

I C S I D

1990 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

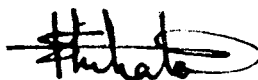
September 7, 1990

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, 1989 to June 30, 1990.

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 'Shihata', with a stylized 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

This Annual Report contains details on the principal events that took place in ICSID during the past fiscal year. One such event was the signature of the ICSID Convention by the People's Republic of China. In addition, Tonga ratified the Convention, bringing to 92 the number of Contracting States.

Significant developments also took place in the cases submitted to the Centre. Two of these involved proceedings before ad hoc Committees constituted to consider requests for annulment of awards rendered in the cases concerned. In the first case, the ad hoc Committee rejected the request that it annul the award's finding on liability, but granted the request for annulment of the award's ruling on damages. The issue of damages was then resubmitted to ICSID arbitration in accordance with the Convention. In the second case, in which both parties had made requests for annulment, the ad hoc Committee decided to reject both requests.

Two arbitral awards were also rendered during the year, one in a resubmission proceeding instituted following the partial annulment of the earlier award made in the case, and the second in a case that represented the first ICSID arbitration initiated pursuant to provisions providing for such arbitration in a bilateral investment treaty. In a further arbitration, the parties notified the Centre towards the end of the fiscal year that they had reached a settlement of their dispute. This brought to ten the number of ICSID arbitrations that have been amicably settled before the rendition of an award.

In the course of 1989/1990, two countries enacted new investment laws referring to the possibility of settling disputes under the auspices of the Centre. At least two bilateral investment treaties containing similar references to ICSID dispute settlement facilities were also signed during the fiscal year. There are now some 15 national investment laws and approxi-

mately 160 bilateral investment treaties with such references.

The Centre's program of foreign investment law publications continued to be successfully pursued in the fiscal year. Three releases of ICSID's collections of *Investment Laws of the World* and of *Investment Treaties* were issued, and two issues of the *ICSID Review—Foreign Investment Law Journal* were published. Promotional activities undertaken in the fiscal year included the Centre's co-sponsorship, with the American Arbitration Association and the ICC International Court of Arbitration, of a seventh joint colloquium on international arbitration.

The fiscal year has marked the twenty-fifth anniversary of the opening of the ICSID Convention for signature on March 18, 1965. In the quarter century that has elapsed since then, the expectations of the drafters of the Convention have been amply fulfilled by the widespread acceptance that the ICSID system has attained in terms of the number of member countries

and of ICSID clauses. The number of actual disputes submitted to the Centre has also grown, particularly over the past decade, providing increased opportunities for the provisions of the ICSID Convention and Rules to be tested and elaborated upon. That about one-half of the cases were ultimately settled amicably has demonstrated the value of the system in facilitating the resolution of disputes on terms agreed by the parties. In addition, the Centre has succeeded in establishing itself as one of the few sources of systematic information on and analysis of foreign investment law. As this Annual Report shows, these trends and achievements continued to be enhanced in 1989/1990.

Ibrahim F.I. Shihata
Secretary-General

Membership

During the past fiscal year, the Convention was signed by the People's Republic of China, on February 9, 1990. On March 21, 1990, the Kingdom of Tonga ratified the Convention. At June 30, 1990, a total of 99 States had signed the Convention. Of these, 92 had also ratified it. A complete list of Contracting States and Other Signatories of the Convention as of June 30, 1990 appears in Annex 1.

Disputes before the Centre

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

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

September 18-29, 1989—The hearings on the merits are held in Washington, D.C.

March 5, 1990—The Tribunal declares the proceeding closed in accordance with Arbitration Rule 38(1).

June 5, 1990—The Award is rendered.

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

April 3, 1990—The ad hoc Committee issues a Procedural Order declaring the proceeding closed in accordance with Arbitration Rule 38(1).

June 4, 1990—The Decision of the ad hoc Committee is rendered. The Decision rejects the parties' applications for annulment of the Award of January 26, 1988.

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

June 14, 1990—The parties inform the Centre that they have settled the dispute and request the Tribunal to issue an order taking note of the discontinuance of the proceeding under Arbitration Rule 43(1).

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

September 18, 1989—Egypt files its Counter-Memorial.

December 28, 1989—S.P.P. (M.E.) files its Reply.

February 22, 1990—Egypt files its Rejoinder.

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

July 21-22, 1989—The ad hoc Committee meets in The Hague.

November 27-28, 1989—The ad hoc Committee meets in Paris. On November 27, the Committee issues a Procedural Order declaring the proceeding closed pursuant to Rule 38(1) of the Arbitration Rules.

December 22, 1989—The Decision of the ad hoc Committee is rendered. The Decision rejects the Respondent's request for annulment of the part of the Award of January 6, 1988 holding that the Respondent had been in breach of contract, but grants the request for annulment of the Award's ruling on damages.

January 26, 1990—The Secretary-General registers a request of the Claimant for resubmission of the question of damages to a new Tribunal.

- (6) *Société d'Etudes de Travaux et de Gestion SETIMEG S.A. v. Republic of Gabon (Case ARB/87/1)*

October 31, 1989—The Claimant files its "Mémoire en Duplique."

January 23, 1990—The Tribunal meets in Geneva, in the presence of the parties, to examine a request for intervention in the proceeding by a sub-contractor and other procedural matters.

January 31, 1990 and February 1, 1990—The Tribunal issues Procedural Orders on various steps to be taken in the proceeding.

- (7) *Mobil Oil Corporation, Mobil Petroleum Company, Inc., Mobil Oil New Zealand Limited v. New Zealand Government (Case ARB/87/2)*

August 7, 1989—Mobil files a Request for Provisional Measures.

September 25, 1989—Mobil files a Memorial as to Relief Sought by the Requesting Parties.

October 16, 1989—New Zealand files a Counter-Memorial on this matter.

October 30, 1989—Mobil files a Reply.

November 10, 1989—The Tribunal meets with the parties in Wellington.

November 13, 1989—New Zealand files a Rejoinder as to the Relief Sought by the Requesting Parties.

December 21, 1989—The Tribunal's findings in respect of the Interim Relief applications are communicated to the parties.

Panels of Conciliators and of Arbitrators

- (8) *Asian Agricultural Products Ltd. v. Democratic Socialist Republic of Sri Lanka* (Case ARB/87/3)

May 2, 1990—The Tribunal declares the proceeding closed in accordance with Arbitration Rule 38(1).

June 27, 1990—The Award is rendered. Attached to the Award is a dissenting opinion of one of the arbitrators.

- (9) *Manufacturers Hanover Trust Company v. Arab Republic of Egypt and the General Authority for Investment and the Free Zones* (Case ARB/89/1)

May 9, 1990—The Claimant re-confirms its designation of Professor Andreas Bucher (Swiss) as the arbitrator appointed by it, and invites the Respondents to appoint another arbitrator and to agree on the appointment of a President of the Tribunal.

Pursuant to the Convention, the Centre maintains a Panel of Conciliators and a Panel of Arbitrators. Each Contracting State may designate to each Panel up to four persons who may but need not be its nationals. In addition, the Chairman of the Administrative Council may designate up to ten persons of different nationalities to each Panel.

As provided in the Convention, designees to the Panels "shall be persons 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:

BY THE CHAIRMAN OF THE ADMINISTRATIVE COUNCIL:

Panel of Arbitrators - designations effective as of February 28, 1990 and May 10, 1990 respectively:

Prof. Dr. Ignaz Seidl-Hohenveldern, Dr. Heribert Golsong (re-appointments).

BY CONTRACTING STATES:

BARBADOS

Panels of Conciliators and of Arbitrators - designations effective as of February 5, 1990:

Mr. Collis E. Blackman, Dr. Trevor A. Carmichael, Mr. Woodbine A. Davis, QC, Mr. Ken Hewitt.

CYPRUS

Panels of Conciliators and of Arbitrators - designations effective as of July 5, 1989:

Mr. Criton G. Tornaritis, Mr. Michael A. Triantafyllides (re-appointments).

EGYPT

Panels of Conciliators and of Arbitrators - designations effective as of February 4, 1990:

ICSID Secretary-General as Appointing Authority

Dr. Ahmed Esmat Abdel-Meguid, Dr. Ahmed S. El-Kosheri, Dr. Mahmoud Samir El-Sharkawy, Mr. Mahmoud Mohamed Mahmoud Fahmy (re-appointments).

INDONESIA

Panels of Conciliators and of Arbitrators - designations effective as of July 19, 1989: Prof. Dr. Priyatna Abdurrasyid (re-appointment), Prof. Dr. Mochtar Kusuma-Atmadja, Prof. Dr. Komar Kantaatmadja.

LUXEMBOURG

Panel of Conciliators - designation effective as of October 26, 1989: Mr. Jean Dupong (serving the remainder of the term of Mr. François Goerens).

MALAYSIA

Panels of Conciliators and of Arbitrators - designations effective as of January 24, 1990: Mr. Mohtar Abdullah, Mr. V.C. George, Mr. T. Selventhiranathan.

SAUDI ARABIA

Panels of Conciliators and of Arbitrators - designations effective as of March 19, 1990: Dr. Abdulaziz M. Al-Dukhail, Dr. Abdul Aziz R.I. Al-Rashed, Dr. Mahsoun B. Jalal (re-appointments).

UNITED KINGDOM

Panel of Conciliators - designation effective as of December 21, 1989: Prof. R.B. Jack (serving the remainder of the term of Prof. D.A.O. Edward).

During the year, the Secretary-General agreed to being designated as the appointing authority of ad hoc arbitrators in two contracts and one model form of contract providing for arbitration in accordance with the Arbitration Rules of the U.N. Commission on International Trade Law. These new designations of the ICSID Secretary-General as appointing authority of ad hoc arbitrators are additional to previous similar designations made in such varied instruments as inter-governmental agreements relating to investment and investment guarantees, a British Columbia-Seattle agreement relating to a hydroelectric project, as well as financial and economic development agreements between States and foreign nationals.

Publications

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. 6, No. 2 (Summer 1989) and Vol. 7, No. 1 (Winter 1990). These issues included articles on the ICSID Secretary-General as the appointing authority of arbitrators in ad hoc proceedings; recent foreign investment legislation referring to ICSID; China's signature of the ICSID Convention and Australia's decision to ratify it; and the perspective of Canadian investors on accession to ICSID.

ICSID Review-Foreign Investment Law Journal

The *ICSID Review* publishes materials on domestic and international law and practice relating to foreign investments. The eighth (Fall 1989) and ninth (Spring 1990) issues were completed during the year. The Fall 1989 issue featured articles and comments on Iran-U.S. Claims Tribunal rulings dealing with force majeure and other contract excuse concepts; recent developments in Eastern European foreign investment laws; Vietnam's new foreign investment law and regulations; Egypt's 1989 investment law; and the joint development by Rwanda and Zaire of the methane gas reserves of Lac Kivu. The Spring 1990 issue contained articles and comments on international and domestic laws relating to the decommissioning of off-shore petroleum installations; the joint development by Australia and Indonesia of the petroleum resources of the Timor Gap; the new investment code of Madagascar; the 1989 resolution of the Institute of International Law on arbitration between States and foreign enterprises; and the enforcement of ICSID arbitral awards in France. As in previous years, these issues also featured cases, documents, bibliographies and book reviews.

Contributors to the Fall 1989 and Spring 1990 issues included Peter D. Cameron, Canice Chew-Ming Chan, James C. Conner, Emmanuel Gaillard, Bertrand P. Marchais, William T. Onorato, John A. Westberg and Arthur T. von Mehren.

Investment Laws of the World

Two further releases (Releases 89/3 and 90/2) of the ten-volume *Investment Laws of the World* collection were issued in the fiscal year. These releases contain the texts of recent investment laws of the following fourteen countries: Release 89/3: Angola, Bulgaria, Egypt, Ethiopia, Mexico and Paraguay; Release 90/2: Central African Republic, Egypt, Hungary, Korea, Peru, Turkey, Madagascar and Zimbabwe. With these new releases, the coverage of the collection was expanded to encompass the basic investment legislation of 85 countries.

Investment Treaties

In cooperation with ICSID member countries, the Centre obtained the texts of 17 new bilateral investment treaties which were added to the three-volume *Investment Treaties* collection in Release 90/1. The treaties published in this release comprise 15 treaties concluded between Western and Eastern European countries and States in Africa, Asia and Latin America, and two concluded between States in the Asia and Pacific region. These additions brought to 272 the number of treaties included in the collection.

Arbitration Conferences

Colloquium on International Arbitration

The seventh in the series of colloquia on international arbitration sponsored by ICSID, the American Arbitration Association (AAA) and the International Court of Arbitration of the International Chamber of Commerce (ICC) was held in New York City on October 6, 1989.

The colloquium, which was hosted by the AAA, examined the questions of "How to Become an Active International Arbitrator," "New Legislation Impacting upon Arbitration," and "Streamlining the Administration of Major Arbitration Cases." Speakers and commentators at the colloquium included 18 senior practitioners and arbitration specialists. The next joint ICSID/AAA/ICC Court colloquium on international arbitration is scheduled to take place in Washington, D.C in the Fall of 1991.

Other Conferences

Other conferences in which the Secretariat participated included the Seventh International Trade Law Seminar hosted by the Department of Justice of Canada in Ottawa on October 19, 1989. Among the topics discussed at the seminar were the ICSID system and the fact that Canada had not yet become an ICSID member.

As one of the speakers on these topics, the ICSID Secretary-General examined the main features and advantages of the ICSID system and its relevance to Canada and Canadian investors. In addition, the Secretary-General contributed a paper on arbitration to the Joint Training Program on Arbitration of the Cairo Regional Centre for International Commercial Arbitration and the Jeddah Chamber of Commerce and Industry, held at Jeddah during November 6-18, 1989. The Secretariat also took part in a seminar on ICSID held at Beijing on April 16, 1990 and attended by officials from several ministries and agencies of China.

Twenty-Third Annual Meeting of the Administrative Council

The Twenty-Third Annual Meeting of the Administrative Council took place on September 28, 1989 in Washington, D.C. on the occasion of the Annual Meeting of the Board of Governors of the World Bank.

In the course of the meeting, the Council re-elected Mr. Ibrahim F.I. Shihata to the post of Secretary-General for a full term of six years and approved the 1989 Annual Report on the Operation of the Centre and the budget for fiscal year 1990.

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

Finance

The Financial Statements of ICSID for the fiscal year 1990 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.

Annexes

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Annex 1**Contracting States and Other Signatories of the Convention**

(As of June 30, 1990)

The 99 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 92 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.

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
China	Feb. 9, 1990		
Comoros	Sep. 26, 1978	Nov. 7, 1978	Dec. 7, 1978
Congo, People's Rep. 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 ¹
Ecuador	Jan. 15, 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, 1989	Mar. 16, 1989
Hungary	Oct. 1, 1966	Feb. 4, 1987	Mar. 6, 1987
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
Kuwait	Feb. 9, 1978	Feb. 2, 1979	Mar. 4, 1979
Lesotho	Sep. 19, 1968	July 8, 1969	Aug. 7, 1969

¹ Denmark excluded, by a notification received on May 15, 1968, the Faroe Islands; by a notification received on October 30, 1968, Denmark extended the application of the Convention to the Faroe Islands as of January 1, 1969.

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
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 ³
Morocco	Oct. 11, 1965	May 11, 1967	July 10, 1967
Nepal	Sep. 28, 1965	Jan. 7, 1969	Feb. 6, 1969
Netherlands	May 25, 1966	Sep. 14, 1966	Oct. 14, 1966 ⁴
New Zealand	Sep. 2, 1970	Apr. 2, 1980	May 2, 1980 ⁵
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 ⁶
Sudan	Mar. 15, 1967	Apr. 9, 1973	May 9, 1973
Swaziland	Nov. 3, 1970	June 14, 1971	July 14, 1971 ⁷
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	Mar. 21, 1990	Apr. 20, 1990
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 ⁸
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 Until Mauritius attained its independence on March 12, 1968, it was covered by the ratification of the United Kingdom.

⁴ 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.

⁵ On depositing its instrument of ratification, New Zealand, pursuant to Article 70 of the Convention, excluded from its coverage the Cook Islands, Niue and Tokelau.

⁶ Until St. Lucia attained its independence on February 22, 1979, it was covered by the ratification of the United Kingdom.

⁷ Until Swaziland attained its independence on September 6, 1968, it was covered by the ratification of the United Kingdom.

⁸ 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-Third Annual Meeting on September 28, 1989:

AC(23)/RES/68 - Approval of the Annual Report

The Administrative Council
RESOLVES

To approve the 1989 Annual Report on the Operation of the Centre as set forth in the attachment to Document AC/89/3.

AC(23)/RES/69 - Adoption of Budget for Fiscal Year 1990

The Administrative Council
RESOLVES

To adopt, for the period July 1, 1989 to June 30, 1990 the budget set forth in paragraph 2 of Document AC/89/2.

AC(23)/RES/70 - Election of the Secretary-General

The Administrative Council
RESOLVES

(a) that Mr. Ibrahim F.I. Shihata be re-elected to the post of Secretary-General for a full term of six years, that is, until the close of the 1995 Annual Meeting of the Administrative Council;

(b) that he be permitted to continue his employment by the World Bank Group;

(c) that while so employed he receive no remuneration from the Centre.

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>1990</i>	<i>1989</i>
Contribution of services to Centre by International Bank for Reconstruction and Development	\$ 498,617	\$ 426,174
Expenditures on behalf of Centre by International Bank for Reconstruction and Development	(498,617)	(426,174)
Excess of contribution over expenditures	—	—
Advances to Centre from parties to arbitration proceedings	704,753	699,849
Investment income	42,630	40,960
Disbursements by Centre for fees and expenses for arbitration proceedings	(417,882)	(941,171)
Excess of (disbursements) advances	329,501	(200,362)
Decrease (Increase) in advances from and investment income due to parties to arbitration proceedings	(329,501)	200,362
Change in fund balance	\$ —	\$ —

Statement of Composition of Fund Balance

	<i>June 30, 1990</i>	<i>June 30, 1989</i>
Cash and investments	\$ 619,368	\$ 289,867
Advances from parties to arbitration proceedings	(535,778)	(248,907)
Investment income due to parties to arbitration proceedings	(83,590)	(40,960)
Fund balance	\$ —	\$ —

The accompanying note is an integral part of these financial statements.

Annex 3 continued

Note to Financial Statements
June 30, 1990 and June 30, 1989

(Expressed in United States dollars)

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 \$498,617 and \$426,174 for the years ended June 30, 1990 and June 30, 1989, 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:

	<i>For the year ended June 30</i>	
	<i>1990</i>	<i>1989</i>
Staff personal services	\$ 408,871	\$ 341,135
Travel	8,127	27,105
Contractual services	68,989	45,489
Administrative services and facilities	23,306	22,103
	<u>509,293</u>	<u>435,832</u>
Less: Reimbursement by Centre from sale of publications and registration fees	10,676	9,658
Total	<u>\$ 498,617</u>	<u>\$ 426,174</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 and investment income earned.

Annex 3 continued**Report of Independent Accountants**

August 29, 1990

To International Centre for Settlement
of Investment Disputes

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, 1990 and June 30, 1989, and the composition of fund balance at June 30, 1990 and 1989, in conformity with generally accepted accounting principles in the United States and with 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
(International Firm)*

Washington, D.C.

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

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

The Centre publishes a ten-volume collection of national investment legislations, 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., 75 Main Street, 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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