

I C S I D

1989 ANNUAL REPORT



**International Centre for
Settlement of Investment Disputes**

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**International Centre for
Settlement of Investment Disputes**

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International Centre for Settlement of
Investment Disputes

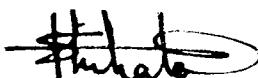
September 5, 1989

Dear Mr. Chairman:

Pursuant to Administrative and Financial Regulation 5(4), I hereby submit to the Administrative Council for its approval the Annual Report on the operation of the International Centre for Settlement of Investment Disputes required by Article 6(1)(g) of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. This Annual Report covers the fiscal year July 1, 1988 to June 30, 1989.

The report includes the audited financial statements of the Centre, presented pursuant to Administrative and Financial Regulation 19.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ibrahim F.I. Shihata', with a large, sweeping flourish at the end.

Ibrahim F.I. Shihata
Secretary-General

Mr. Barber B. Conable
Chairman
Administrative Council
International Centre for Settlement of Investment Disputes

Introduction by the Secretary-General

During 1988/1989, membership in ICSID continued to grow with the ratification of the ICSID Convention by Honduras and Turkey. In addition, Tonga signed the Convention, bringing the number of signatories to 98 countries.

A new arbitration case was also registered during the year. In two other arbitration cases, the parties settled their dispute before the rendering of an award. These brought to eleven the number of ICSID cases to have been settled or discontinued, as compared to nine that have given rise to awards. This high proportion of settlements is further encouraging evidence of the ability of the ICSID system to facilitate the resolution of disputes on terms agreed by the parties.

In one arbitration case, there had been an award which was annulled and then followed by a second award rendered by a different ICSID tribunal to which the parties had resub-

mitted their dispute in accordance with the Convention. At the beginning of fiscal year 1989, the parties instituted annulment proceedings against this second award, and the second annulment proceedings are now pending. This situation is clearly a matter for concern, but fortunately it remains an exceptional one.

The confidence that parties have in ICSID as a neutral and effective dispute-settlement mechanism was demonstrated in various ways during the year. The already widespread use of ICSID clauses in investment contracts continued to expand, with the Centre responding to numerous requests for assistance in drafting such clauses. In addition, a further national investment law referring to ICSID was enacted in 1988/1989, while the number of bilateral investment treaties with similar references increased to well over 150. It may also be mentioned that there were in the year several new

instances of the ICSID Secretary-General being designated by parties as the appointing authority of arbitrators for non-ICSID proceedings.

In the course of the year, the Centre issued a variety of new publications. These included two issues each of the Centre's newsletter and of the *ICSID Review-Foreign Investment Law Journal*. In addition, three releases of the Centre's collections of *Investment Laws of the World* and of *Investment Treaties* were issued during 1988/1989. Together, these collections now contain the texts of the basic investment legislation of some 80 countries and of some 260 bilateral investment treaties. A detailed *ICSID Bibliography*, which includes references to over 300 publications relating to ICSID, was also compiled and published by the Secretariat. Finally, the Centre continued to be active in the area of promo-

tional activities, taking part in a number of arbitration conferences, and co-sponsoring, for the sixth time, with the International Chamber of Commerce Court of Arbitration and the American Arbitration Association, the annual joint colloquium on international arbitration.

Overall, 1988/1989 was a year in which the Centre continued to consolidate and build upon its achievements in seeking to further its objective of promoting international investment for development through appropriate mutually agreed arrangements for conflict resolution and a wide array of research and publication activities.

Ibrahim F.I. Shihata
Secretary-General

Membership

During the past fiscal year, the Convention was ratified by two countries and signed by one country. Honduras and Turkey ratified the Convention on February 14, 1989, and March 3, 1989, respectively. Tonga became a signatory State on May 1, 1989. At June 30, 1989, a total of 98 States had signed the Convention. Of these, 91 had also ratified it. A complete list of Contracting States and Other Signatories of the Convention as of June 30, 1989 appears in Annex 1.

Disputes before the Centre

During the fiscal year, there were eleven arbitration cases before the Centre. Developments in these cases are summarized below.

- (1) *Amco Asia et al v. Republic of Indonesia - Resubmission (Case ARB/81/1)*

July 11, 1988—Amco files its Memorial.

September 12, 1988—Indonesia files its Counter-Memorial.

October 17, 1988—Amco files its Reply.

November 15, 1988—Indonesia files its Rejoinder.

- (2) *Klöckner et al v. Republic of Cameroon and SOCAME - Annulment (Case ARB/81/2)*

July 1, 1988—The Secretary-General registers applications submitted by the parties for annulment of the award of January 26, 1988.

July 8, 1988 — The Secretary-General notifies the parties that the *ad hoc* Committee has been constituted, and that, in accordance with Arbitration Rule 6(1), the proceeding is deemed to have begun. The members of the Committee are Professor Sompong Sucharitkul (Thai), Professor Andrea Giardina (Italian), and Judge Kéba Mbaye (Senegalese).

July 27, 1988—The *ad hoc* Committee meets with the parties in The Hague.

October 7, 1988—Cameroon and SOCAME file their "Mémoire."

December 2, 1988—Klöckner files its "Mémoire."

January 18, 1989—Cameroon and SOCAME file their "Mémoire en Réponse."

February 17, 1989—Klöckner files its "Mémoire en Réplique."

March 6, 1989—Cameroon and SOCAME file their "Mémoire en Duplique."

March 24, 1989 and May 12–13, 1989—The *ad hoc* Committee meets with the parties in Paris.

- (3) *Colt Industries Operating Corp., Firearms Division v. Government of the Republic of Korea* (Case ARB/84/2)

December 6, 1988—The Tribunal issues an Order granting a new stay of the arbitration.

- (4) *S.P.P. (Middle East) Limited v. Arab Republic of Egypt* (Case ARB/84/3)

November 14, 1988—Egypt files an application for annulment of the Tribunal's Decision on Preliminary Objections to Jurisdiction of April 14, 1988.

December 9, 1988—The Acting Secretary-General declares that the Decision of April 14, 1988, rejecting objections to the Tribunal's jurisdiction, is not an "award" as that term is used in Article 52 of the Convention and Arbitration Rule 50, and declines on that basis to register the application for its annulment, pointing out that the decision on jurisdiction can be questioned at the time the final award is rendered.

February 16, 1989—S.P.P. files its Memorial.

- (5) *Maritime International Nominees Establishment (MINE) v. Republic of Guinea-Annulment* (Case ARB/84/4)

July 6, 1988—MINE files a Reply to Guinea's Supplemental Memorandum on the issue of stay of enforcement of the award which was filed by Guinea on June 27, 1988.

August 1, 1988—MINE files its Counter-Memorial.

August 10, 1988—The *ad hoc* Committee issues an Interim Order on Guinea's application for stay of enforcement of the award, continuing the provisional stay.

August 19, 1988—Guinea files its Rebuttal.

September 16, 1988—MINE files its Rejoinder.

October 28, 1988—The *ad hoc* Committee meets with the parties in Washington, D.C.

May 13, 1989—The *ad hoc* Committee meets in Paris.

- (6) *Dr. Ghaith R. Pharaon v. Government of the Republic of Tunisia* (Case ARB/86/1)

July 19, 1989—Claimant files his Commentary on Respondent's objections to jurisdiction.

September 21 and 23, 1988—The parties inform the Tribunal that an amicable settlement has been reached, and ask the Tribunal to take note of the discontinuance of the proceeding, pursuant to Rule 43(1) of the Arbitration Rules.

- November 21, 1988—The Tribunal issues an Order in which it takes note of the discontinuance of the proceeding.
- (7) *Société d'Etudes de Travaux et de Gestion SETIMEG S.A. v. Republic of Gabon (Case ARB/87/1)*
- September 19, 1988—Setimeg files its Memorial.
- January 20, 1989—Gabon files its Counter-Memorial.
- (8) *Mobil Oil Corporation, Mobil Petroleum Company, Inc., Mobil Oil New Zealand Limited v. New Zealand Government (Case ARB/87/2)*
- July 11, 1988—Respondent files its Rejoinder.
- October 31–November 14, 1988—The first part of the hearing of the Tribunal with the parties is held in Washington, D.C.
- November 28–December 16, 1988—The second part of the hearing of the Tribunal with the parties is held in Auckland, New Zealand.
- February 11–15, 1989—The Tribunal meets in Melbourne, Australia.
- May 4, 1989—The Tribunal issues its Findings on Liability, Interpretation and Allied Issues.
- (9) *Asian Agricultural Products Ltd. v. Democratic Socialist Republic of Sri Lanka (Case ARB/87/3)*
- August 18, 1988—Claimant files its Reply.
- October 20, 1988—Respondent files its Rejoinder.
- April 17–20, 1989—The Tribunal meets with the parties in Washington, D.C.
- June 26–27, 1989—The Tribunal meets in Paris.
- (10) *Occidental of Pakistan Inc. v. Islamic Republic of Pakistan (Case ARB/87/4)*
- January 11–12, 1989—Occidental requests a discontinuance of the proceeding on the grounds that the parties have reached a settlement and Pakistan agrees with this request.
- January 27, 1989—The Tribunal adopts an Order taking note of the discontinuance of the proceeding pursuant to Arbitration Rule 44.
- (11) *Manufacturers Hanover Trust Company v. Arab Republic of Egypt and the General Authority for Investment and Free Zones (Case ARB/89/1)*
- June 15, 1989—The Secretary-General registers a request for the institution of arbitration proceedings.

Panels of Conciliators and of Arbitrators

Pursuant to the Convention, the Centre maintains a Panel of Conciliators and of Arbitrators. Each Contracting State may designate to each Panel four persons who may but need not be its nationals.

As provided in the Convention, such persons "shall be of high moral character and recognized competence in the fields of law, commerce, industry or finance, who may be relied upon to exercise independent judgment."

In the course of the fiscal year, designations to the Panels have been made as follows:

- **Austria:**

Designation effective as of April 20, 1989:

Panel of Arbitrators:

Dr. Thomas Lachs (re-appointment).

- **France:**

Designation effective as of December 7, 1988:

Panels of Conciliators and of Arbitrators:

Mr. Gilbert Guillaume.

- **Germany, Federal Republic of:**

Designations effective as of November 15, 1988:

Panel of Conciliators:

Dr. Ernst-Günther Broeder (re-appointment), Dr. Helmut Giesecke (re-appointment), Dr. Ulf R. Siebel (re-appointment), Dr. Klaus Kuttner (designation effective as of May 9, 1989).

Designations effective as of February 24, 1989:

Panel of Arbitrators:

Dr. Ottoarndt Glossner (re-appointment), Dr. Theodor Heinsius (re-appointment), Dr. Günther Jaenecke (re-appointment), Dr. jur. Rainer Faupel.

- **Hungary:**

Designations effective as of April 19, 1989:

Panel of Conciliators:

Dr. Endre Juhász, Dr. Tamás Bán, Mr. László Borbély, Dr. Lajos Vékás.

Panel of Arbitrators:

Dr. Ferenc Mádl, Dr. János Martonyi, Dr. István Kiss, Dr. Attila Harmathy.

- **Japan:**

Designation effective as of April 27, 1989:

Panel of Conciliators:

Mr. Michiya Matsukawa (serving the remainder of the late Mr. Naokado Nishihara's term).

- **Kenya:**

Designation effective as of August 26, 1988:

Panel of Conciliators:

Mr. Dan K. Ameyo.

Publications

- **Luxembourg:**

Designations effective as of September 30, 1988:

Panels of Conciliators and of Arbitrators:

Dr. Ernest Arendt (re-appointment), Mr. Alex Bonn (re-appointment), Mr. François Goerens (re-appointment), Mr. Fernand Zurn (re-appointment)

- **Switzerland:**

Designations effective as of May 16, 1989:

Panel of Conciliators:

Dr. Jens Drolshammer.

Panel of Arbitrators:

Prof. Claude Reymond.

- **United States of America:**

Designations effective as of November 3, 1988:

Panel of Conciliators:

Mr. Richard A. Hauser, Mr. Cecil J. Olmstead, Mr. Douglas A. Riggs, Mr. Michael Stephen Shaw.

Panel of Arbitrators:

Mr. Fred F. Fielding, Mr. Franz-Martin Oppenheimer, Mr. Robert F. Pietrowski, Jr.

News from ICSID

This newsletter provides information on activities of the Centre and on disputes pending before ICSID, as well as articles on topics of current interest. During the fiscal year, two issues of *News from ICSID* were published: Vol. 5, No. 2 (Summer 1988) and Vol. 6, No. 1 (Winter 1989). In addition to reports on recent developments relating to ICSID, these issues featured articles on ICSID and Arab countries, on the selection of ICSID arbitrators and on activities of ICSID's sister institution, the Multilateral Investment Guarantee Agency.

ICSID Review - Foreign Investment Law Journal

The *ICSID Review* publishes materials on domestic and international law and practice relating to foreign investments. The sixth (Fall 1988) and seventh (Spring 1989) issues were published during the year. The Fall 1988 issue featured articles and comments on Soviet joint ventures, business enterprises in Zaire, Poland's investment laws, West-East foreign investment in the international petroleum sector and the investment law of Zanzibar. The Spring 1989 issue contained articles and comments on the U.N. draft Code of Conduct on Transnational Corporations, the regulation of foreign investment in Hungary, Soviet cooperatives, and the Central African Republic's new investment code. As in previous years, these issues also featured documents, bibliographies and book reviews.

Contributors to the Fall 1988 and Spring 1989 issues included Samuel K.B. Asante, William G. Frenkel, Richard M. Gittleman, Jeffrey M. Hertzfeld, Rolf Knieper, Maher S. Mahmassani, William T. Onorato, Chris Maina Peter and Istvan Pogany.

Investment Laws of the World

Two further releases (Releases 89/1 and 89/2) of the *Investment Laws of the World* collection were issued in the fiscal year. These releases contain the texts of recent investment laws of the following eleven countries: Bangladesh, Republic of Korea (update), Laos, Madagascar, Mozambique (update), Myanmar, Poland, Rwanda, Turkey, Vietnam and Yugoslavia.

Investment Treaties

In cooperation with ICSID member countries, the Centre obtained the texts of 18 new bilateral investment treaties which were added to the *Investment Treaties* collection in Release 88/2. The treaties published in this release comprise 13 treaties concluded between Western European countries and States in Africa, Asia and Latin America and the Caribbean, 3 between Western and Eastern European countries, and 2 concluded between Asian States.

Other Publication Activities

Among the other publications issued by the Centre during the year was an expanded edition of the *ICSID Bibliography*, providing references to texts of the ICSID Convention, translations of the Convention into 15 different languages, publications of the Centre, some 230 other articles and books dealing with ICSID and the ICSID Convention, and published decisions rendered in ICSID cases.

The Secretariat also continued to contribute papers to books, law reviews and other publications. References to these may be found in *News from ICSID* and the *ICSID Bibliography*.

Promotional Activities

Colloquium on International Arbitration

For the sixth consecutive year, ICSID, the International Chamber of Commerce (ICC) Court of Arbitration and the American Arbitration Association (AAA) organized a joint colloquium on international arbitration. Hosted by the ICC Court at its headquarters in Paris on October 27, 1988, the sixth joint colloquium was devoted to the topic of "The Arbitral Process and the Independence of Arbitrators."

Speakers and panelists discussed such important subjects as the selection of arbitrators, procedures for the verification and control of their independence and impartiality, the scope of arbitrators' obligation of disclosure and challenges of arbitrators. The colloquium was attended by over 160 participants, including judges, lawyers and businessmen from more than 36 countries.

Papers submitted to the colloquium are being published by the ICC in a book scheduled to appear in 1989.

The seventh ICSID, ICC Court, AAA joint colloquium will take place in New York, on October 6, 1989. Hosted by the AAA, this colloquium will examine the following three topics: How to Become an Active International Commercial Arbitrator; New Legislation Impacting Upon International Arbitration; and Streamlining the Administration of Major Arbitration Cases.

Other Conferences

Other conferences in which the Secretariat participated included the thirtieth anniversary celebration of the Italian Arbitration Association. At the celebration, which was held in Rome on October 30, 1988, the ICSID Secretary-General delivered a paper on ICSID highlighting the role that the Italian Arbitration Association had played in promoting the ICSID Convention. The Secretary-General also addressed the January 13, 1989 session of the *Journées Jean Robert* held in Quebec City under the auspices of the Quebec National and International Commercial Arbitration Centre. The ICSID Convention and the fact that Canada has not yet adhered to it were discussed at the session, with the Secretary-General's address examining the potential advantages to Canada and Canadian investors of membership in ICSID. Finally, the Secretary-General was one of the Institute for Transnational Arbitration (ITA) Advisory Directors who addressed the ITA's Transnational Commercial Arbitration Workshop held in Dallas, Texas on June 22-23, 1989. The ITA was established in 1986 to encourage the resolution of transnational investment and commercial disputes by arbitration and to promote adherence to such multilateral arbitration treaties as the ICSID Convention.

Twenty-Second Annual Meeting of the Administrative Council

Finance

The Twenty-Second Annual Meeting of the Administrative Council took place on September 29, 1988 in Berlin (West), Federal Republic of Germany, on the occasion of the Annual Meeting of the Board of Governors of the World Bank.

In the course of the meeting, the Council approved the 1988 Annual Report on the Operation of the Centre and the budget for fiscal year 1989.

The Resolutions adopted at the Meeting are set forth in Annex 2.

The Financial Statements of ICSID for the fiscal year 1989 are set forth in Annex 3.

The administrative expenditures of ICSID were, again, entirely covered by the World Bank pursuant to the Memorandum of Administrative Arrangements concluded between the World Bank and ICSID in February 1967, and by income from the sale of publications.

It was, therefore, not necessary to assess any excess expenditures on Contracting States pursuant to Article 17 of the Convention.

ICSID expenditures relating to pending arbitration proceedings are borne by the parties in accordance with ICSID's Administrative and Financial Regulations.

Annex 1

Contracting States and Other Signatories of the Convention

(As of June 30, 1989)

The 98 States listed below have signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States on the dates indicated. The names of the 91 States that have deposited instruments of ratification are in bold face, and the dates of such deposit and of the attainment of the status of Contracting State by the entry into force of the Convention for each of them are also indicated.¹

State	Signature	Deposit of Ratification	Entry into Force of Convention
Afghanistan	Sep. 30, 1966	June 25, 1968	July 25, 1968
Australia	Mar. 24, 1975		
Austria	May 17, 1966	May 25, 1971	June 24, 1971
Bangladesh	Nov. 20, 1979	Mar. 27, 1980	Apr. 26, 1980
Barbados	May 13, 1981	Nov. 1, 1983	Dec. 1, 1983
Belgium	Dec. 15, 1965	Aug. 27, 1970	Sep. 26, 1970
Belize	Dec. 19, 1986		
Benin, People's Republic of	Sep. 10, 1965	Sep. 6, 1966	Oct. 14, 1966
Botswana	Jan. 15, 1970	Jan. 15, 1970	Feb. 14, 1970
Burkina Faso	Sep. 16, 1965	Aug. 29, 1966	Oct. 14, 1966
Burundi	Feb. 17, 1967	Nov. 5, 1969	Dec. 5, 1969
Cameroon	Sep. 23, 1965	Jan. 3, 1967	Feb. 2, 1967
Central African Republic	Aug. 26, 1965	Feb. 23, 1966	Oct. 14, 1966
Chad	May 12, 1966	Aug. 29, 1966	Oct. 14, 1966
Comoros	Sep. 26, 1978	Nov. 7, 1978	Dec. 7, 1978
Congo, People's Republic of the	Dec. 27, 1965	June 23, 1966	Oct. 14, 1966
Costa Rica	Sep. 29, 1981		
Côte d'Ivoire	June 30, 1965	Feb. 16, 1966	Oct. 14, 1966
Cyprus	Mar. 9, 1966	Nov. 25, 1966	Dec. 25, 1966
Denmark	Oct. 11, 1965	Apr. 24, 1968	May 24, 1968
Ecuador	Jan. 16, 1966	Jan. 15, 1966	Feb. 14, 1966
Egypt, Arab Republic of	Feb. 11, 1972	May 3, 1972	June 2, 1972
El Salvador	June 9, 1982	Mar. 6, 1984	Apr. 5, 1984
Ethiopia	Sep. 21, 1965		
Fiji	July 1, 1977	Aug. 11, 1977	Sep. 10, 1977
Finland	July 14, 1967	Jan. 9, 1969	Feb. 8, 1969
France	Dec. 22, 1965	Aug. 21, 1967	Sep. 20, 1967
Gabon	Sep. 21, 1965	Apr. 4, 1966	Oct. 14, 1966
Gambia, The	Oct. 1, 1974	Dec. 27, 1974	Jan. 26, 1975
Germany, Federal Republic of	Jan. 27, 1966	Apr. 18, 1969	May 18, 1969 ²
Ghana	Nov. 26, 1965	Jul. 13, 1966	Oct. 14, 1966
Greece	Mar. 16, 1966	Apr. 21, 1969	May 21, 1969
Guinea	Aug. 27, 1968	Nov. 4, 1968	Dec. 4, 1968
Guyana	July 3, 1969	July 11, 1969	Aug. 10, 1969
Haiti	Jan. 30, 1985		
Honduras	May 28, 1966	Feb. 14, 1969	Mar. 16, 1969
Hungary	Oct. 1, 1966	Feb. 4, 1967	Mar. 6, 1967
Iceland	July 25, 1966	July 25, 1966	Oct. 14, 1966
Indonesia	Feb. 16, 1968	Sep. 28, 1968	Oct. 28, 1968
Ireland	Aug. 30, 1966	Apr. 7, 1981	May 7, 1981
Israel	June 16, 1980	June 22, 1983	July 22, 1983
Italy	Nov. 18, 1965	Mar. 29, 1971	Apr. 28, 1971
Jamaica	June 23, 1965	Sep. 9, 1966	Oct. 14, 1966
Japan	Sep. 23, 1965	Aug. 17, 1967	Sep. 16, 1967
Jordan	July 14, 1972	Oct. 30, 1972	Nov. 29, 1972
Kenya	May 24, 1966	Jan. 3, 1967	Feb. 2, 1967
Korea, Republic of	Apr. 18, 1966	Feb. 21, 1967	Mar. 23, 1967

¹ The Convention was signed on behalf of the Republic of China on January 13, 1966, and ratified on December 10, 1968. At its Fourteenth Annual Meeting on October 2, 1980, the Administrative Council considered a communication received from the People's Republic of China (PRC) decided that the Republic of China (ROC) be removed from the list of Contracting States and noted that, pending study by the Government of the PRC of the possibility of becoming a party to the Convention, China is not a Contracting State.

² Germany declared, on depositing its instruments of ratification, that the Convention would also apply to the Land Berlin.

State	Signature	Deposit of Ratification	Entry into Force of Convention
Kuwait	Feb. 9, 1978	Feb. 2, 1979	Mar. 4, 1979
Lesotho	Sep. 19, 1968	July 8, 1969	Aug. 7, 1969
Liberia	Sep. 3, 1965	June 16, 1970	July 16, 1970
Luxembourg	Sep. 28, 1965	July 30, 1970	Aug. 29, 1970
Madagascar	June 1, 1966	Sep. 6, 1966	Oct. 14, 1966
Malawi	June 9, 1966	Aug. 23, 1966	Oct. 14, 1966
Malaysia	Oct. 22, 1965	Aug. 8, 1966	Oct. 14, 1966
Mali	Apr. 9, 1976	Jan. 3, 1978	Feb. 2, 1978
Mauritania	July 30, 1965	Jan. 11, 1966	Oct. 14, 1966
Mauritius	June 2, 1969	June 2, 1969	July 2, 1969
Morocco	Oct. 11, 1965	May 11, 1967	June 10, 1967
Nepal	Sep. 8, 1965	Jan. 7, 1969	Feb. 6, 1969
Netherlands	May 25, 1966	Sep. 14, 1966	Oct. 4, 1966 ³
New Zealand	Sep. 2, 1970	Apr. 2, 1980	May 2, 1980
Niger	Aug. 23, 1965	Nov. 14, 1966	Dec. 14, 1966
Nigeria	July 13, 1965	Aug. 23, 1965	Oct. 14, 1966
Norway	June 24, 1966	Aug. 16, 1967	Sep. 15, 1967
Pakistan	July 6, 1965	Sep. 15, 1966	Oct. 15, 1966
Papua New Guinea	Oct. 20, 1978	Oct. 20, 1978	Nov. 19, 1978
Paraguay	July 27, 1981	Jan. 7, 1983	Feb. 6, 1983
Philippines	Sep. 26, 1978	Nov. 17, 1978	Dec. 17, 1978
Portugal	Aug. 4, 1983	July 2, 1984	Aug. 1, 1984
Romania	Sep. 6, 1974	Sep. 12, 1975	Oct. 12, 1975
Rwanda	Apr. 21, 1978	Oct. 15, 1979	Nov. 14, 1979
Saudi Arabia	Sep. 28, 1979	May 8, 1980	June 7, 1980
Senegal	Sep. 26, 1966	Apr. 21, 1967	May 21, 1967
Seychelles	Feb. 16, 1978	Mar. 20, 1978	Apr. 19, 1978
Sierra Leone	Sep. 27, 1965	Aug. 2, 1966	Oct. 14, 1966
Singapore	Feb. 2, 1968	Oct. 14, 1968	Nov. 13, 1968
Solomon Islands	Nov. 12, 1979	Sep. 8, 1981	Oct. 8, 1981
Somalia	Sep. 27, 1965	Feb. 29, 1968	Mar. 30, 1968
Sri Lanka	Aug. 30, 1967	Oct. 12, 1967	Nov. 11, 1967
St. Lucia	June 4, 1984	June 4, 1984	July 4, 1984 ⁴
Sudan	Mar. 15, 1967	Apr. 9, 1973	May 9, 1973
Swaziland	Nov. 3, 1970	June 14, 1971	July 14, 1971
Sweden	Sep. 25, 1965	Dec. 29, 1966	Jan. 28, 1967
Switzerland	Sep. 22, 1967	May 15, 1968	June 14, 1968
Thailand	Dec. 6, 1985		
Togo	Jan. 24, 1966	Aug. 11, 1967	Sep. 10, 1967
Tonga	May 1, 1989		
Trinidad and Tobago	Oct. 5, 1966	Jan. 3, 1967	Feb. 2, 1967
Tunisia	May 5, 1965	June 22, 1966	Oct. 14, 1966
Turkey	June 24, 1987	Mar. 3, 1989	Apr. 2, 1989
Uganda	June 7, 1966	June 7, 1966	Oct. 14, 1966
United Arab Emirates	Dec. 23, 1981	Dec. 23, 1981	Jan. 22, 1982
United Kingdom of Great Britain and Northern Ireland	May 26, 1965	Dec. 19, 1966	Jan. 18, 1967 ⁵
United States of America	Aug. 27, 1965	June 10, 1966	Oct. 14, 1966
Western Samoa	Feb. 3, 1978	Apr. 25, 1978	May 25, 1978
Yugoslavia	Mar. 21, 1967	Mar. 21, 1967	Apr. 20, 1967
Zaire	Oct. 29, 1968	Apr. 29, 1970	May 29, 1970
Zambia	June 17, 1970	June 17, 1970	July 17, 1970

³ On depositing its instrument of ratification, the Netherlands restricted the application of the Convention to the Kingdom in Europe; by a notification received on May 22, 1970, the Netherlands withdrew that restriction and thus extended the application of the Convention to Suriname and the Netherlands Antilles, Suriname having attained independence on November 25, 1975, the Convention ceased to be applicable to Suriname as of that date.

⁴ Until St. Lucia attained its independence on February 22, 1979, it was covered by the ratification of the United Kingdom.

⁵ The United Kingdom, pursuant to Article 70 of the Convention, excluded from its coverage the following territories for whose international relations it is responsible: Jersey, Isle of Man, British Indian Ocean Territory, Pitcairn Islands, British Antarctic Territory, Sovereign Base Areas of Cyprus. By notifications received on June 27, 1979, and November 17, 1983, respectively, the United Kingdom extended the application of the Convention to Jersey as of July 1, 1979, and to the Isle of Man as of November 1, 1983.

Annex 2

Resolutions of the Administrative Council

The following resolutions were adopted by the Administrative Council at its Twenty-Second Annual Meeting on September 29, 1988:

AC(22)/RES/66—Approval of the Annual Report

The Administrative Council
RESOLVES

To approve the 1988 Annual Report on the Operation of the Centre as set forth in the attachment to Document AC/88/3.

AC(22)/RES/67—Adoption of Budget for Fiscal Year 1989

The Administrative Council
RESOLVES

To adopt, for the period July 1, 1988 to June 30, 1989 the budget set forth in paragraph 2 of Document AC/88/1.

Annex 3

Report and Financial Statements

Expressed in United States dollars

Statement of Changes in Fund Balance

	<i>For the year ended June 30</i>	
	<i>1989</i>	<i>1988</i>
Contribution of services to Centre by International Bank for Reconstruction and Development	\$ 426,174	\$ 263,324
Expenditures on behalf of Centre by International Bank for Reconstruction and Development	(426,174)	(263,324)
Excess of contribution over expenditures	—	—
Advances to Centre from parties to arbitration proceedings	699,849	825,180
Investment income	40,960	—
Disbursements by Centre for fees and expenses for arbitration proceedings	(941,171)	(609,517)
Excess of (disbursements) advances	(200,362)	215,663
Decrease (Increase) in advances from and investment income due to parties to arbitration proceedings	200,362	(215,663)
Change in fund balance	\$ —	\$ —

Statement of Composition of Fund Balance

	<i>June 30, 1989</i>	<i>June 30, 1988</i>
Cash and investments	\$ 289,867	\$ 496,496
Advances from parties to arbitration proceedings (Payable) to International Bank for Reconstruction and Development	(248,907)	(490,229)
Investment income due to parties to arbitration proceedings	—	(6,267)
Investment income due to parties to arbitration proceedings	(40,960)	—
Fund balance	\$ —	\$ —

Annex 3 continued**Note to Financial Statements**

June 30, 1989 and 1988

The Memorandum of Administrative Arrangements between the Centre and the International Bank for Reconstruction and Development (the Bank) which became effective as of October 14, 1966, provides that, except to the extent that the Centre may be reimbursed by the parties to proceedings for fees and expenses of members of Conciliation Commissions, Arbitral Tribunals or *ad hoc* Committees, the Bank shall provide the following services and facilities to the Centre:

- (1) the services of staff members and consultants; and
- (2) other administrative services and facilities, such as travel, communications, office accommodations, furniture, equipment, supplies and printing.

The Centre does not have resources of its own. The reported expenditures on behalf of the Centre represent the value of services provided by the Bank and include only those amounts identified by the Bank as being directly related to the Centre; accordingly, reported expenditures do not include any indirect or overhead costs of the Bank. The reported contributions of \$426,174 and \$263,324 for the years ended June 30, 1989 and June 30, 1988, respectively, are equal to the value of services provided by the Bank, less reimbursements by the Centre from its sale of publications and registration fees. The expenditures made on behalf of the Centre by the Bank are shown below:

	For the years ended June 30	
	1989	1988
Staff personal services	\$ 341,135	\$ 230,625
Travel	27,105	2,674
Contractual services	45,489	24,049
Administrative services and facilities	22,103	17,575
	<u>435,832</u>	<u>274,923</u>
Less: Reimbursement by Centre from sale of publications and registration fees	<u>9,658</u>	<u>11,599</u>
Total	<u>\$ 426,174</u>	<u>\$ 263,324</u>

The Centre's expenses which are attributable to arbitration proceedings are borne by the parties in accordance with the Centre's Administrative and Financial Regulations. In accordance with these Regulations, the Secretary-General calls on the parties to make advance deposits with the Centre from time to time to defray these expenses. The cash and investment balances included in the statement of composition of fund balance represent advances from parties to arbitration proceedings, investment income earned on advances and, in 1988, amounts due to the Bank.

Report of Independent Accountants

1801 K Street, N.W.
Washington, D.C. 20006

August 29, 1989

To International Centre for Settlement
of Investment Disputes
Washington, D.C. 20433

In our opinion, the accompanying statement of changes in fund balance and the related statement of composition of fund balance present fairly, in all material respects, the changes in fund balance of the International Centre for Settlement of Investment Disputes for the years ended June 30, 1989 and 1988, and the composition of fund balance for the years then ended in conformity with generally accepted accounting principles in the United States and International Accounting Standards, and in accordance with the Administrative Arrangements between the International Bank for Reconstruction and Development and the International Centre for Settlement of Investment Disputes. These financial statements are the responsibility of the Bank and the Centre's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

Annex 4**Publications of ICSID**

Legislative History of the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (4 volumes)

ICSID/2	Convention on the Settlement of Investment Disputes between States and Nationals of Other States, and Accompanying Report of the Executive Directors of the International Bank for Reconstruction and Development. <i>(English, French, Spanish)</i>
ICSID/3	List of Contracting States and Other Signatories of the Convention <i>(English, French, Spanish)</i>
ICSID/5/Rev. 1	Model Clauses Recording Consent to the Jurisdiction of the International Centre for Settlement of Investment Disputes. <i>(English, French, Spanish)</i>
ICSID/8	Contracting States and Measures Taken by Them for the Purpose of the Convention <i>(English, French, Spanish)</i>
ICSID/10	List of the Members of the Panels of Conciliators and of Arbitrators <i>(English)</i>
ICSID/11/Rev. 1	Additional Facility for the Administration of Conciliation, Arbitration and Fact-Finding Proceedings <i>(English, French, Spanish)</i>
ICSID/13/Rev. 1	ICSID Bibliography <i>(English)</i>
ICSID/15	ICSID Basic Documents: Convention, Administrative and Financial Regulations, Institution Rules, Arbitration Rules, Conciliation Rules <i>(English, French, Spanish)</i>
ICSID/16/Rev. 1	ICSID Cases: 1972–1987 <i>(English)</i> News from ICSID <i>(English—Semi-annual)</i>

Publications regarding foreign investment law*National Investment Legislation and Bilateral Investment Treaties*

The Centre publishes a ten-volume collection of national investment laws, entitled "Investment Laws of the World" and a three-volume collection of bilateral "Investment Treaties." During the fiscal year three new releases of the collections have been published.

The collections may be obtained from Oceana Publications, Inc., Dobbs Ferry, N.Y. 10522, USA.

ICSID Review—Foreign Investment Law Journal

ICSID Review is intended to meet the need for material on the law and practice relating to foreign investments, including domestic laws, investment treaties, contractual trends, and the resolution of investment disputes.

(Semi-annual—Spring and Fall)

Requests for subscriptions to the ICSID Review (\$40 per year, plus postage charges) should be sent to: Journals Publishing Division, The Johns Hopkins University Press, 701 W. 40th Street, Suite 275, Baltimore, Maryland 21211, USA.

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