



**Statement of the G-77 and China  
during the fifty-fourth session  
of UNCITRAL Working Group III (ISDS Reform)  
24–27 March 2026,  
delivered by H.E. Mohamed Nasr  
Ambassador, Permanent Representative of Egypt**

Mr. Chair,

1. At the outset, the Group wishes to congratulate you on your leadership of the Working Group and to express our appreciation to the UNCITRAL Secretariat for the preparatory work undertaken for this session.
2. The Group recalls the steady progress achieved by the Working Group III since the beginning of its mandate to consider possible reform of the investor-State dispute settlement system. In this regard, we welcome the constructive spirit that has characterized the discussions and reiterate our commitment to actively and constructively engaging in the reform process.
3. The Group takes note of the draft statutes of a permanent tribunal and a permanent appellate tribunal for international investment disputes, and the document addressing the structure and design of a possible standing mechanism for the resolution of international investment disputes.
4. The Group acknowledges the ongoing discussions on any potential standing mechanism, and further recognizes the concerns regarding high costs and duration of proceedings, the lack of consistency, coherence and predictability in decisions, and those relating to diversity and legitimacy within the existing system.
5. The Group considers that the establishment of any standing mechanism, if appropriately designed, has the potential to contribute to a more coherent, transparent, equitable, and balanced system for the settlement of international investment disputes. Such a mechanism could strengthen the accuracy and consistency of decisions and enhance the system's overall legitimacy.
6. The Group emphasizes that the design of any standing mechanism must reflect the diverse needs, concerns, and capacities of developing countries.
7. In this regard, the Group underscores the importance of ensuring that such mechanism operates in accordance with international law while also ensuring that the system remains financially sustainable and affordable, particularly for developing countries.
8. The Group also stresses that the structure and composition of any standing mechanism must reflect equitable geographical representation, as well as the principal legal systems of the world, which are essential to strengthen legitimacy and inclusiveness.
9. The Group further highlights the importance of appropriate gender balance in the structure and composition of any standing mechanism.

10. With respect to the process for the selection and appointment of members of the tribunals, the Group stresses the need for careful scrutiny of the provisions on the nomination procedures and the establishment of a screening process to ensure the participation of qualified and suitable candidates while also guaranteeing meaningful representation of developing countries.

11. The Group further emphasizes that the financial arrangements of any standing mechanism will impact its accessibility and sustainability. In this regard, it is essential that the financial burden should not adversely affect the participation of developing countries.

12. The Group also notes the importance of carefully addressing questions related to jurisdiction and consent, as well as the interaction between any potential standing mechanism and existing dispute settlement mechanisms and instruments. These issues would require careful consideration to inter alia preserve legal certainty and ensure respect for the sovereign choices of States.

13. In this context, the Group reiterates the importance of maintaining flexibility in the reform process, including through mechanisms that allow States to determine the extent of their participation and consent in a clear and predictable manner.

14. The Group also wishes to reiterate the relevance of the Advisory Centre on International Investment Dispute Resolution (AC), whose establishment constitutes a critical element of the broader reform process. The AC will play an essential role in providing legal assistance and capacity-building for developing countries, thereby helping to ensure more equitable participation in the international investment system. In this regard, its structure should be grounded in impartiality and governance integrity, thus safeguarding its credibility and mission.

15. The Group therefore reaffirms its strong support for the operationalization of the AC and encourages continued efforts to finalize the remaining issues necessary for its effective functioning.

Mr. Chair,

16. The Group remains committed to engaging constructively in the ongoing work of Working Group III and looks forward to further advancing the discussions on the possible establishment of any standing mechanism in a manner that is inclusive, balanced, and responsive to the needs of all States, particularly developing countries.

17. The Group stands ready to continue working with all delegations and with the Secretariat to achieve meaningful reform outcomes that strengthen the fairness, legitimacy, inclusivity, and effectiveness of the international investment dispute settlement system.

Thank you, Mr. Chair.