

# UNCTAD Expert Meeting on Taking Stock of IIA Reform

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## Mongolia

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First of all, I would like to express my gratitude to UNCTAD for organizing this important meeting and giving me the opportunity to participate in this event.

Mongolia has entered into investment treaties with most major economies and signed traditional Bilateral Investment Treaties with 43 countries since the country opened its market to the world in 1990.

While the market economy was a whole new concept to us, we had no inclusive investment strategy with a vision to sustainable development at that time. Therefore, previous 43 BITs were drafted too broadly with lack of strategic and political rationale. Main concept of those BITs were to create more favorable investment environment, give more incentives and promotions to foreign investors and at the same time those were lack of balancing rights and obligations between investor and state. As a result, Mongolia now is facing with several ISDS.

However, in order to reverse this situation, Mongolia is considering to reform its Investment policy, adjusting with the global investment trend.

At the national level, Mongolia has adopted the new Investment law in 2013, that redefines the investment environment, defines State`s right to regulate and creates new investment incentives and promotions for both foreign and domestic investors. The Investment law is subject to further changes in order to ensure the coherence with National developments strategy, other related laws and regulations.

At the bilateral level, the key issue of our investment policy reform is remodeling the Investment Agreement, as well as redrafting or amending the previous BITs with partner countries.

In January 2016, the Working committee with a vision to develop new BIT model was established. The Committee members are consists of representatives from related ministries, agencies and academic institutes. Working committee has approved its action plan with certain timeframes and we are expecting the first draft model in June

2016. The new model will consist of 27 articles which aimed to cover all investment related issues and aligned with national laws, regulations, development strategy, as well as our commitments those made at regional and multilateral arena. After creating the new model, the state will start amending or renegotiating the previous BITs with partner countries.

Mongolia has very limited experience with IIAs. Mongolia has signed an Economic Partnership Agreement with Japan in 2015 and this was the first EPA ever signed by Mongolian Government. It contains Investment Chapter, its Reservations for Existing and Future measures and precise and clear provisions on investment dispute settlement. The agreement provides the basis for realizing the objectives to improve investment environments and to promote economic development of Mongolia. Moreover, this year we have finished negotiating the Foreign Investment Promotion and Protection Agreement with Canada.

Using this opportunity, I would like to convey my deepest gratitude to UNCTAD for its valuable support for reforming of Mongolia`s Investment Agreement model. UNCTAD has been always our wise advisor, honest supporter.

Moreover, I would like to emphasize that, while individual countries efforts are important, they often lack of the sufficient multilateral engagement to ensure effectiveness and comprehensiveness. This UNCTAD meeting is an important opportunity of the multilateral engagement to address today's IIA challenges in a more coordinated manner. We believe that, through this platform, countries will develop their own action plans and design their own roadmap for IIA reform. Mongolia is keen to cooperate with UNCTAD and other countries in transformation of the international investment agreement regime.

Thank you for your attention.