

**The Multilateral Investment Guarantee Agency :
New Developments Regarding the Operation of
Investment Guarantees in International Investment Law**

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Abstract

The Multilateral Investment Guarantee Agency (MIGA) was established on April 12, 1988, as the newest member of the World Bank Group. Its purpose is to encourage the flow of foreign direct investment to developing countries by providing guarantees against non-commercial risks and carrying out other promotional activities.

The MIGA Convention makes reference to six types of disputes: disputes regarding the interpretation and application of the MIGA Convention, disputes resulting from subrogation, other disputes between the MIGA and a member, disputes between the MIGA and a holder of a guarantee or reinsurance contract, disputes arising out of immunities of the MIGA, and disputes between a holder of the Agency's guarantee and the government of the host country.

In the fiscal year 1996, MIGA issued 68 guarantee contracts totaling \$862 million in coverage. The total direct investment facilitated by these MIGA-insured projects is approximately \$6.6 billion. It is therefore not surprising that the MIGA has been characterized as a successful institution.

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