

I C S I D

1987 ANNUAL REPORT



**International Centre for
Settlement of Investment Disputes**

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Settlement of Investment Disputes**

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International Centre for Settlement of
Investment Disputes

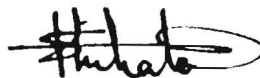
September 2, 1987

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, 1986 to June 30, 1987.

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', enclosed within a simple oval-shaped scribble.

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 the last fiscal year, the Convention was signed by three more States, Belize, Hungary and Turkey. This has brought the number of Signatory States to 97. With the ratification of the Convention by Hungary a few months after it had signed it, the number of Contracting States has increased to 89.

Three new cases have been submitted to ICSID arbitration during the year, bringing the total number of cases submitted to the Centre since its inception to 23. One of these cases is the first case in which both parties to the dispute are from the developing world. It is also the first case in which the dispute is between a Contracting State and an individual. In another case, both the State party and the State whose nationals are parties are industrial countries. This is the second such case registered by ICSID.

Out of the total of 23 disputes submitted to the Centre, nine proceedings, all of them involving arbitration, are now pending. More than half of the other proceedings, whether arbitration or conciliation, have led to an amicable settlement or were discontinued.

ICSID's growing caseload has given na-

tional courts new opportunities to apply provisions of the ICSID Convention. One issue which has arisen in this context is whether the Convention allows parties to ICSID arbitration to seek provisional measures, such as attachments, from national courts, even if the relevant arbitration agreement does not specifically provide for recourse to the courts for this purpose. Article 26 of the Convention provides that, unless otherwise stated, consent to ICSID arbitration shall be deemed to be consent to such arbitration to the exclusion of any other remedy. During the period 1984-1986, decisions of courts in France, Belgium and Switzerland vacated attachments obtained by parties from lower courts to secure their ICSID claims on the basis that Article 26 precluded courts from ordering such attachments. In a decision rendered on November 18, 1986, however, the French *Cour de cassation* took a different view, holding that the ICSID Convention does not prohibit parties from asking national courts to order provisional measures aimed at guaranteeing the execution of a future award. The *Cour de cassation* added that the power of the courts to order

such measures could only be excluded by express agreement of the parties or by implied agreement resulting from the adoption of arbitration rules calling for such waiver. It should be noted in this respect that the ICSID Arbitration Rules, as amended by the Administrative Council on September 26, 1984, provide that the parties shall be free to request any judicial or other authority to order provisional measures so long as they have so stipulated in the agreement recording their consent.

The Secretariat has continued to promote the facilities of the Centre and more generally the settlement of investment disputes by amicable means or through conciliation and arbitration. To this end, the Secretariat has organized and participated in a number of conferences and seminars and contributed various articles and comments which were published in professional journals. In addition, the Secretariat has continued to provide information on ICSID, the drafting of ICSID clauses and the conditions for using ICSID conciliation and arbitration facilities.

The Centre's extensive program of pub-

lications was also strengthened. *ICSID Review - Foreign Investment Law Journal*, the Centre's biannual publication launched in April 1986 has received a favorable welcome. Three issues have already been published and the fourth is to appear in the Fall of 1987. The reorganization and updating of the Centre's collection on foreign investment legislation, published under the title *Investment Laws of the World*, is nearing completion. Two new releases of the collection have been published at the end of the fiscal year and three more are to appear in the coming months. The collection of bilateral investment treaties, published under the title *Investment Treaties*, has been updated, and the handbook on bilateral investment treaties is being completed.

The steady growth in membership, as well as the continued interest in ICSID shown by host countries and investors alike, are encouraging as the Centre enters its third decade of activity.

Ibrahim F.I. Shihata
Secretary-General

Membership

During the past fiscal year the Convention was signed by Hungary on October 1, 1986, by Belize on December 19, 1986, and by Turkey on June 24, 1987. Hungary deposited its instrument of ratification on February 4, 1987. At June 30, 1987, 97 States had signed the Convention and 89 had ratified it. A complete list of Contracting States and Signatories of the Convention appears in Annex 1.

Disputes before the Centre

In the course of the fiscal year, the Secretary-General registered three new arbitration requests:

- *Dr. Ghaith R. Pharaon v. the Republic of Tunisia (Case ARB/86/1)*.
- *Société d'Etudes de Travaux et de Gestion - SETIMEG S.A. v. the Republic of Gabon (Case ARB/87/1)*.
- *Mobil Oil Corporation, Mobil Petroleum Company, Inc., and Mobil Oil New Zealand Limited v. New Zealand Government (Case ARB/87/2)*.

In addition, the Secretary-General registered resubmission requests in *Amco Asia Corporation, Pan American Development Limited, and P.T. Amco Indonesia / the Republic of Indonesia (Case ARB/81/1)*.

Arbitration Proceedings

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

May 18 and June 24—The Secretary-General registers requests for resubmission of a dispute following an annulment.

- (2) *Klöckner / Cameroon - (Case ARB/81/2) - Resubmission*

September 18, 1986—Cameroon files its Memorial.

December 18, 1986—Klöckner files its Counter-Memorial.

January 26-27, 1987—The Tribunal meets in Paris in the presence of the parties.

May 14, 1987—Cameroon and SOCAM file their Reply.

- (3) *Société Ouest-Africaine des Bétons Industriels (SOABI) v. the State of Senegal (Case ARB/82/1)*

May 4, 1987—The Tribunal meets in The Hague.

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

No development to report

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

January 29, 1987—SPP (ME) files a request with the Tribunal to resume the proceedings in view of the decision of the French *Cour de cassation* that ICC lacked jurisdiction over the dispute.

May 25–27, 1987—The Tribunal meets in London.

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

July/September, 1986—The Tribunal meets on several occasions in Washington, D.C. and New York, in the presence of the parties.

November 3–4, 1986—The Tribunal meets in Washington, D.C., in the presence of the parties.

January 30, 1987—Claimant files its Post-Hearing Brief.

March 16, 1987—Respondent files its Post-Hearing Brief.

March 30, 1987—Claimant files its Post-Hearing Rebuttal Brief.

April 13, 1987—Respondent files its Post-Hearing Surrebuttal Brief.

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

September 24, 1986—The Secretary-General registers a request for the institution of arbitration proceedings.

January 20, 1987—The Secretary-General notifies the parties that the Tribunal, consisting of Prof. Giorgio Bernini (Italian), appointed by Claimant; Prof. Karl-Heinz Böckstiegel (German), appointed

by Respondent; and Prof. Claude Reymond (Swiss), President, appointed by the two party-appointed arbitrators has been constituted, and that the proceedings have begun.

March 13, 1987—The Tribunal meets in Paris, in the presence of the parties, for a preliminary procedural consultation. During the session Claimant submits a request for provisional measures.

May 22, 1987—The Tribunal recommends provisional measures, to allow for the continuation of the negotiations between the parties and others concerned with the investment.

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

February 24, 1987—The Secretary-General registers a request for the institution of arbitration proceedings.

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

April 15, 1987—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:

- **Burkina Faso:**

Designations effective as of May 11, 1987:

Panel of Conciliators:

Mrs. Marie-Blanche Bado, Mr. Emile Badou Toe, Mrs. Gertrude M. Ouadrongo, Mr. Dobo Martin Zonou.

Panel of Arbitrators: Mr. Benoit M. Lompo, Mr. Arthur R. Pare, Mr. Jean Yado Toe, Mr. Ignace Yerbanga.

- **Cyprus:**

Designations effective as of March 23, 1987:

Panels of Conciliators and of Arbitrators:

Mr. Andreas Jakovides, Mrs. Stella Soulioti.

- **Ecuador:**

Designations effective as of August 13, 1986:

Panel of Conciliators:

Dr. Fabian Corral Burbano de Lara, Dr. Raul Clemente Huerta Rendon, Dr. Francisco Díaz Garajcoa, Dr. Galo Leoro Franco.

Panel of Arbitrators:

Dr. Julio Corral Borrero, Dr. Alejandro Ponce Martinez, Dr. Alfonso Trujillo Bustamante, Dr. Ramon Vela Cobos.

- **Fiji:**

Designations effective as of September 5, 1986:

Panel of Conciliators:

Mr. Cyril Donald Aidney (re-appointment), Mr. Gerald S.W. Barrack (re-appointment), Mr. M.S. Sahu Khan (re-appointment), Mr. Laisena Qarase (re-appointment).

Panel of Arbitrators:

Mr. Qoroniasi Bale (re-appointment), Mr. G. Mishra (re-appointment), Sir Ian Thomson, KBE, CMG, MBE (re-appointment), Hon. Mr. Justice Kishore Govind (re-appointment, effective as of May 18, 1987).

- **Finland:**

Designation effective as of December 7, 1986:

Panels of Conciliators and of Arbitrators:

Dr. Bengt H.G.A. Broms (re-appointment).

- **Greece:**

Designations effective as of August 6, 1986:

Panel of Conciliators:

Mr. D.S. Kyriazis, Dr. Manoli B. Niadass.

Panel of Arbitrators:

Dr. Arghyrios A. Fatouros, Dr. Anghelos C. Foustoucos, Dr. Phocion Francescakis, Dr. George Verveniotis.

- **Ireland:**

Designations effective as of November 17, 1986:

Panels of Conciliators and of Arbitrators:

Mr. Eoghan Fitzsimons (replacement), Mr. T.C. Smyth (replacement).

- **Japan:**

Designations effective as of December 24, 1986:

Panel of Conciliators:

Mr. Morihisa Emori (re-appointment), Mr. Hisashi Murata (re-appointment), Mr. Toru Nagakawa (re-appointment), Mr. Naokado Nishihara (re-appointment).

Panel of Arbitrators:

Mr. Sumio Hara (re-appointment), Prof. Ichiro Kato (re-appointment), Mr. Taiichiro Matsuo (re-appointment), Mr. Takao Nagata (re-appointment).

● **Jordan:**

Designations effective as of March 13, 1987:

Panel of Conciliators:

Mr. Mohammad E. Bundukji, Dr. Hamzeh Ahmed Haddad, Mr. Taher M. Hikmet, Mr. Rateb A. Wazani.

Panel of Arbitrators:

Mr. Ibrahim Bakr Ibrahim, Dr. His-ham R. Hashem (re-appointment), Dr. Omar N. Nabulsi (re-appointment), Dr. Hanna I. Naddy.

● **Mauritania:**

Designations effective as of April 13, 1987:

Panels of Conciliators and of Arbitrators:

Mr. Henry Solus¹ (re-appointment), Mr. Georges E. H. Vedel¹ (re-appointment).

● **Singapore:**

Designations effective as of September 23, 1986:

Panels of Conciliators and of Arbitrators:

Mr. Sek Keong Chan (re-appointment), Mrs. Sook Yee Tan (re-appointment).

● **Sri Lanka:**

Designations effective as of September 2, 1986:

Panel of Conciliators:

Mr. M.T.L. Fernando, Dr. H.W. Thambiah (re-appointment), Mr. Vernon Wijetunge, QC.

Panel of Arbitrators:

Mr. A.M.S. Perera (re-appointment), Mr. T. Murugasar (re-appointment),

Major-General Anton Muttukumaru (re-appointment), Mr. K. Wijeweera (re-appointment).

● **Sweden:**

Designations effective as of March 17, 1987:

Panel of Conciliators:

Mrs. Birgitta Blom (re-appointment), Mr. Gunnar Glimstedt (re-appointment), Mr. Sten Siljeström (re-appointment).

Panel of Arbitrators:

Mr. Bertil Bylund, Mr. Hans Herrlin (re-appointment), Mr. Gunnar Lagergren (re-appointment), Mr. Ivan Wallenberg (re-appointment).

● **Switzerland:**

Designations effective as of May 4, 1987:

Panel of Conciliators:

Dr. Emanuel Diez, Mr. Matthias Kummer (re-appointment), Dr. Hugo von der Crone (re-appointment).

Panel of Arbitrators:

Prof. Pierre A. Lalive (re-appointment), Prof. Dietrich Schindler, Mr. Alfred E. von Overbeck (re-appointment).

● **Togo:**

Designations effective as of September 22, 1986:

Panels of Conciliators and of Arbitrators:

Mr. Yawo Agboyibor, Mr. Emefa Mawuli Apedo, Mr. Bebi Olympio (re-appointment), Mr. Aregba Polo (re-appointment).

In accordance with the provisions of Article 13(2) of the Convention, the Chairman of the Administrative Council re-appointed Mr. Aron Broches (Netherlands) to the Panel of Arbitrators, effective October 4, 1986.

Publications

Bibliography

A comprehensive list of publications on ICSID was published in the Fall 1986 issue of *ICSID Review - Foreign Investment Law Journal*. A new edition of the ICSID Bibliography (Document ICSID/13) incorporating items listed in the ICSID Review is scheduled for publication in the Fall of 1987.

News from ICSID

During the fiscal year, two issues of *News from ICSID* were published, i.e. Vol. 3, No. 2 (Summer 1986) and Vol. 4, No. 1 (Winter 1987). The Winter 1987 issue was a special anniversary issue, to commemorate ICSID's twentieth anniversary. It contains an article entitled "Twenty years of ICSID," which reviews a number of aspects of ICSID's record over this period.

ICSID Review - Foreign Investment Law Journal

This new publication was launched in April 1986 to bring under one cover materials on the law and practice relating to foreign investments. The second (Fall 1986) and third (Spring 1987) issues were published during the fiscal year. The Spring 1987 issue included the following:

Articles by

Professor Detlev F. Vagts, "Foreign Investment Risk Reconsidered: the View from the 1980s";

Mr. Jan Paulsson, "Third World Participation in International Investment Arbitration";

Professor Richard M. Buxbaum, "Legal Issues Concerning the Financial Aspects of Joint Ventures with Nonmarket Economy Firms";

Mr. Mark B. Feldman, "The Annulment Proceedings and the Finality of ICSID Arbitral Awards".

Comments by

Professor Dr. Ignaz Seidl-Hohenveldern, "Subrogation under the MIGA Convention";

Messrs. Patrick H. Mitchell and Richard M. Gittleman, "The 1986 Zairian Investment Code: Analysis and Commentary".

Notes on Judicial Decisions by

Mr. Ola Mestad, "The Ekofisk Royalty Case: Construction of Regulations to Avoid Retroactivity";

Mr. Georges R. Delaume, "Recent French Cases on Sovereign Immunity and Economic Development Activities".

Cases

République Islamique d'Iran v. Sté Eurordif et autres, Decision of the Cour d'Appel de Versailles, July 9, 1986.

Sté Sonatrach v. Migeon, Decision of the French Cour de Cassation, October 1, 1985.

République de Guinée v. Maritime International Nominees Establishment, Decision of the Geneva Autorité de Surveillance des Offices de Poursuite pour Dettes et de Faillite, October 7, 1986.

Atlantic Triton Cie Ltd. v. République Populaire de Guinée, Decision of the French Cour de Cassation, November 18, 1986.

Liberian Eastern Timber Corp. v. Government of the Republic of Liberia, Decisions of the U.S. District Court for the Southern District of New York, September 5, 1986, and December 12, 1986.

Promotional Activities

Investment Laws of the World

This 10-volume collection, which was launched in 1973, has been recently restructured and updated by the Secretariat. The collection will henceforth concentrate on providing the texts of the basic investment legislation enacted by a number of developing countries. In addition to the main investment laws and decrees, as well as other texts, such as those regulating the free zones or export processing zones in these countries, it will include practical information such as the name and address of the governmental agency or agencies in charge of the promotion of foreign investments. Two releases have been published covering Côte d'Ivoire, Madagascar, Portugal, Haiti, Ghana, Chile, Djibouti, Comoros, Zimbabwe, Zaire, Brazil, Mexico, Jamaica, Argentina, Korea, Sudan, the Dominican Republic, Guinea Bissau, Belize and Zambia. Work has started on three more releases, concerning approximately 35 countries.

Bilateral Investment Treaties

The Secretariat has collected, with the cooperation of ICSID members, 15 new treaties which have been published in the Summer of 1986 as a new release to the collection of *Investment Treaties*.

Other Publication Activities

The booklet on ICSID Cases (Document ICSID/16) has been updated and reissued. It contains summary information about each case, including a bibliography.

The Secretariat has contributed a number of articles and comments, as well as papers for seminars and colloquia, which have been published in various law reviews and professional journals. References to these contributions appear in *News from ICSID* and the *ICSID Bibliography*.

San Francisco Conference

On September 11, and 12, 1986, a joint conference on International Commercial Arbitration and Transnational Litigation was held in San Francisco, California. In addition to reviewing a number of topics dealing with transnational arbitration and litigation, the Conference focused on specific issues arising in connection with dispute resolution in the Asia/Pacific Region. Close to 200 participants from the legal profession and business community attended the Conference. This two-day Conference was the fourth in a series of annual symposia jointly organized by ICSID, the American Arbitration Association (AAA) and the International Chamber of Commerce (ICC). The Conference was co-sponsored, also, by the International Bar Association, in cooperation with the section of International Law and Practice of the American Bar Association.

ICSID, ICC and AAA will hold a fifth symposium on the subject of "Arbitration and the Courts: Practical Aspects of Administered International Arbitration". This conference, which is scheduled to take place on October 16, 1987, will be hosted by ICSID, at the headquarters of The World Bank in Washington, D.C.

Other Conferences

The Secretariat participated in: (i) a Technical Meeting on Promotion of Economic Development by Strengthening Direct and Indirect Private Investment in Latin America and the Caribbean, convened by the Permanent Executive Committee of the Inter-American Economic and Social Council, Organization of American States (San Juan, July 24-25, 1986); (ii) the 21st Biennial Conference of the International Bar Association (New York September 14-19, 1986); (iii) a seminar on international investment arbitration, with particular reference to ICSID, organized by the Ecuadorian Ministry of Foreign Affairs and CEPE, Ecuador's State

Oil Company (Quito, December 18-19, 1986); (iv) the Spring meeting of the section of International Law and Practice of the American Bar Association (Washington, D.C., April 23-25, 1987); and (v) the American Arbitration Association's Corporate Counsel Committee Meeting (New York, N.Y., May 20, 1987).

Cooperation in the Establishment of the Institute for Transnational Arbitration

ICSID cooperated in the establishment of the Institute for Transnational Arbitration (ITA) during the fiscal year. Based in Houston, Texas, the purposes of ITA are in general to encourage the resolution of transnational investment and commercial disputes by arbitration, and in particular to promote adherence to the principal multilateral arbitration treaties, such as the ICSID Convention, the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, and the Inter-American Convention on International Commercial Arbitration. The ICSID Secretary-General is one of ITA's founding Advisory Directors.

Twentieth Annual Meeting of the Administrative Council

Finance

The Twentieth Annual Meeting of the Administrative Council took place on October 2, 1986, 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 approved the 1986 Annual Report on the Operation of the Centre and the budget for fiscal year 1987.

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

The Financial Statements of ICSID for the fiscal year 1987 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 to 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

List of Contracting States and Signatories of the Convention

(As of June 30, 1987)

The 97 States listed below have signed the Convention on the dates indicated. The names of the 89 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	Jun. 25, 1968	Jul. 25, 1968
Australia	Mar. 24, 1975		
Austria	May 17, 1966	May 25, 1971	Jun. 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	Sept. 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	Jun. 23, 1966	Oct. 14, 1966
Costa Rica	Sep. 29, 1981		
Côte d'Ivoire	Jun. 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 ²
Ecuador	Jan. 15, 1986	Jan. 15, 1986	Feb. 14, 1986
Egypt, Arab Republic of	Feb. 11, 1972	May 3, 1972	Jun. 2, 1972
El Salvador	Jun. 9, 1982	Mar. 6, 1984	Apr. 5, 1984
Ethiopia	Sep. 21, 1965		
Fiji	Jul. 1, 1977	Aug. 11, 1977	Sep. 10, 1977
Finland	Jul. 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 ³
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	Jul. 3, 1969	Jul. 11, 1969	Aug. 10, 1969
Haiti	Jan. 30, 1985		
Honduras	May 28, 1986		
Hungary	Oct. 1, 1986	Feb. 4, 1987	Mar. 6, 1987
Iceland	Jul. 25, 1966	Jul. 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	Jun. 16, 1980	Jun. 22, 1983	Jul. 22, 1983
Italy	Nov. 18, 1965	Mar. 29, 1971	Apr. 28, 1971
Jamaica	Jun. 23, 1965	Sep. 9, 1966	Oct. 14, 1966
Japan	Sep. 23, 1965	Aug. 17, 1967	Sep. 16, 1967
Jordan	Jul. 14, 1972	Oct. 30, 1972	Nov. 29, 1972

¹The 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 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.

²Denmark 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.

³Germany declared, on depositing its instrument of ratification, that the Convention would also apply to the Land Berlin.

State	Signature	Deposit of Ratification	Entry into Force of Convention
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	Jul. 8, 1969	Aug. 7, 1969
Liberia	Sep. 3, 1965	Jun. 16, 1970	Jul. 16, 1970
Luxembourg	Sep. 28, 1965	Jul. 30, 1970	Aug. 29, 1970
Madagascar	Jun. 1, 1966	Sep. 6, 1966	Oct. 14, 1966
Malawi	Jun. 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	Jul. 30, 1965	Jan. 11, 1966	Oct. 14, 1966
Mauritius	Jun. 2, 1969	Jun. 2, 1969	Jul. 2, 1969 ⁴
Morocco	Oct. 11, 1965	May 11, 1967	Jun. 10, 1967
Nepal	Sep. 28, 1965	Jan. 7, 1969	Feb. 6, 1969
Netherlands	May 25, 1966	Sep. 14, 1966	Oct. 14, 1966 ⁵
New Zealand	Sep. 2, 1970	Apr. 2, 1980	May 2, 1980 ⁶
Niger	Aug. 23, 1965	Nov. 14, 1966	Dec. 14, 1966
Nigeria	Jul. 13, 1965	Aug. 23, 1965	Oct. 14, 1966
Norway	Jun. 24, 1966	Aug. 16, 1967	Sep. 15, 1967
Pakistan	Jul. 6, 1965	Sep. 15, 1966	Oct. 15, 1966
Papua New Guinea	Oct. 20, 1978	Oct. 20, 1978	Nov. 19, 1978
Paraguay	Jul. 27, 1981	Jan. 7, 1983	Feb. 6, 1983
Philippines	Sep. 26, 1978	Nov. 17, 1978	Dec. 17, 1978
Portugal	Aug. 4, 1983	Jul. 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	Jun. 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	Jun. 4, 1984	Jun. 4, 1984	Jul. 4, 1984 ⁷
Sudan	Mar. 15, 1967	Apr. 9, 1973	May 9, 1973
Swaziland	Nov. 3, 1970	Jun. 14, 1971	Jul. 14, 1971 ⁸
Sweden	Sep. 25, 1965	Dec. 29, 1966	Jan. 28, 1967
Switzerland	Sep. 22, 1967	May 15, 1968	Jun. 14, 1968
Thailand	Dec. 6, 1985		
Togo	Jan. 24, 1966	Aug. 11, 1967	Sep. 10, 1967
Trinidad and Tobago	Oct. 5, 1966	Jan. 3, 1967	Feb. 2, 1967
Tunisia	May 5, 1965	Jun. 22, 1966	Oct. 14, 1966
Turkey	Jun. 4, 1987		
Uganda	Jun. 7, 1966	Jun. 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 ⁹
United States of America	Aug. 27, 1965	Jun. 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	Jun. 17, 1970	Jun. 17, 1970	Jul. 17, 1970

⁴Until Mauritius attained its independence on March 12, 1968, it was covered by the ratification of the United Kingdom.

⁵On 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.

⁶On depositing its instrument of ratification, New Zealand, pursuant to Article 70 of the Convention, excluded from its coverage the Cook Islands, Niue and Tokelau.

⁷Until St. Lucia attained its independence on February 22, 1979, it was covered by the ratification of the United Kingdom.

⁸Until Swaziland attained its independence on September 6, 1968, it was covered by the ratification of the United Kingdom.

⁹The 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 Twentieth Annual Meeting on October 2, 1986:

AC(20)/RES/62 - Approval of the Annual Report

The Administrative Council

RESOLVES

To approve the 1986 Annual Report on the Operation of the Centre as set forth in the attachment to Document AC/86/3.

AC(20)/RES/63 - Adoption of Budget for Fiscal Year 1987

The Administrative Council

RESOLVES

To adopt, for the period July 1, 1986 to June 30, 1987, the budget set forth in paragraph 2 of the Document AC/86/1.

Annex 3

Report and Financial Statements

Expressed in United States dollars

Statement of Changes in Fund Balance

	For the year ended June 30	
	1987	1986
Contribution of services to Centre by International Bank for Reconstruction and Development	\$ 311,600	\$ 360,733
Expenditures on behalf of Centre by International Bank for Reconstruction and Development	(311,600)	(360,733)
Excess of contribution over expenditures	—	—
Advances to Centre from parties to arbitration proceedings	335,034	730,997
Disbursements by Centre for fees and expenses for arbitration proceedings	(240,419)	(797,127)
Excess of advances over disbursements	94,615	(66,130)
(Increase) Decrease in advances from parties to arbitration proceedings	(94,615)	66,130
Change in fund balance	\$ —	\$ —

Statement of Composition of Fund Balance

	June 30, 1987	June 30, 1986
Cash in bank	\$ 276,042	\$ 183,320
Advances from parties to arbitration proceedings (Payable) to International Bank for Reconstruction and Development	(274,566)	(179,951)
Fund balance	(1,476)	(3,369)
	\$ —	\$ —

continued next page

Annex 3 *continued***Note to Financial Statements**

June 30, 1987 and June 30, 1986

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 Committees of Arbitrators, 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 the services provided by the Bank and include only those amounts identified by the Bank as being directly related to the Centre, and, accordingly, do not include any indirect or overhead costs of the Bank. The reported contributions of \$311,600 and \$360,733 for the years ended June 30, 1987 and 1986, 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 year ended June 30, 1987	1986
Staff personal services	\$ 250,500	\$ 277,230
Travel	7,003	21,897
Contractual services	35,846	48,739
Administrative services and facilities	23,657	17,913
	<u>\$ 317,006</u>	<u>\$ 365,779</u>
Less: Reimbursements by Centre from sale of publications and registration fees	5,406	5,046
Total	<u>\$ 311,600</u>	<u>\$ 360,733</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 balances reflected in the statement of composition of fund balance represent advances from parties to proceedings and amounts due to the Bank.

Report of Independent Accountants

1801 K Street, N.W.
Washington, D.C. 20006
August 24, 1987

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

In our opinion, the accompanying statement of composition of fund balance and the related statement of changes in fund balance present fairly the composition of fund balance of the International Centre for Settlement of Investment Disputes for the years ended June 30, 1987 and 1986, and the changes in fund balance for the years then ended, in conformity with generally accepted accounting principles consistently applied and in accordance with the Administrative Arrangements between the International Bank for Reconstruction and Development and the International Centre for Settlement of Investment Disputes, as discussed in the Note to the accompanying statements. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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
(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 Actions Taken by Them Pursuant to 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/12 Explanatory Brochure on the Centre
(English, French, Spanish)
- ICSID/13/Rev.1 Bibliography on ICSID
(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 national legislation and bilateral investment treaties

National Investment Legislation

The Centre has for several years been publishing a collection of national investment legislations. This collection, entitled "Investment Laws of the World", consists of 10 loose-leaf volumes. The collection has been re-organized and two new releases have been published in May and June 1987.

Bilateral Treaties

In 1983, the Centre published a collection of bilateral treaties relating to investment promotion and protection concluded since 1960. This collection is now kept in two loose-leaf volumes which are updated from time to time.

The two publications may be purchased 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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