

**VERBATIM RECORD OF THE  
SECOND MEETING OF  
DELEGATIONS OF AALCO MEMBER  
STATES, HELD ON MONDAY, 2<sup>ND</sup>  
JULY 2007 AT 03.00 PM**

**Her Excellency Mrs. Brigitte Sylvia Mabandla, President of the Forty-Sixth Session of AALCO in the Chair.**

**Signing Ceremony of the Agreement for  
the Establishment of the Regional Centre  
for Arbitration in Nairobi, Kenya.**

**President:** I welcome you all back from the lunch break and at this point in time we will witness the Signing of an Agreement between AALCO and Kenya for the Establishment of the Regional Centre for Arbitration in Nairobi. The signing ceremony begins now.

**The President** invited Hon'ble Amos Wako, Attorney-General of Republic of Kenya for the signing ceremony of the Agreement establishing the fifth Regional Centre for Arbitration in Nairobi. **The Secretary-General of AALCO and the Attorney-General of Kenya signed the Agreement for the Establishment of the Regional Centre for Arbitration in Nairobi. The signed copies were exchanged.**

**President:** I give the floor to Mr. Wako. Thank You.

**Hon'ble S. Amos Wako, Attorney-General of Kenya:** Your Excellency Mrs. Brigitte Sylvia Mabandla, President of the Forty-Sixth Session of AALCO and the Minister for Justice and Constitutional Development of the Republic of South Africa, Your Excellencies the signing of this Agreement between the Government of Kenya and AALCO today is an important step towards the implementation of the 1994 recommendation of the Heads of Delegations of AALCO Member States to establish an international, independent and

neutral arbitral institutions under the auspices of AALCO in Nairobi, Kenya.

This demonstrates Kenya's recognition of the important work of AALCO in promoting the establishment of Regional Centres of Commercial Arbitration as a viable alternative to the traditional arbitration institutions in the developed countries. As regional economic integration takes root in the Eastern and Southern African sub-region, under both the East African Community and Common Market for Eastern Africa (COMESA), and as we witness expansion in intra-regional trade in goods and services, we expect to see more and more contractual disputes arising from commercial transactions, construction and infrastructure projects, engineering projects, banking and insurance.

The need to set up a regional institution to promote resolution of international commercial disputes outside the jurisdiction of national courts and to offer arbitration services within the region remains urgent, in view of the need to guarantee more stability, reliability and certainty in dispute settlement, particularly disputes arising from the conduct of international trade.

We already have in place the necessary legal framework to cater for international and regional arbitration through the Arbitration Act. We have a sound process for developing an appropriate institutional framework for the establishment of the Centre, through consultations with the key stakeholders in Kenya, such as the Law Society of Kenya, the Chartered Institute of Arbitrators, the business community, and also within the sub-region.

We wish to extend our thanks to the AALCO Secretariat for its willingness to extend to us such assistance as may be appropriate for the establishment of a Regional Centre for Arbitration in Nairobi, Kenya. We are happy that we are joining the family of Regional Arbitration Centres established under AALCO in centres in

Cairo, Lagos, Kuala Lumpur and Tehran. The Regional Centre for Arbitration in Nairobi will be an additional and friendly Centre to join that family of Regional Centres. We have also learned quite a bit from the Centre that has been established in Iran, in fact Iran have already offered us help in establishing our Centre in terms of knowledge and expertise. We look forward to joining these four Centres, which are already there. We are becoming now the fifth Arbitration Centre, I thank you all and will count on your support. Thank You.

**Secretary-General:** Congratulations Mr. Wako, Attorney-General of the Republic of Kenya, I am extremely proud and happy to sign this Agreement. We have worked for it, quite a bit now in establishing a Regional Arbitration Centre in Africa and now we have three in Africa and two in Asia. I am very happy that the Scheme of Settlement of disputes is having a bigger family. We are encouraging all the Member States of AALCO and also all the Asian-African countries to make use of the five Centres in finalizing their disputes within the Arbitration Scheme of AALCO. The Headquarters Agreement that we have signed today gives an international dimension for the Centre and it gives also kind of Privileges and Immunities for the international tenure of the Statute of the Centre in Nairobi. We wish the Centre all the success and soon we will start to finalise together the Rules of the Centre and as well as to appoint together a Director for the centre. So, all the best and always, you have a brother, AALCO and as well as the whole team. You can always depend on my team and me, as well as the Directors of the other Centres to help you to start and achieve all that you require in all your endeavors. Thank you very much.

**President:** I now give the floor to Secretary-General to proceed with our agenda. Yes, we are receiving a response here. Yes, we are receiving Report on the AALCO's Centre for Research and Training. I now invite Dr. Xu Jie, Deputy Secretary-General

to present the introductory statement on the **"Report on the AALCO's Centre for Research and Training"**.

**Dr. Xu Jie, Deputy Secretary-General of AALCO:** Madam President, Excellencies, Distinguished Guests, Ladies and Gentlemen, It is indeed pleasure for me to introduce the item "The Centre for Research and Training of the AALCO", which is elaborated in the Secretariat Document AALCO/46<sup>th</sup> /CAPE TOWN SESSION/2007/ORG 4.

It may be recalled that the Centre for Research and Training (CRT), functioning in the Secretariat of AALCO since November 2001, evolved from the 'Data Collection Unit' established in 1989. This transformation marked a new beginning in the efforts of the Secretariat towards undertaking research as well as training activities.

In pursuance of the resolution, RES/45/ORG.4 adopted at the Forty-Fifth Golden Jubilee Headquarters Session held in New Delhi (India) last year, the activities of the Centre are briefly discussed as following:

*First*, a one-day Meeting of Experts on "Emerging Issues on the UN Convention on the Law of the Sea" was held on 24<sup>th</sup> November 2006 in New Delhi. The Expert Meeting deliberated upon some of the emerging crucial issues pertaining to the United Convention on the Law of the Sea. The Governments of Japan and the Republic of Korea financially supported the Meeting.

*Second*, since inception the Centre has made great efforts to provide Member States with more informative research studies entitled 'Special and Differential Treatment under WTO Agreements', 'International Corruption: A Legal Analysis', 'The Concept of International Terrorism', and 'The United Nations Convention against Corruption: Rights and Obligations' which were released during the earlier Sessions

respectively. In commemoration of the Golden Jubilee of AALCO, the Centre has brought out a commemorative volume of essays titled: '*Essays on International Law*' and it would be released during this Session. Apart from these studies, the Centre is in the process of preparing a special study, namely: '*Definition of Aggression: An Analysis*', which will be published in near future.

*Third*, in accordance with the assigned mandate, the website of the AALCO has been significantly modified, upgraded and updated in order to make it more user-friendly, interactive and informative. As part of its revitalization process, a new domain name of [www.aalco.int](http://www.aalco.int) has been assigned to the website recently. In this context, I request all the Member States to provide electronic (email) address and URL of the Ministry and the Officials in charge of AALCO, in their respective governments as well in New Delhi. This would facilitate in improving communications between the Secretariat and its Member States.

Finally, one of the primary and key objectives of the Centre, as stipulated in resolution RES/40/ORG.4, is to organize training programmes for officials from Member States on various international law issues. As AALCO has entered into a number of cooperation agreements with UN and its specialized agencies and other international organizations. *AALCO's future plan within the CRT is to organize training courses with each of these Organizations on relevant subjects. These training programmes will be held with the trilateral cooperation of the Organization concerned, AALCO Secretariat and the Member States wishing to send their officials to attend these courses.* In this direction, the Secretariat prepared a draft proposal of the training programme.

Madam President, in order to materialize all these plans, the CRT should be placed in a financially sound position. While the infrastructure is provided by the

Government of India in the new Headquarters Building, the operational cost of the CRT is still dependant on the regular budget of the AALCO. However, the regular budget itself has many difficulties due to non-payment of the contributions by some Member States and non-revision of the scale of contribution of AALCO for many years. Keeping this in view the resolution RES/45/ORG.4 adopted at the Forty-Fifth Session, established a Research and Training Fund to promote and strengthen research and training under the CRT, to which voluntary contributions could be made by the Member States with a view to promote a sustainable financial base to the Centre to undertake its mandated activities.

Madam President, therefore the AALCO Secretariat requests the Member States to fund adequately the CRT in order to facilitate its future activities effectively. AALCO welcomes Member States to provide the Secretariat with necessary directions and recommendations regarding research topics as well as its specific training programmes and may also suggest topics of common interest and concern for conducting in-depth research studies. Thank you very much.

**President:** Thank you very much for that report. Now I call upon Deputy Secretary-General Amb. Tabatabaei, to present his introductory statement on the "**Report on the AALCO's Permanent Headquarters Building**".

**Amb. Reza Tabatabaei Shafiei, Deputy Secretary-General of AALCO:** Madam President, Hon'ble Ministers, Excellencies, Ladies and Gentlemen. Adding to what the Secretary-General mentioned, I would like to inform the Annual Session of the recent progress. During the Forty-Fifth Session the Member States realizing that some of the works have been pending and some technical requirements needed to be completed, had requested the Secretary-General to expedite, in coordination with the concerned authorities of the Government of

India, the total completion of the building in order to enable the Secretariat to shift to its Permanent Headquarters. Accordingly, the Secretary-General and the Deputy Secretaries-General had been reviewing the progress in the work and convened regular meetings with the concerned officials of the Ministry of External Affairs (MEA) and the Central Public Works Department (CPWD), in order to expedite the completion of the building. All the works are in the final stages and it is hoped that the completed building would be ready for shifting soon.

The highlights of the progress are listed as, Construction of the Ramp: The construction of the ramp was initiated at the specific request of the Secretary-General to make the Headquarters Building more functional. The Government of India generously granted 20 lakhs Rupees for this purpose. This amount was in addition to the overall Project sum of Rs.7.785 Crores also. Clearance for the construction of the ramp was granted by the New Delhi Municipal Corporation (NDMC) on 30 June 2006. The construction began on December 2006 and was completed on 15 February 2007.

Next is Furnishing the Headquarters Building including the Conference Hall: For the furnishing of the Headquarters Building including the Conference Hall it maybe recalled that ten percent of the total allocated amount i.e. Rs. 1.2 Crores was allocated. With this amount the Government of India would be furnishing only the Office Block. The Ministry of External Affairs has already called for Tenders for procurement of furniture and the process would be completed simultaneously along with other pending jobs.

Furnishing of Secretary-General's Residence: This is the sole responsibility of the Secretariat. An understanding was reached between the Government of India and the Secretary-General whereby some furnishing of the Residence like the kitchen would also be undertaken from the budget allocated for the furnishing of the office

block. This was made possible by reducing some of the furnishing requirements for the office block.

In this context, it maybe noted that most of the electrical/electronic and other requirements, other than furnishing of the Office Block, which the Secretariat is bound to incur, would have to be covered from the regular budget of the Organization. Keeping in view the heavy burden on the Organization and the financial situation, the Secretary-General urges and welcomes from the Member States appropriate support on a voluntary basis.

The last is the Utility Connection: the MEA is currently in the process of applying for the Completion Certificate for the Building to the NDMC. After getting the completion certificate, the Ministry of External Affairs would apply for the electricity, water and sewage connections. The Government of India is making all efforts to get these connections simultaneously with the Completion Certificate in order to avoid delay. Thank you very much Madam President.

**President:** Thank you Deputy Secretary-General. We now have completed the Second Meeting of the Delegations of the AALCO. We propose that we start now with the First General Meeting. I now invite the Heads of Delegations of Member States to make their General Statements, and also the Observers.

**The Meeting was thereafter adjourned**