

# CONTRIBUTION OF THE PERMANENT COURT OF ARBITRATION TO THE REPORT OF THE SECRETARY-GENERAL ON OCEANS AND THE LAW OF THE SEA

#### **EXECUTIVE SUMMARY**

The Permanent Court of Arbitration ('PCA') is an intergovernmental organization that provides a variety of dispute resolution services to the international community. It has unparalleled experience in the administration of interstate arbitrations that concern oceans and the law of the sea. To date, it has acted as Registry in eleven *ad hoc* arbitrations brought in accordance with Annex VII of the 1982 UN Law of the Sea Convention. It has also administered a number of arbitrations involving the law of the sea that were not brought under the Convention.

Since September 2014, the PCA has administered seven interstate arbitrations concerning oceans and the law of the sea. Six of these were Annex VII arbitrations:

- The Bay of Bengal Maritime Boundary Arbitration between Bangladesh and India, PCA Case No. 2010-16;
- The Atlanto-Scandian Herring Arbitration (The Kingdom of Denmark in respect of the Faroe Islands v. The European Union), PCA Case No. 2013-30;
- The Chagos Marine Protected Area Arbitration (Mauritius v. United Kingdom), PCA Case No. 2011-03;
- The Republic of the Philippines v. The People's Republic of China, PCA Case No. 2013-19;
- The Arctic Sunrise Arbitration (Netherlands v. Russia), PCA Case No. 2014-02; and
- The Duzgit Integrity Arbitration (Malta v. São Tomé and Principe), PCA Case No. 2014-07.

The seventh case, *The Arbitration Between The Republic of Croatia and The Republic of Slovenia*, PCA Case No. 2014-04, was brought pursuant to a special agreement between the parties.

The PCA promotes the peaceful resolution of international disputes through other activities. For example, the PCA administers other types of dispute resolution procedures, such as mediations, conciliations, fact-finding commissions, expert determinations and review panels, including in the context of the law of the sea. The PCA also maintains a Financial Assistance Fund to enable developing States to meet the costs of dispute settlement. This facility has been used in an interstate arbitration concerning the law of the sea. In 2014 the PCA held a number of guest lectures covering law of the sea cases to audiences that included government officials and diplomats, representatives of other international organizations, and fellows from the International Tribunal for the Law of the Sea and the Nippon Foundation.

Further information about the PCA can be found at www.pca-cpa.org.

#### A. INTRODUCTION

The Under-Secretary-General for Legal Affairs has invited the PCA to contribute to the United Nations Secretary-General's 2015 report on oceans and the law of the sea. The invitation requests information on the activities undertaken by the PCA that are connected to specific provisions of UN General Assembly Resolution 69/245 and that have occurred since September 2014. The provision of Resolution 69/245 that is most relevant to the PCA is Part IV on the "Peaceful settlement of disputes". Section B of this report provides background on the PCA. Section C of the report describes the PCA's case activities in relation to the 1982 UN Convention on the Law of the Sea. Section D describes other PCA arbitrations involving the law of the sea. Section E contains descriptions of relevant cases administered by the PCA in this reporting cycle. Section F sets out additional relevant activities undertaken by the PCA.

Many arbitrations administered by the PCA are confidential. In other matters, the parties have limited the information concerning their dispute that the PCA is authorized to disclose. This Report is accordingly limited to publicly available information.

### B. THE PERMANENT COURT OF ARBITRATION

The Permanent Court of Arbitration ("PCA") is an intergovernmental organization tasked with facilitating arbitration and other modes of dispute resolution between States, State entities, intergovernmental organizations, and private parties. The PCA is an autonomous institution, governed by the 117 States that are party to the PCA's founding conventions: the 1899 Convention for the Pacific Settlement of International Disputes, and its 1907 counterpart. The PCA is the oldest intergovernmental institution for the resolution of international disputes, and has developed into a modern, multi-faceted arbitral institution that has evolved with the dispute resolution needs of the international community.

The PCA's caseload has grown significantly over the last 15 years. It includes interstate disputes arising under treaties or special agreements; investment disputes arising under bilateral or multilateral investment treaties; and disputes arising under contracts between private parties and States, other State-controlled entities or intergovernmental organizations. In addition to arbitration, the PCA also administers a range of dispute resolution mechanisms, including mediation, conciliation, fact-finding commissions, expert determinations, and review panels.

The PCA International Bureau is the secretariat of the organization and is headed by the PCA Secretary-General. The International Bureau is engaged in the day-to-day work of the organization in providing administrative support to arbitration tribunals or commissions operating under the PCA's auspices. The PCA's caseload encompasses territorial, maritime, and treaty disputes between States, as well as international commercial and investment disputes between States and private parties. The PCA's Secretariat is also available to assist in the selection of arbitrators, and may be called upon to designate or act as appointing authority. In addition to its work in the resolution of particular disputes, the PCA is a centre for scholarship and publication, and a forum for legal discourse. The International Bureau has its headquarters at the Peace Palace in The Hague, the Netherlands.

More information on the PCA, including its 2014 Annual Report, is available at www.pca-cpa.org.

### C. THE PCA AND THE 1982 UN CONVENTION ON THE LAW OF THE SEA

The 1982 United Nations Convention on the Law of the Sea (the "Convention"), sets forth in Part XV rules for the resolution of disputes between State Parties arising out of the interpretation or application of the Convention. Pursuant to Article 287(3) of the Convention, arbitration under Annex VII is the default means of dispute settlement if a State has not expressed any preference with respect to the means of dispute resolution available under Article 287(1) of the Convention. Likewise, pursuant to Article 287(5) of the Convention, if the parties have not accepted the same procedure for the settlement of the dispute, arbitration under Annex VII is the default means of dispute settlement.

Since the Convention came into force in 1994, 11 cases submitted to arbitration under Annex VII of the Convention have been administered by the PCA:

- 1. The Duzgit Integrity Arbitration (Malta v. São Tomé and Príncipe), PCA Case No. 2014-07, which was instituted in October 2013 and is still pending;
- 2. The Arctic Sunrise Arbitration (Netherlands v. Russian Federation), PCA Case No. 2014-02, which was instituted in October 2013 and is still pending;
- 3. The Atlanto-Scandian Herring Arbitration (Denmark in respect of the Faroe Islands v. European Union), PCA Case No. 2013-30, which was instituted in August 2013 and terminated by a tribunal order issued in September 2014, following an agreement between the Parties reached in August 2014;
- 4. The Republic of the Philippines v. The People's Republic of China, PCA Case No. 2013-19, which was instituted in January 2013 and is still pending;
- 5. The Chagos Marine Protected Area Arbitration (Mauritius v. United Kingdom), PCA Case No. 2011-03, which was instituted in December 2010 and decided by a final award rendered on 18 March 2015;
- 6. The Bay of Bengal Maritime Boundary Arbitration (Bangladesh v. India), PCA Case No. 2010-16, which was instituted in October 2009 and decided by a final award rendered on 7 July 2014;
- 7. The ARA Libertad Arbitration (Argentina v. Ghana), PCA Case No. 2013-11, which was instituted in October 2012 and terminated by a tribunal order issued in November 2013 following an agreement between the Parties reached in September 2013;
- 8. *Barbados v. Trinidad and Tobago*, PCA Case No. 2004-02, which was instituted in February 2004 and decided by a final award rendered on 11 April 2006;
- 9. *Guyana v. Suriname*, PCA Case No. 2004-04, which was instituted in February 2004 and decided by a final award rendered on 17 September 2007;
- 10. Land Reclamation by Singapore in and around the Straits of Johor (Malaysia v. Singapore), PCA Case No. 2004-05, which was instituted in July 2003 and terminated by an award on agreed terms rendered on 1 September 2005; and
- 11. *The MOX Plant Case (Ireland v. United Kingdom)*, PCA Case No 2001-03, which was instituted in November 2001 and terminated through a tribunal order issued on 6 June 2008.

The PCA has developed expertise in dealing with organizational, procedural, and substantive issues that may arise in Annex VII arbitrations. The Annex VII arbitrations relevant to the reporting period for the UN Secretary General's 2015 Report on oceans and the law of the sea are discussed in further detail in section E, below.

#### D. OTHER PCA ARBITRATIONS INVOLVING THE LAW OF THE SEA

The PCA has administered historical and contemporary arbitrations involving the law of the sea that were not brought under the Convention. Some of the earliest arbitrations administered by the PCA have continued to provide significant jurisprudence on aspects of the law of the sea, including: the flagging of vessels (*Muscat Dhows (France/Great Britain*), 1905); maritime delimitation (*The Grisbådarna Case (Norway/Sweden)*, 1909); fisheries (*North Atlantic Coast Fisheries (United States/Great Britain*), 1910); port State obligations (*The Orinoco Steamship Company (Venezuela/United States)*, 1910); and vessel seizure (*The "Carthage"* and *French Postal Vessel "Manouba"* (*France/Italy*), 1913).

One of the most notable proceedings since the Convention's entry into force was the *Eritrea/Yemen* arbitration. On 3 October 1996, the parties agreed to commence a two-phase arbitration to resolve the issue of sovereignty over certain islands and maritime features located in the Red Sea and, thereafter, to delimit the maritime boundary between the two States. By agreement of the parties, the PCA acted as Registry.

The Arbitral Tribunal's Awards in both stages of the proceedings referred to provisions of the Convention. Although Eritrea has never acceded to the Convention, the Arbitral Tribunal concluded in its Award in the Second Stage that the parties' arbitration agreement implied Eritrea's acceptance of the application of provisions of the Convention relevant to maritime delimitation. The Arbitral Tribunal also held that many of the relevant elements of customary law were incorporated in the provisions of the Convention. In particular, the Arbitral Tribunal relied on definitions incorporated in Articles 5 and 15 of the Convention when ruling that the international maritime boundary between the parties shall be a single all-purpose boundary that should, "as far as practicable, be a median line between the opposite mainland coastlines." It also established significant precedent regarding the relevance of petroleum agreements and fisheries practices to delimitations.

The PCA has administered a number of other arbitrations brought in accordance with treaties or special agreements other than the Convention. The arbitrations relevant to the reporting cycle for the UN Secretary General's 2015 Report on oceans and the law of the sea are discussed in the next section.

### E. RELEVANT PCA ARBITRATIONS ADMINISTERED IN THIS CYCLE

i. Bay of Bengal Maritime Boundary Arbitration (Bangladesh v. India), PCA Case No. 2010-16

**Commencement date:** 8 October 2009

**Jurisdictional basis:** Article 287 and Annex VII to the Convention

**Tribunal members:** Judge Rüdiger Wolfrum (President), Judge Jean-Pierre Cot, Judge Thomas

A. Mensah, Dr. Pemmaraju Sreenivasa Rao, Prof. Ivan Shearer AM

**Means of termination:** Award dated 7 July 2014

**Further information:** http://www.pca-cpa.org/showpage.asp?pag\_id=1376

The People's Republic of Bangladesh instituted these proceedings concerning the delimitation of the maritime boundary between the parties.

The schedule for the arbitration was agreed by the parties at the outset of the proceedings. The Arbitral Tribunal conducted a one-week site visit to the coastal region of both States in October 2013, examining

the proposed location of the land boundary terminus and base points advanced by each party. In December 2013, the Arbitral Tribunal conducted a two-week hearing at the Peace Palace in The Hague.

In its Award, the Arbitral Tribunal unanimously interpreted the 1947 decision by Sir Cyril Radcliffe, Chairman of the Bengal Boundary Commission, to identify the precise terminus of the land boundary between the two States. The Arbitral Tribunal was also unanimous in delimiting the maritime boundary between the two States in the territorial sea, on the basis of special circumstances and a 12 nautical mile line connecting the land boundary terminus with the equidistance line.

With respect to the exclusive economic zone and the continental shelf within and beyond 200 nautical miles, the Arbitral Tribunal found by a vote of four-to-one that, in light of the concavity of the Bay of Bengal, an equidistance line would produce a cut-off effect on the seaward projections of the coast of Bangladesh that required adjustment to produce an equitable result. Accordingly, the Arbitral Tribunal adjusted its provisional equidistance line in determining the course of the maritime boundary.

One member of the Arbitral Tribunal issued a Concurring and Dissenting Opinion to the Award, expressing his disagreement with the adjustment of the provisional equidistance lines and with the resulting creation of a "grey area" (an area in which the exclusive economic zone of one States overlaps with the continental shelf of another).

The Arbitral Tribunal's Award refers to several aspects of the 14 March 2012 Judgment of the International Tribunal for the Law of the Sea ("ITLOS") in *Dispute concerning Delimitation of the Maritime Boundary between Bangladesh and Myanmar in the Bay of Bengal (Bangladesh/Myanmar)*. This reflects the interrelation between Annex VII arbitration—the default dispute settlement mechanism under Article 287 of the Convention—and the other bodies referred to therein.

# ii. The Atlanto-Scandian Herring Arbitration (The Kingdom of Denmark in respect of the Faroe Islands v. The European Union), PCA Case No. 2013-30

**Commencement date** 16 August 2013

**Jurisdictional basis** Article 287 and Annex VII to the Convention

**Tribunal members** Judge Thomas Mensah (President), Prof. Gerhard Hafner, Prof. Francisco

Orrego Vicuña, Dr. M.C.W. Pinto, Judge Rüdiger Wolfrum

**Means of termination** Termination Order dated 23 September 2014

Further information <a href="http://www.pca-cpa.org/showpage.asp?pag">http://www.pca-cpa.org/showpage.asp?pag</a> id=1554

The Kingdom of Denmark in respect of the Faroe Islands instituted these proceedings concerning the interpretation and application of Article 63(1) of the Convention in relation to the shared stock of Atlanto-Scandian herring.

The schedule for the proceedings (including public hearings) was jointly proposed by the parties during the Arbitral Tribunal's 15 March 2014 procedural meeting at the Peace Palace. On 30 June 2014, following the joint request of the parties, the Arbitral Tribunal ordered a stay of proceedings for a period of 60 days. On 23 September 2014, following the joint request of the parties, the Arbitral Tribunal issued a Termination Order terminating the proceedings. The parties' request to terminate the arbitration was without prejudice to the rights and duties of either of the parties under the Convention.

# iii. Chagos Marine Protected Area Arbitration (Mauritius v. United Kingdom), PCA Case No. 2011-03

**Commencement date** 20 December 2010

**Jurisdictional basis** Article 287 and Annex VII to the Convention

**Tribunal members** Prof. Ivan Shearer AM (President), Judge Sir Christopher Greenwood CMG

QC, Judge Albert Hoffmann, Judge James Kateka, Judge Rüdiger Wolfrum

**Means of termination** Award dated 18 March 2015

Further information <a href="http://www.pca-cpa.org/showpage.asp?pag">http://www.pca-cpa.org/showpage.asp?pag</a> id=1429

The Republic of Mauritius instituted these proceedings concerning the establishment by the United Kingdom of Great Britain and Northern Ireland of a Marine Protected Area around the Chagos Archipelago, administered by the United Kingdom as the British Indian Ocean Territory.

The United Kingdom challenged the Arbitral Tribunal's jurisdiction over all of the claims. On 11 January 2013, the Arbitral Tribunal held a procedural hearing in Dubai and decided that the United Kingdom's objections would be heard together with the merits. After further written submissions by the Parties, the Arbitral Tribunal conducted a three-week hearing in Istanbul in April and May 2014 in respect both of its jurisdiction and of the merits of Mauritius's claims.

In its Award dated 18 March 2015, the Arbitral Tribunal found that it lacked jurisdiction to consider Mauritius's claim that the United Kingdom was not the "coastal State" in respect of the Chagos Archipelago for the purposes of the Convention, as well as its alternative claim that certain undertakings by the United Kingdom had endowed Mauritius with rights as a "coastal State" in respect of the Archipelago. The Arbitral Tribunal also found that the dispute between the Parties expressed through these claims in fact concerned the question of sovereignty over the Chagos Archipelago; that this was not a matter concerning the interpretation or application of the Convention; and that it did not therefore have jurisdiction to decide the matter. On these findings, two members of the Arbitral Tribunal issued a joint Dissenting and Concurring Opinion, setting out their view that the Arbitral Tribunal should have found that it had jurisdiction to consider Mauritius's claims concerning the identity of the "coastal State". The Dissenting and Concurring Opinion also expressed the view that the Arbitral Tribunal should have exercised that jurisdiction to hold that the United Kingdom's detachment of the Chagos Archipelago from the colony of Mauritius in 1965 was contrary to the principles of decolonization and self-determination.

The Arbitral Tribunal unanimously found, however, that it did have jurisdiction to consider Mauritius's claim that the United Kingdom's declaration of the Marine Protected Area was not compatible with the United Kingdom's obligations under the Convention. The Arbitral Tribunal also found unanimously that, as a result of undertakings given by the United Kingdom in 1965 and repeated thereafter, Mauritius holds legally binding rights to fish in the waters surrounding the Chagos Archipelago, to the eventual return of the Chagos Archipelago to Mauritius when no longer needed for defence purposes, and to the preservation of the benefit of any minerals or oil discovered in or near the Chagos Archipelago pending its eventual return. The Arbitral Tribunal held that in declaring the Marine Protected Area, the United Kingdom failed to give due regard to these rights and declared that the United Kingdom had breached its obligations under the Convention. The Arbitral Tribunal also unanimously held that there was not a dispute between the Parties concerning submissions to the Commission on the Limits of the Continental Shelf and that it was therefore unnecessary for the Tribunal to exercise jurisdiction in respect of Mauritius's claim on this issue.

## iv. Arbitration between the Republic of Croatia and the Republic of Slovenia, PCA Case No. 2012-04

Commencement date 4 November 2009

Jurisdictional basis Special Agreement

**Tribunal members** Judge Gilbert Guillaume (Chair), Prof. Vaughan Lowe QC, Judge Bruno

Simma, Dr. Jernej Sekolec, Prof. Budislav Vukas

Means of termination Ongoing

Further information <a href="http://www.pca-cpa.org/showpage.asp?pag\_id=1443">http://www.pca-cpa.org/showpage.asp?pag\_id=1443</a>

The Republic of Croatia and the Republic of Slovenia jointly instituted these proceedings concerning their territorial and maritime dispute.

Article 3(1) of the parties' arbitration agreement states: "The Arbitral Tribunal shall determine (a) the course of the maritime and land boundary between the Republic of Slovenia and the Republic of Croatia; (b) Slovenia's junction to the High Sea; (c) the regime for the use of the relevant maritime areas." Article 4 of the agreement states: "The Arbitral Tribunal shall apply (a) the rules and principles of international law for the determinations referred to in Article 3(1)(a); (b) international law, equity and the principle of good neighbourly relations in order to achieve a fair and just result by taking into account all relevant circumstances for the determinations referred to in Article 3(1)(b) and (c)."

The schedule for the proceedings were fixed by the Arbitral Tribunal following a 13 April 2012 procedural meeting with the parties. The parties submitted their respective Memorials on 11 February 2013, Counter-Memorials on 11 November 2013, and Reply Memorials on 26 March 2014. The pleadings included nearly 1,500 documentary exhibits and legal authorities, as well as over 250 figures and maps. The Arbitral Tribunal then convened a two-week hearing at the Peace Palace in The Hague, which concluded on 13 June 2014. After the hearing, the PCA published on it's a press release from the Arbitral Tribunal, including a summary of the parties' respective oral arguments. By agreement between the parties, the Arbitral Tribunal's award will also be published on the PCA's website.

### v. The Republic of Philippines v. The People's Republic of China, PCA Case No. 2013-19

**Commencement date** 22 January 2013

**Jurisdictional basis** Article 287 and Annex VII to the Convention

Tribunal members Judge Thomas A. Mensah (President), Judge Jean-Pierre Cot, Judge

Stanislaw Pawlak, Prof. Alfred H.A. Soons, Judge Rüdiger Wolfrum

Means of termination Ongoing

Further information <a href="http://www.pca-cpa.org/showpage.asp?pag\_id=1529">http://www.pca-cpa.org/showpage.asp?pag\_id=1529</a>

The Republic of the Philippines instituted these proceedings concerning the Philippines' "dispute with China over the maritime jurisdiction of the Philippines in the West Philippine Sea."

By a Note Verbale to the Philippines dated 19 February 2013, China described "the Position of China on the South China Sea issues," and rejected and returned the Philippines' Notification and Statement of Claim.

On 27 August 2013, the Arbitral Tribunal adopted its Rules of Procedure and noted that pursuant to Article 9 of Annex VII to the Convention, the absence of a party or failure of a party to defend its case does not constitute a bar to the proceedings. In such circumstances, before making its award, the Arbitral Tribunal must satisfy itself not only that it has jurisdiction over the dispute but also that the claim is well founded in fact and law. In implementing this principle, the Rules of Procedure established a procedure for the Arbitral Tribunal to pose questions to the parties regarding "specific issues which the Arbitral Tribunal considers have not been canvassed, or have been inadequately canvassed, in the pleadings submitted" in the event that the other Party failed to defend its case. On 16 December 2014, the Arbitral Tribunal took note of the fact that China had not submitted a Counter-Memorial and requested further written argument from the Philippines on certain issues raised in the Philippines' Memorial. The Philippines filed a Supplemental Written Submission in response on 16 March 2015.

On 7 December 2014, China published a "Position Paper of the Government of the People's Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines" in which it set out its view that the Arbitral Tribunal lacks jurisdiction to consider the submissions of the Philippines. In July 2015, the Arbitral Tribunal will convene a hearing on the scope of its jurisdiction and the admissibility of the Philippines' claims. If, after the hearing, the Arbitral Tribunal determines that there are jurisdictional issues that do not possess an exclusively preliminary character, then, such matters will be reserved for consideration and decision at a later stage of the proceedings.

### vi. Arctic Sunrise Arbitration (Netherlands v. Russia), PCA Case No. 2014-02

**Commencement date** 4 October 2013

**Jurisdictional basis** Article 287 and Annex VII to the Convention

Tribunal members Judge Thomas A. Mensah (President), Mr. Henry Burmester QC, Prof.

Alfred H.A. Soons, Prof. Janusz Symonides, Dr. Alberto Székely

**Means of termination** Ongoing

Further information <a href="http://www.pca-cpa.org/showpage.asp?pag">http://www.pca-cpa.org/showpage.asp?pag</a> id=1556

The Kingdom of the Netherlands instituted these proceedings on 4 October 2013 with respect to a dispute concerning the boarding and detention of the vessel *Arctic Sunrise* in the exclusive economic zone of the Russian Federation, and the detention of the persons on board the vessel by the Russian authorities.

Prior to the constitution of the Arbitral Tribunal, the Netherlands applied for provisional measures from ITLOS. On 22 November 2013, ITLOS rendered an Order that the vessel and all persons detained in connection with the dispute be released and allowed to leave the territory and maritime areas under Russian jurisdiction upon the posting of a bond in the amount of 3.6 million euros.

By Note Verbale to the PCA dated 27 February 2014, Russia indicated its "refusal to take part in this arbitration." In its Rules of Procedure dated 17 March 2014, the Arbitral Tribunal affirmed Russia's right to fully participate at any stage of the arbitration, and reserved its own authority to pose questions to the parties regarding "specific issues which the Arbitral Tribunal considers have not been canvassed, or have been inadequately canvassed, in the pleadings submitted" by the Netherlands. On 28 November 2014, the Arbitral Tribunal took note of the fact that Russia had not submitted a Counter-Memorial and requested further written argument from the Netherlands on certain issues raised in its Memorial.

After inviting comments from the parties regarding a request from Greenpeace International to file an amicus curiae submission in the case, the Arbitral Tribunal denied this request on 8 October 2014.

Following its determination that a 22 October 2013 Note Verbale from Russia to the Netherlands constituted a plea concerning the Arbitral Tribunal's jurisdiction, the Arbitral Tribunal issued an Award on Jurisdiction on 26 November 2014. In this Award, the Arbitral Tribunal unanimously held that Russia's declaration upon ratifying the Convention did not exclude the present dispute from compulsory dispute settlement procedures entailing binding decisions under Section 2 of Part XV of the Convention. Having dismissed these preliminary objections, the Tribunal turned to the remaining issues in dispute, on which it held a hearing on 10-11 February 2015 in Vienna, which Russia did not attend.

During the hearing, the Netherlands presented fact witnesses for examination, including the master of the *Arctic Sunrise*, Greenpeace campaigners who were on board the *Arctic Sunrise* when it was boarded and detained in Russia's exclusive economic zone in September 2013, and lawyers who were engaged in subsequent proceedings before the Russian authorities. The Arbitral Tribunal posed several questions to the Netherlands, which the Netherlands addressed in preliminary fashion at the hearing. The Netherlands subsequently filed its full and final responses to the Arbitral Tribunal's questions as well as additional documents. A transcript and an audio-recording of the hearing were delivered to Russia. Following the hearing, the Arbitral Tribunal held preliminary deliberations and indicated that it will issue an award in due course.

# vii. The Duzgit Integrity Arbitration (Malta v. São Tomé and Príncipe), 1982 Convention on the Law of the Sea, PCA Case No. 2014-07

Commencement date 22 October 2013

**Jurisdictional basis** Article 287 and Annex VII to the Convention

**Tribunal members** Prof. Alfred H.A. Soons (President), Judge James Kateka, Prof. Tullio

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**Means of termination** Ongoing

Further information <a href="http://www.pca-cpa.org/showpage.asp?pag">http://www.pca-cpa.org/showpage.asp?pag</a> id=1583

The Republic of Malta instituted these proceedings with respect to a dispute concerning the vessel *Duzgit Integrity*. The case marks the first instance in which disputing parties have agreed to apply Article 3 of Annex VII to the Convention mutatis mutandis to the constitution of a three-member Arbitral Tribunal.

### F. ADDITIONAL RELEVANT PCA ACTIVITIES

### i. Support for other flexible dispute settlement mechanisms

The PCA also administers procedures, other than arbitration, in cases related to ocean and maritime affairs. For example, in 2013 the PCA administered a procedure that entailed the review of a decision of the Southern Pacific Regional Fisheries Management Organisation (the 'Organisation'). This review proceeding arose out of a multilateral treaty (the 2009 Convention on the Conservation and Management of High Seas Fishery Resources in the Southern Pacific Ocean, "2009 Convention. The procedure envisaged the participation of all States Parties as well as the participation of non-State actors, such as the representatives of the Organisation. The review proceeding had its roots in the Convention. The

Convention envisages regional coordination on the management of fish stocks in ocean areas beyond States' maritime boundaries. Coordination of this sort is achieved through regional fisheries management organisations that make decisions regarding, for example, the catch allocation in certain maritime areas.

In 2013, the Organisation decided to allocate, for the first time, limits on the amount of Chilean jack mackerel that could be caught by fishing vessels operating in the Southern Pacific ocean. The decision of the Organisation was based on the amount of Chilean jack mackerel that had been caught in previous years when there were no catch limits in place. Vessels belonging to the Russian Federation had been operating in the area for a number of years, but, according to the Organisation, were used for processing fish rather than fishing, and therefore could not classified as fishing vessels for the purpose of calculating allowable catch. Consequently, Russia was not allocated any amount of fish catch.

Under Article 17 of the 2009 Convention, Russia was entitled to, and did, request a review of the Organisation's decision. This led to the establishment of a three-member review panel, composed of Prof. Bernard Oxman (as Chairman), Prof. Kamil A Bekyashev and Ms. Valeria Carvajal. This was the first time that review proceedings had been initiated under the 2009 Convention. The PCA provided full registry support in the proceeding, on a *pro bono* basis. Written submissions were received from Chile, New Zealand and the Head of the European Union Delegation to the SPRFMO Commission. A hearing took place on 1 July 2013 in the Peace Palace. Delegations from Chile, Chinese Taipei, the Russian Federation, and representatives of Organisation attended. On 5 July 2013, the review panel issued its findings that no convincing argument had been made to justify the failure to allocate any catch to Russia. The review panel made specific recommendations regarding the amount of fish catch that ought to be allocated to Russia. One member of the panel also issued a separate opinion. A full record of these proceedings is available on the PCA website at <a href="http://www.pca-cpa.org/showpage.asp?pagid=1520">http://www.pca-cpa.org/showpage.asp?pagid=1520</a>.

### ii. Education and outreach

The PCA regularly participates in conferences and publishes on issues relating to the peaceful settlement of disputes in international law, including in the context of the governance of oceans and the law of the sea. For example, in 2014, the PCA Deputy Secretary-General, Brooks Daly, presented a series of lectures at the 2014 Hague Academy of International Law on 'The Renaissance of Inter-State Arbitration'. An important theme of the five-lecture series was the contribution of Part XV of the Convention to the increased use in recent years of arbitration for the peaceful resolution of interstate disputes.

The PCA has for many years given guest lectures to visiting scholars, legal practitioners, and government representatives. In many of these presentations, the PCA discusses cases that relate to the governance of oceans and the law of the sea. As described in the 2014 PCA Annual Report, presentations were recently given to officials and diplomats from the Association of Southeast Asian Nations, Albania, Azerbaijan, Bosnia and Herzegovina, China, Egypt, El Salvador, Georgia, Jordan, Kosovo, Kuwait, Macedonia, Mauritius, Moldova, Mongolia, Montenegro, the Netherlands, Oman, Palestine, Panama, Saudi Arabia, Serbia, Thailand, Tunisia, Turkey, Uzbekistan, Yemen, as well as the Energy Charter Forum, the World Trade Organization, fellows from the International Tribunal for the Law of the Sea and the Nippon Foundation. (The 2014 PCA Annual Report is available at <a href="http://streams.pca-cpa.org/docs/PCA%20annual%20report%202014.pdf">http://streams.pca-cpa.org/docs/PCA%20annual%20report%202014.pdf</a>).

#### iii. Coordination with other international institutions

The PCA seeks to contribute to a cooperative approach amongst international institutions engaged in the peaceful settlement of international disputes relating to maritime and ocean affairs. Through an exchange of letters between the Secretary-General of the PCA and the Registrar of ITLOS, the PCA and ITLOS have agreed to cooperate with respect to relevant legal and administrative matters. Under the arrangement, the PCA and ITLOS have undertaken to exchange documents, particularly those connected with disputes under Annex VII to the Convention, and to explore cooperation in other areas of concern.

### iv. Financial assistance for access to peaceful dispute resolution services

The PCA and its Member States recognise the importance of ensuring equitable access to peaceful dispute resolution procedures. To this end, the Administrative Council of the PCA has established a Financial Assistance Fund that aims to help developing countries meet part of the costs involved in international arbitration or other means of dispute settlement offered by the PCA. Financial assistance is available to PCA Member States that meet certain qualifications, including that the State is listed on the "DAC List of Aid Recipients" prepared by the OECD. Further information on the Financial Assistance Fund, including its Terms of Reference and Guidelines, is available at <a href="http://www.pca-cpa.org/showpage.asp?pag\_id=1191">http://www.pca-cpa.org/showpage.asp?pag\_id=1191</a>.

Since the establishment of the Financial Assistance Fund, Norway, Cyprus, the United Kingdom, South Africa, Netherlands, Costa Rica, Saudi Arabia, Switzerland and Lebanon have made contributions. Grants of assistance from the Fund have been requested or delivered on several occasions (including to a Central Asian State, a South Asian State, three African States, a Central American State and a South American State). On one such occasion, the PCA provided financial assistance to a State that was a party to one of the aforementioned disputes.

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