to the ICSID 2022 revisions as well. For example, revamping the conservative nature of the conciliation process implies the implementation of current procedures in Alternative Dispute Resolution. Along with them also an investment mediation guidelines set that stands on their own are formulated using this alternative mediation practice. You may use mediators as the stand-alone process or add it to a procurement that you can apply to arbitration, conciliation, fact-finding service (3).

Moreover, the fact-finding rules of the tribunal are changed to make them easily accessible any time when the neutral determination of facts shows some prospects of settlement of the investment conflict. The jurisdiction of the court is extended its powers as per the revised All Founding Right (ARF) Rules. These developments signify that this unified approach has been adopted even in circumstances where a regional economic integration organization has a stake in the dispute and even in cases where neither the country contesting not the foreign investor is linked to an ICSID member state (4). Meanwhile the legal community that rejected isolation of the investment issue from the other provisions of the contract, believed that the parties should have refrained defining this issue in the contract. By inviting for a broad range of

interpretations, it would have granted for consideration of more in the meaning so that the size of the agreement's benefits would have expanded in tern (5).

A lot of those rules that were adopted expanded on the earlier ones which concentrated on the investment in disputes' settlement. A specific regulation which could be addressed to the purpose to differentiate participants of the tribunal without unintentional conflicts of interest with their funders is that of the information of external funders. Whilst security for costs order<sup>8</sup> and a list of factors which should be taken into account when deciding on costs<sup>34</sup> is considered as two ways of reforming the rules regarding costs, several other rules are presented in the new set in order to make it up to date and fair. It is stated in the article (2) that the Center will be guided from the headquarters of the bank. In the role of an independent international legal body, ICRD acts as a representative of International Fund for Reconstruction and Development (IFRD) in settling investment disputes as well as conducting the business activities in other jurisdictions in the areas where IFRD has chosen to be active. The Centre (stands) as the international legal mechanism over the IFRD (which is, to the operational part). In order to relocate of the Headquarters from already existing place in Washington, District Of Columbia, two thirds of the members, which consists of the Administrative Board (6).

The World Bank in 1966 established an impartial settlement mechanism for disputes, the ICSID (International Center for Settlement of Investment Disputes), with the goal of inducing governments and investors to direct more of their activities in foreign direct investments. Arbitration hearings before ICSID are an entirely voluntary matter but if there is a party which has chosen to include their dispute before a panel, its protocols must be followed until the first decision is reached with respect thereto. Furthermore, all ICISD member states will have to know about and implement the outcomes of the disputes. The number of cases finished in ICSID was 225 in 2011. It was 128 in cases that are going on till now. Being regarded as a unique organization does not prevent the WB from leading ICSID. The two departments jointly fulfill their duties; they have their own funds and are at the annual meetings together. ICSID hosts 143 UN members and Kosovo at the moment, whereas there are 147 total ICSID members (7).

None of these will lead to the accusation that these persons' names on the lists may be involved in conciliation or arbitration or the administrative committee. As to be as long as they don't give up the powers described in Article (32) of the Code, you cannot arrest them, lock them or

keep them in prison, how much less can you touch their private property for which they maintained peace on the streets. Money and administrative rules. For each state party of this Convention there is one representation in the Administrative Council. The very ones who are supposed to be representatives of distant people are making the decisions that directly affect them. One of the important positions within the Administrative Council of ICSID is that of the Chairman who is an ex officio the President of the World Bank. If the parties can not come to the decision about the arbitrator within themselves, then the Chairman shall appoint the one for them. Within the perimeter of the function of Admin Council is the design and formulation of relevant rules and guidelines that will be used during conciliation and arbitration.

The workforce of the Secretariat is headed by the Secretary-General, who is the boss of both the Deputy Secretary-General and the staff. The Secretariat Council from which the UN Secretary-General and the UN Deputy Secretary-General are elected. The secretary general of International Centre for Settlement of Investment Disputes, an institution carried by the World Bank, is likewise responsible for the legal affairs of the latter. It's important to say that one of duties of the UN Secretary-General is that he/she must stop and review the complaints filed on arbitration. The administration of the Secretariat includes providing assistance with all aspects of the arbitration related proceedings.

There is meeting space, translation and interpretation services as well as some other components of support which are provided. Besides the President, the Secretary-General will select another experienced person from ICSID to execute the position of the Secretary.

The people from the nations members are the panels of arbitrators and mediators who are chosen to be them. To increase the number of people appointed by the Chairman, up to eleven more posts may be added. In each case where there is arbitration, a panel formed separately by the disputing parties, usually the parties themselves, takes the case for consideration. The choice of arbitrator / mediator may be made by disputants, whether they are the same Panels.

This place of incarceration also ensures that along with life in mail those relevant records and papers can function as independent issues allowing application of symbols in com correspondence. The protection of the documents as diplomatic and international records is an automatic safeguard for the papers stored where they have been discovered, whether these are minutes or minutes of a meeting. It is being particular in this way by assuming the paper of

others it owns as its own, as well. Reportedly, a state should not, thus, ban these documents. Such records whether located in the official building of the state center or at any other center's office are subject to physical seizure or destruction based on the fact that these are at the disposal of the Headquarters. It is called the center's mail correspondence and can be sent through diplomatic mail within the diplomatic pouch. Being uncontrollable, it is a person who rules here. It has a priority issue of getting stamps duty excluded and has a precedence compared to all others. No messages found. On the preservation of the right to communicate freely, the earlier article provides that states parties must obligate their support to the center. Such support shall entail provision of funds for communication. Furthermore, the organization provides its infrastructure to national and international groups (9).

**ICSID and UNCITRAL are the world's most crucial agencies, which help to resolve almost all international investment disagreements.**

The signatories foreseeing that states would control ICSID's territory through a letter, they have made this process opt-in. <sup>3</sup> The basis of this action was the determination of the states to be able to allow arbitral jurisdiction over particular investment conflicts, <sup>4</sup> which resulted in the process in which nations could write to the ICSID about the kinds of investment conflict they wish to take to the center. Interest Likewise, suggestions still emerge on the merging of the ICSID Convention and the BITs for their universality. These criteria differ from country to country, but they ultimately serve the goal of a universal law in this case investment protection. While the arbitrators acknowledged they needed permission, they admitted that the permission was just enough to satisfy the requirement to be an investment. In the furtherance of the objective of delimiting the authority of ICSID, it also became necessary to provide a definition of what constituted an investment. Even if the threshold is not placed, countries can derail their national courts and drag their disputes to ICSID arbitration under any BITs, because of how ICSID handles any adversity. The governor of the Bank or an alternate governor of the States contracting parties stipulated in the text, the bank shall conduct a review and issue an opinion of the extent to which the applicant fulfils the substantiality, sustainability and transparency criteria, unless otherwise specified. Member Council, where everyone is present. By the poll, each representative gets one vote, which means all votes would be counted equally. The president's power to determine policy relies on his lack of votes, so it is only part of a supervisor. As the Director of the Worldwide Bank, not only is chairing the Administrative Board meetings under this title but also the Worldwide Bank regime is also a member of the



board for ex officio. The board's annual meeting is held with a simple majority under the rule unless any other is specified in the agreement.

Furthermore, the Administrative Council will take two mandatory decision-making steps: yearly budget approval for the Center as well as elections of any financial and administrative regulations including the General Secretary or other Center agents. It also has a power to approve the budget, the Center's annual report, and to implement as agreed the long term system of the agreement. Pursuant to the provisions of the Agreement, any issues regarding administrative and financial regulations will be decided following a two-thirds majority assent (12 votes) of the members of the Administrative Council, with the same process being followed in the case of a list of procedures for arbitration and conciliation, as well as claims regarding both processes.

Once in the year the Council Administrative will gather for a session of public and private meetings. Additionally, the Council is going to hold the extraordinary sessions, among others, in the aforementioned scenarios, like when the President or the Secretary-General invite them or one-fifth of their members ask it for this matter. The Members of the Council will be given an equal vote. A basis rule to be determined in future requires a minimum of the Council's half plus one members are at the Council's meeting. The President is allowed to propose to the Council to have a vote by mail as long as it follows a two against one rule of the president and at least two-thirds of the Council members vote for the aforementioned proposal. The center also had the authority to pay the president or the cabinet members for their job and this clarification was explained in the article number eight.(13).

This will certainly amplify some of the difficulties related to the supposed to be “Bitcoin 2.0”. Investors and the government are simply wise people who can successfully mechanism reading the law and finding ways of by-passing regulation. Vestiges of the Quiborax period, which fairs changing the traditional Salinism leave the states' economic growth in disarray, scaring off investors. This deal will jump into the face of the initial purpose of ICSID. It is moreover, he case law which is a base for interpretation of international law that shows the critical role of precedent in this area. The purpose of the international organizations dominantly determines the view of some precedents while others might have opposing views. There is the possibility that an arbitrator can't perform justice adequately owing to his inability to deviate from the precedent, which in its turn, helps the practitioners to understand the rules and avoid

mistakes while executing the laws. The more the ICSID and other such organizations apply precedents in a very strict way, this will reassure parties with knowledge of well-defined vocabulary to increase the volume of foreign investments (14).

In possessing such a high esteem by the member nations, however, it is also required in paragraph (2) that the Secretary-General and staff members will remain non-partisan, decisive in keeping off all political affairs, which run into practicing any profession or job outside politics. With that in mind, a consent from the Center's Administrative Council is mandatory. According to the Secretary General's duties and his assistants, there are two theoretical categories of tasks. They are the complete opposite of political activities in all dimensions that is forbidden to them. In addition to the members of the Administrative Association of the Center, official permission must be released by the Council so that one can operate in services other than those relating to politics (15).

The two main components of ICSID involves the administrative council and secretariat. As to the part of the Administrative Council, it superintends the ICSID's work. The delegation from the Contracting States gathers once a year, and one member is allocated for each Contracting States. Questions like the ICSID arbitration and the budget of the administrative council are decided once in a year. The Secretariat executes a dual role of providing technical support to the ICSID Administrative Council and the parties engaged in ICSID arbitral proceedings. The Appointment Council will be vested with the power to appoint the Secretary General, the Head of them. The main aim the ICSID Convention authors had was to take care of investor-state disputes being more straightforward with having a clearer process for resolving them. Achieving this goal of procedural homogeneity, the makers of the rules resolved to educate arbitrators and to list rules that to abide by. Though the umpires are free from the oversight of (control) the ICSID, there still have to be rules they must act out under (16).

Elected to the conciliation and arbitration councils by the State, those who are appointed to these positions should be moral individuals, who have good knowledge of and specialize in the field of law, commerce and finance, as well as, who have great and good reputation in addition to their impartiality towards the issue at hand.

**Whether the International Committee on the Settlement of Investment Arbitration (ICSID) has got the authority to or not the authority is its question.**

We came to know about the Center's idea of the international institution for countries to deal with investment disputes, based on the first presupposed criterion. In other words, it is a structure running who operates on disputes between parties and comes up with solutions regarding investment issues according to the regulations and norms. In compliance with international law and the rules of the Washington Convention of 1965 fixed in the organization this Center is structured both physically and organizationally. Administrative offices that serve the function of the administrator, where competent conciliators and arbitrators work, technically speaking, as human and material representation of the Center as a legal entity. These conciliators and arbitrators are entrusted to carry out the duties assigned to them. Authorities are not forgotten in such a rigging; therefore, let us also cite relevant authorities. Part one describes about the situation originating the dispute and the key market players participating, while Part two relates to the different arbitration rules of the International Center for Settlement of Investment Disputes, as stipulated under the Washington Convention of 1965.

### **Situation of the disputing parties**

The provision of a list of regulations which will provide the necessary ground to take the parties to the International Center for Settlement of Investment Disputes is very essential. The central office is established on the basis of Article 8 of the ICS along with the role of handling investment disputes between host countries and international investors from the contracting countries, which were executed by the nationals. Since then, the issue has been There are two sides to this story: we will talk about pros and cons of foreign direct investment for the country receiving it and for the investors themselves (18). As the ICSID cases become different, the structure of the disputing parties becomes one of the standout features. The dispute that is being pursued by the nation and an investor foresees investor-state dispute panels as their umpires. This is mostly a way of showing the individuals are very clever. Mature countries with experienced study and investment base on the relevant international law, represents the quintessence of example of sophisticated investors, like national organizations and well-funded individuals with a great expertise. The act of entering on to the international stage is as hard if not tougher than it might sound, and mastery of this regard may be the same as judging the networks' abilities. The below mentioned cases have a twofold effect: first of all, tons of money is arguable even if the claim brought in the law court concerns small amounts and amounts in controversy may additionally cover million of dollars For the persons, the amount

varies between hundreds of thousand and millions and can be as high as tens of millions of dollars which could be draining for the government budget.

The strange thing is - ICSID Convention. Whichever interpretation of this term is chosen to be appropriate when it comes to investment, the states which are parties to the treaty have made sure that the term "investment" is left imprecise. They were doing this in order to ensure that the tribunals got a chance to create their own definitions; the fact is that tribes already had in-depth knowledge of the specific contexts and therefore were better placed to define the 'test' themselves. In (19) most of the quarrels arouse as a result of this. This branch of international law is hard for companies to perceive in advance: a myriad of different disputed law governed by different tribunals is a real challenge. If the foreign private equity investor holds dual citizenship (notice the phrase "even if"), the Center is still able to examine the situation as long as the investor does not renounce his host country's nationality. Consequently, that is the case since the war is carried on by parties which they do not have common nationality with.

It is stated in Article (28/3) of the Washington Treaty of 1965, that in case a person was an investor from one state and had been on that date of parties getting into the agreement with the Center, they would get the right of another contracting signatory state. It has to fall on the same date as where arbitration or a conciliation application is received. In pursuance of the mediation process, the Secretary-General, as well the country's representative by the disputing party, must be proficient in mediation. Legal apparatus are also required to bear specific documents so that it will be easier for them to be recognized as the disputing parties by the conciliation committee and the arbitration body linked with the Centre. The article (b/25/2) stipulates that the legal entity should be either a movement or an enterprise; that means, in the mentioned case, businesses that are either states-owned or organizations that engage in investments abroad cannot cover their conflicts in this forum (FTDI). The rules and regulations which a particular country passes restrict the parameters by which nationality (of a natural person) becomes recognized by law. Does it indicate the one criterion for the legal entity's belonging of the State based on the internal legislation of the State? Doing so may be to apply the standard whereby a company is taken to have the nationality of the country of its establishment, or the headquarters of its main management center. A country's legal personality is a set of rules and legislation that regulates a company's character. This personality is defined as the regulatory standards of the highest authorities (country) with the relevant factors of control (who runs the main directorship and management) (21).

**International Ombudsman Remarking on the Application of Dispute Settlement Investments Guidelines in Governance Rules.**

When parties in the center of the Center seek to resolve their differences, they are required to refer to the rules and procedures that food banks have set. Submission of the matter to the centre is the prerogative of the parties involved who must lodge their intention in writing and comply within the official procedures. This offers a very good portrait of the Center taking much care to ensure that it coordinates well with what has been said by the parties. However, the agreement did not provide the particular way in which the state' approval would be made. This meant tht the state could approve the CICJ jurisdiction either in a text that is part of its internal legislation that it accepts the CICJ jurisdiction over the dispute between the state and the investor, or in any form that it may like. This provides a clear picture of the border regulations and prohibits any form of misinterpretation or misconceptions. By having this type of language passed into law into the state, the host country is making a commitment that investors will be comfortable to settle for the center's jurisdiction, if only investors would want to take advantage of it. This language acts as a guarantee for the foreign investor because their investment is immune from new laws or amendments that do not embrace the authority. The common mistake here is the use of the word 'jurisdiction', which refers to the authority or power to make and enforce the law.

However, the arbitral tribunal at the center was retired and only the Pacific Company was the only investor who gave a complaint about Egypt. The contract in question sought to create two recreational complexes, with the approval of the confederated government being the only requirement. However, the matter has now been disagreed to due to what Egypt did, and that is the group's counter denied the project of the Plateau because Plateau was considered as endanger of the cultural site which is the monument of the ancient civilization.

Yet, its drafters were convinced that such approval might be made manifest by an inclusion of an applicable clause in the Prudential Investment Law of the Egyptian authorities. The court, accordingly, decided on the same line as the claimant; the arbitration process was legally acceptable by the government of Egypt according to the Investment Law of Egypt, Section (7). From lateness (following Egypt and some other states like Tunisia, Albania and Georgia) the process of domestic law coming to the front is emerged at the center and the state practice of relying on domestic law in compound arbitration became standard there (23).

Apart from that, the concept of the state has to be negotiated with other nations before it can serve as a ground for the ratification of an agreement. Therefore, if each of the party to a bilateral treaty concerns a state then there may be a dispute transfer of one of those states and a private citizen of the other party state to the centre for the dispute. Here are a few instances: In 1990, the United States and Algeria signed the Investment Encouragement Agreement, which the document referred to American investor and supplier premium service protections by arising insurance company and by arbitration dispute resolutions. Moreover, the state validates the manual through the Processing Manual Approval (PMA) from the Collective Agreement which specifies how to resolve conflicts between the parties to the agreement. Nevertheless, one of a foreign investor from a state that is a member-state of the International Center's multilateral agreement (24) may bring a lawsuit to support the profitability of its investments.

The Protocol once ratified on 1969, then entered into effect on 1980. Coping with the fact that quantity and extent of international treaties are increasing almost every day, international community adopts the convention in order to make its provisions more uniform and principally applied. As for ICSID Convention, which is designed to have as broad as possible principles for treaty interpretation, its most important Articles, among which is Article 25, are significant which is about how the word "investment" in the treat Authentic interpretation is required according to the provisions of the Vienna Convention "in the good faith of the participants as given to the terms of the treaty in their context and in the light of the treaty's purpose." As well as the "context", the Vienna Convention explains what the meaning of the "treaty" and that of "context" are. Furthermore, the preamble and the annexes are regarded equally as the text for reasons of the interpretation solely agreed by the Vienna Convention. "Any continuing practice in the game/ performance of the treaty which set the terms of the parties" and "their consent on its interpretation." is one more aspect the Convention offers regarding context. The last choice between the two either Salini or Quiborax has the greatest impact for which these principles of the Vienna Convention are pivotal. In accordance with the Vienna Convention, the courts should read the treaty as an act sui generis, rather than a cowhide, and thus look into the preamble as well. Two cases raise the question concerning the Preamble of the ICSID Convention. The first is how it is worded and the second is the question of the application. Salini full supports the juncture of the preamble about economic growth. Also, she gives a direct reference from the preamble as a question in the quiz. While Quiborax reiterates the usage of that wording but explanations on why they could take out those wordings are

missing, which have somewhat the effect to confuse such term and lead to a misunderstanding against the text and intent of the ICSID Convention (26).

## Conclusion

However, I've skimmed through the research and very glad it ended now, here comes the most crucial issues and ICSID's work in settling trading and monetary disputes to rationalize countries when they are in war. To keep things concise and avoid going on and on, we will start by outlining the key findings and recommendations as follows: *Sailing et al. v. Morocco* against MGB has been the master case carving out the meaning of an investment in ICC since more than ten years ago,<sup>46</sup> as it lays down five essential attributes of an investment. In *Salini's* view, there were four essential components of an investment: Criterion (1) is comprised of (a) monetary contribution or other kind of asset; (2) duration of the project approved; (3) riskiness of the project; and (4) economic benefit to the host state. Regardless of the fact that ECJ decisions which followed have not been totally guided by all the *Salini* criteria at different times, the judgments which opted out of using the *Salini* Test in

*Qui Burako v. Bolivia* is the fight to cut off a tail of the fourth criterion proposed by *Sali* which concerns investments in ICSID arbitration. This fight has to do with the unification of the standards. The tradition, which has developed as a way to surpass *Salinis*, has many shortcomings that need to be discussed. The fourth premise that is insinuated by the ICSID Convention language is that *Salin's* pillar should be retained, which states that "the Convention contributes to the economic development of the host state".<sup>82</sup> Building economic prosperity is a pillar on which the Convention is based<sup>14</sup> and this is exactly the goal of giving ICSID power extend the needed support beyond the said goal is viewed as unprecedented. However, ICSID must clearly understand that taking away the governments' power over dispute resolution can oppose the fundamental notions of sovereign equality.<sup>1</sup> Second, the pragmatic considerations need to be the way that ICSID will achieve its goals, and this should include keeping *Salini*. We could evaluate for ICSID the possibility of materializing a higher level of consistency in its case law by applying more strict proceeded precedent rule.

In contrast to the situation where the existing framework of a decade, the disruption would bring about unneeded ingredient of unpredictability in the attachments of cross-border investment. Ineffective foreign investment could become a deterrent to this process, and the

progress of an economy could reach a standstill. ICSID wants to appeal to a large number of international investors. It would be just the opposite to Salini if it decided to go there as this would not favour ICSID's goals. The installation of Salini test is an ideal solution for adopting comfort zone within the an body of ICSID, however it would be tough to practice the concrete notion of stability inside ICSID system. It has been quite comfortable for the panels to proceed as they usually do, without any adhoc change. The drafters would have to try to define the concept of "investment" in the subsequent legislation, however. In the case of coherence, Salmini test which is definition for the concept is obviously the best. Codifying AITC or another test will bring some peace for investors but when the investment predating such test begins hearing through arbitration courts the process may get stall.



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