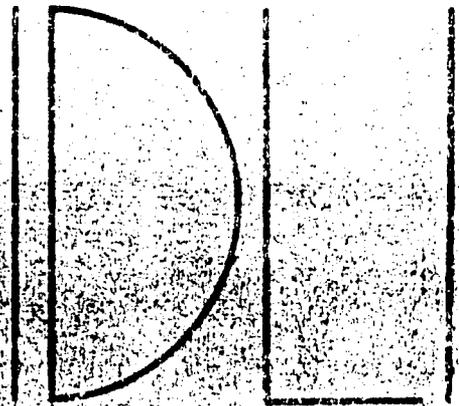


International
Development Law
Institute



COOPERATION AGREEMENT N° NEB/0000/A/00/2074/00

REQUEST FOR EXTENSION
OF AID COOPERATIVE AGREEMENT
AND SUPPLEMENTARY FINANCING

January 16, 1985

Subject: Cooperative Agreement N° NAB/0000/A/00/2074/00

**REQUEST FOR EXTENSION OF COOPERATIVE AGREEMENT
AND SUPPLEMENTARY FUNDING**

I. Summary

Established in 1983 as a non-profit international non-governmental organisation, the International Development Law Institute (IDLI) trains developing country legal advisors from government ministries, banks, parastatal corporations and private firms. The Institute offers practical training in negotiation, legal drafting, international contracting procedures and financing agency rules. It helps Third World representatives negotiate more effectively in the fields of development assistance, foreign investment and international trade. Some 125 legal advisors and contract negotiators from 46 countries (including 35 African nations) participated in IDLI's first year training program of six courses and seminars.

In the context of project financing, legislation and international procurement, the twelve-week **Development Lawyers Course** imparts such basic legal skills as advising, reviewing contracts, drafting, negotiating, monitoring implementation and resolving disputes.

The two-week **International Business Transactions** seminars bridge the information gap in such specialised legal areas as:

- Negotiating a petroleum exploration and development agreement
- International equipment leasing
- Negotiating an international construction contract
- Legal aspects of international debt rescheduling
- Resolving international contract disputes
- Legal aspects of international syndicated loans.

In addition, IDLI has begun a program of in-country **Training Workshops** upon the request of governments and organisations. For example, the Institute recently conducted a two-day workshop in Rome for the Italian Bankers Association (ABI) on "Co-financing Projects with the World Bank", which attracted more than 50 bankers from all over Italy. The purpose was to stimulate commercial bank funding of development projects.

AID's contributions in the establishment phase have had a multiplier effect. The Institute has attracted broad multi-donor support: more than \$ 2.5 million in pledges and contributions since it began as a Project in 1982, including endowment contributions of approximately \$ 500,000. In addition, the Institute has received an additional \$ 100,000 in ad hoc fellowships for tuitions, participant maintenance and international travel.

During the 1983-84 program year, IDLI funded almost half of its total costs through tuition revenues. (Had fellowships been available to finance the 25 qualified participants who were unable to find financial support, the proportion of self-financing would have risen to 65 percent). In addition, IDLI is already contributing to its own support through endowment income and revenue from specially-designed training workshops (such as the ABI program) conducted at the request of interested governments and organisations.

Despite its diverse sources of support (which span Arab and Western governments and international organisations), and rigorous cost-cutting which allowed the Institute to complete its first operational year substantially under-budget, IDLI remains vulnerable to cash-flow crises which could interrupt its programs. Its paramount need at this stage is to obtain secure financial support so that it can manage its resources efficiently, plan its future rationally and develop new programs which will contribute toward the Institute's eventual self-sufficiency.

For the three-year budget period 1985-87, IDLI seeks continued USAID participation through administrative and program support and fellowships.

II. Background

The International Development Law Institute (IDLI) is a non-profit, international non-governmental organisation established in March 1983 as a Foundation ("Stichting") under the Law of the Netherlands. Subsequently, in June 1983, it also became a U.S. non-profit corporation under the law of the District of Columbia. IDLI's overall objective is to help Third World legal advisors and lawyers play a constructive role in the development process. More specifically, its programs are designed to increase the capability of developing country lawyers (principally legal advisors to government ministries) to negotiate and implement projects effectively in the fields of development assistance, foreign investment and international trade.

The Institute offers practical training in negotiation, legal drafting, international contracting procedures and financing agency rules. Responding to the requests of developing country governments and development organisations, it also provides problem-solving assistance through specially-designed training workshops on law-related development issues.

With an initial emphasis on Africa and the Middle East, the Institute now serves developing countries worldwide. More than 50 countries have sent participants to the first seven training programs.

IDLI's international nature is reflected in its Board of Directors, staff and funding. The Institute's 15 Board members (see page 8 of the Training Program 1985, Attachment A) are jurists and development specialists of 11 nationalities. They include one developing country Minister and two former foreign Ministers. The Board is chaired by Dr. Ibrahim F.I. Shihata, Vice-President and General Counsel of the World Bank and former Director-General of the OPEC Fund for International Development.

At present, the IDLI senior staff consists of the three founders (two American lawyers and one French lawyer) and one Arab lawyer recently recruited from Tunisia. As demand for IDLI services grows, the Institute will achieve over time a balance of North-South and common law-civil law representation on its senior staff, with the addition of lawyers from sub-Saharan Africa, Asia, Latin America and the host country (Italy).

For historical reasons, salary scales of the three founding members are based on AID salaries and benefits payable to employees of equivalent rank in Rome. The pay and benefits plan, recently

approved by the Executive Committee for other senior staff members, establishes salaries and benefits at levels somewhat below current AID salary and benefit rates.

IDLI employs three management officers: an Administrative Officer, a Program Assistant and a Special Assistant to the Director. The current clerical support staff numbers five regular employees. The pay plan for management and support staff is based upon local and international pay scales in Rome, Italy.

IDLI has a well established pattern of prudent management. During the project phase, timely financial and narrative reports were submitted to the grant intermediary, AMIDEAST. IDLI has also kept AID, as well as the Board of Directors, regularly apprised of its progress.

The Board of Directors meets annually in March. An Executive Committee currently composed of the IDLI Board Chairman and three Board Members, including the IDLI Director as ex officio member, meets at least twice a year.

IDLI has retained the international accounting firm of Price Waterhouse to prepare the annual financial audit report, which is reproduced in the Annual Report and furnished to all organisations which provide funds to IDLI.

III. PROGRAMS

A. Regular Program

1. December 1983-December 1984

IDLI's first year program was characterised on the one hand by an increasing number of applicants (reflecting a positive evaluation by participants), but on the other hand by continued difficulty in locating fellowships for admitted applicants.

The following table shows the number of qualified applicants, fellowships awarded and vacancies due to lack of fellowships for each of the first year programs:

	IBT1E	IBT2F	DLC1E	IBT1F	DLC1F	IBT2E	TO
QUALIFIED APPLICANTS	33	26	29	32	54	47	22
SELF-FUNDED PARTICIPANTS*	3	0	2	7	0	8	2
OPEC FUND FELLOWSHIPS	4	4	9	1	1	0	1
ITALIAN GOVERNMENT FELLOWSHIPS	5	5	4	5	4	5	2
OTHER FELLOWSHIPS	11	11	3	13	15	5	5
NUMBER OF PARTICIPANTS	23	20	19	25	20	18	12
VACANCIES	2	5	6	0	5	7	2

Note: The OPEC Fund and the Italian Government partially funded an additional 10 participants to IDLI's first six programs.

* Includes participants whose tuition, per diem and travel costs were met by their government or employer.

2. 1985-86 and Beyond

The regular program for the next two years is as follows:

1 9 8 5

IBT-3E (English) Negotiating an International Construction Contract	January 13-26
IBT-4F (French) Règlements des différends relatifs aux contrats internationaux	February 10-23
DLC-2E (English) Development Lawyers Course	March 3-May 25
IBT-3F (French) Négociation d'un contrat International de Construction	June 2-15
DLC-2F (French) Pratique du Droit du Développement	September 8-November 30
IBT-4E (English) Resolving International Contract Disputes	December 1-14

1 9 8 6

IBT-5E (English) Legal Aspects of International Debt Rescheduling	January 12-25
IBT-5F (French) Aspects Juridiques de Rééchelonnement de la Dette International	February 9-22

DLC-3E (English) Development Lawyers Course	March 2-May 24
IBT-6F (French) Aspects Juridiques des Crédits Internationaux Syndiqués	June 1-14
DLC-3F (French) Pratique du Droit du Développement	September 7-November 29
IBT-6F (English) Legal Aspects of International Syndicated Loans	November 30-December 13

Proposed seminar topics for 1987 and 1988, based on the recommendations of IDLI alumni and developing country officials, will be presented to the Board of Directors at its Third Annual meeting in March 1985.

B. Special Programs

At its last meeting in March 1984, the IDLI Board established three criteria for undertaking a special program:

- Does such program fall within IDLI's mandate?
- Will it pay for itself and also contribute to the Institute's overhead?
- Can it be administered without interfering with the regular training program?

Consistent with these criteria, IDLI committed itself to design and administer three Training Workshops. The first, on "Co-financing Projects with the World Bank", took place in Rome on November 12-13 for the Italian Bankers Association (see Attachment B). With over 50 commercial banks from all over Italy participating, some promising co-financing proposals resulted.

At the request of USAID/Tunis, IDLI investigated firsthand the possibility of conducting a workshop on privatisation of public sector corporations in Tunisia. With the concurrence of the USAID however, IDLI is deferring further action until a clearer mandate is obtained from interested host government institutions.

A third workshop, still in an early stage of design, on "Negotiation of Petroleum Exploration and Development Agreements", will likely be held in China for the Chinese National Offshore Oil Company (CNOOC). IDLI has also received expressions of interest regarding possible programs in Brazil (Negotiation of International Economic Agreements) and Yugoslavia (Construction Contracts). In addition, IDLI has been included as a possible sub-contractor of training services (Small Business Contracting) for the AID Futures Group Contraceptive Marketing Project.

The United Nations Institute for Training and Research (UNITAR) Centre on Small Energy Resources in Rome has expressed preliminary interest in sponsoring training workshops on the negotiating of energy agreements.

Legal issues which arise in the distribution of food for famine-stricken countries in Africa constrain emergency relief efforts. Therefore the Institute is currently discussing with major food aid donors the possibility of organising a special training workshop during the second half of 1985 on "Legal Problems of Food Aid in Africa".

The Training Workshop uses a training or workshop format to address technical assistance issues. IDLI's role is essentially twofold: diagnosis and design. In the first instance, a senior staff lawyer consults with the requesting government or institution in order to identify legal issues and determine priorities. Designing a syllabus which concentrates on those issues which have a realistic possibility of resolution, IDLI recruits appropriate experts and conducts the workshop in the requesting country under the auspices of a local training institution. Although the training workshop represents a new vehicle for IDLI services, it may over time prove to be the Institute's most valuable contribution.

The future also offers an opportunity for the Institute to conduct selective conferences on law and development issues of major importance. For example, recent technological advances in international communication and information have raised numerous, but as yet unresolved, legal issues. With the support and participation of international private corporations, the Institute might sponsor a world or regional conference devoted to establishing an agenda of legal issues in international telecommunications.

The budgetary implications of the Training Workshops may be significant. It is too soon to estimate their potential contribution to overhead. Nevertheless, the Workshops, along with endowment income, provide a means for achieving self-sufficiency.

C. Legal Documentation Center

From the outset, IDLI has envisioned the establishment of a computer-based legal documentation center which would collect and provide ready access to Third World legislative material. IDLI's current position regarding a legal documentation center is set forth in Annex 3 of the Funding Request Memorandum of March 29, 1983 (Attachment C). The three-year grant received from the Government of the Netherlands earmarks a modest sum (equivalent to approximately US\$ 17,000) for a feasibility study, but the Institute does not plan any activity on this component, at least until the second half of 1986.

IV. Finances

A. Reporting System

Primary responsibility for accounting rests with the IDLI Administrative Officer, under the immediate oversight of the senior staff officer responsible for finance and budget. In addition, IDLI has established computer-based accounting system with the help of an outside accountant on a two or three day a month basis. The establishment of such a computerised system facilitates and expedites the annual audit report (since it includes the preparation of monthly trial balances). It also enables the Institute to aggregate cost data on various activities in a timely and inexpensive manner.

An annual audit is conducted by an international accounting firm (currently Price Waterhouse). The audit report is reproduced each year in the Annual Report which is distributed to donor organisations and other interested parties. The first audit covering the period from the inception of the IDLI Project (August 31, 1982) to December 31, 1983 appears on pages 13-17 of the Annual Report 1983-84 (Attachment D). The Audit report for calendar year 1984 will appear in the Annual Report for 1984-85, scheduled for publication in May 1985.

B. Current Status

IDLI's Analysis of 1984 Expenses (Attachment E) shows that IDLI has been successful in keeping its operational costs low. Nevertheless, the Cash on Hand Statement (Attachment F) reveals a relatively fragile operating base.

Accounts receivable as of December 31, 1984 amount to \$ 223,516, a large portion of which is owed to IDLI from government agencies (see Attachment G). Such payments are delayed as long as 6-8 months after issuance of invoice. Extended delays in receiving payments, coupled with a lack of an operations reserve, make the Institute vulnerable to cash flow shortages and program interruption. To avoid such an interruption in 1984, IDLI exceptionally resorted to commercial bank financing. Two ninety day bridge financing loans in the amount of \$ 50,000 each were obtained from the United Bank of Kuwait/London on August 1 and September 1, 1984 respectively. Both loans were fully repaid on time.

C. Budget

IDLI's actual costs for 1984, excluding contingency and operations reserve, were under-budget by approximately \$ 100,000. In fact, as a comparison of 1984 Expenses with 1984 Budget (Attachment H) shows, savings were achieved in almost every budget category.

Based on the experience of the Institute's first operational year, IDLI's new three year budget for 1985-87 (Attachment I) reflects lower requirements for 1985 and 1986 as compared with the 1984-86 budget set forth in the Annual Report for 1983-84 (Attachment D) at page 11.

Some highlights of the new three year budget are as follows:

- Program costs represent 67 percent of the total budget;
- Staff salaries and benefits constitute only 45 percent of the total budget;
- The Operations Reserve, intended primarily to cover unavoidable delays in receiving fellowship funds and government grants, is still unfunded. Hence the Institute remains vulnerable to intermittent cash-flow shortfalls.

D. Tuition, Per Diem and Travel Cost Policy

1. Tuition Policy

IDLI's Board of Directors has encouraged the Institute to defray as much as possible of its budgetary requirements through tuition charges. Since the Institute limits its classes to 25 participants in order to encourage maximum participant and skills practice and relies heavily upon high level international experts as visiting instructors, its program costs are substantially higher than those of local training institutions which admit larger numbers and use local teaching resources.

However, the Institute's current tuition charges (which include a lower rate for Third World participants) are competitive with similar international training institutes. IDLI tuitions are as follows:

Category	IBT: Two-week seminars	DLC: Twelve week courses
(1) Development Country nationals resident in developing countries or financed by developing country governments or development assistance organisations	US\$ 1,800	US\$ 6,900
(2) All others	US\$ 2,500	US\$ 7,500

2. Per Diem Policy

IDLI's recommended maintenance allowance takes into account the in-service, professional standing of its participants, the lack of owned or subsidised lodging and meal facilities and cost-of-living factors prevailing at the time of each training program. Accordingly, the per diem, measured in Italian Lire, is designed to finance single occupancy lodging in a nearby hotel or residence. The per diem also covers the reasonable costs of meals, local travel, laundry and other incidental charges.

For 1985 programs the recommended per diem is 100,000 Italian Lire per day (equivalent to approximately \$ 55 at the current rate).

3. International Travel Cost Policy

Taking into account the large number of national airlines which serve Rome, IDLI encourages participants to arrange to have their travel furnished in kind or in cash by their own government or organisation. If this is not feasible, however, the donor agency sponsor may be asked to finance roundtrip, economy class air fare.

V. Fundraising

Grants pledged from the inception of the IDLI Project (August 31, 1982) to December 31, 1984 are shown in Attachment J. Grant commitments for 1985-87 are shown in Attachment K. Fellowship contributions for 1984 are listed in Attachment L.

The Institute plans to approach additional governments and international organisations for contributions in 1985. At the same time it is planning to expand its fundraising contacts with international corporations and firms (especially in the United States and Italy) and with foundations interested in international affairs. IDLI's case for corporate funding is set forth in its paper "A Legal Framework for International Business" (Attachment M).

Arab development agencies continue to provide important financial support. As reflected in Attachment K, His Royal Highness Prince Talal Bin Abdul Aziz al Saud of Saudi Arabia recently announced AGFUND approval of a grant in the amount of \$ 100,000 for the Institute's 1985 seminar program. In November, 1984 the OPEC Fund announced a new grant to IDLI in the amount of \$ 84,000 for tuition only fellowships for the two 1985 Development Lawyers Courses. These grants bring the total of Arab assistance received to date (including the two endowment contributions) to almost \$ 1 million.

- 14 -

14

VI. Request

A. Past AID Role

The United States Agency for International Development has played a leadership role in IDLI's establishment. It granted leave-without-pay to two of the Institute's founders (Messrs. Hager and Loris) who were then Agency officers. It contributed \$ 500,000 as a seed-money grant in August 1982 for the initial Project phase and an additional \$ 130,000 in March 1983 as bridge financing. Both grants were channelled through AMIDEAST, an American PVO, and have been fully dispersed and accounted for in IDLI financial reports. As the tables in Attachments J and L indicate, AID contributions represent 23 percent of pledges and contributions received from project inception (August 31, 1982) to date but only 6 percent of pledges and contributions received after IDLI's establishment in March 1983. AID-financed fellowships represent 7 percent of all fellowships funds, including participant per diems, invoiced through December 31, 1984.

As of the end of 1984, eleven IDLI course and seminar participants from six countries received fellowships from USAID field missions (see Attachment N).

In August 1984, USAID dispatched a worldwide cable (84 State 246750) as part of its evaluation of IDLI through its first four courses and seminars. Since the results of the evaluation were, we believe, favorable, it is timely for AID to consider further assistance to the Institute.

B. Financial Assistance Requested

As a relatively new organisation with an ambitious training program which addresses implementation issues important to AID and other development agencies and participants who lack funding sources, IDLI seeks financial assistance in three categories:

1. Administrative Support.

By parallel letter dated January 16, 1985 addressed to the AID General Counsel, the IDLI Director has requested a change in his AID employment status from LWOP to non-reimbursable detail. A positive response to this request would help IDLI by reducing its management costs. For AID, it would offer continued association with IDLI's direction and assurance that the types of the training offered will not substantially depart from the current program, which inter alia addresses the needs of AID's counterpart organisations.

2. Program Support.

Financial identification with IDLI's program associates AID with the Development Lawyers Course and International Business Transaction seminars which address the felt needs of Third World governments and legal advisors.

An operations reserve to minimise the risk of cash-flow emergencies arising from late payment of participant travel and living expenses by sponsors has been included in the budget. Two such emergencies during the past year almost forced the Institute to suspend its operations. A three-year grant in the amount of \$ 500,000 to support the program budget (see Attachment I) would provide approximately 20 percent of the program costs, and taking into account contributions for programs by other donors, would permit the actual establishment of the operations reserve for that period.

3. Fellowships.

The selection of qualified, highly motivated participants is central to the achievement of IDLI's training goals. The selection process is constrained however by the lack of ready funding sources for tuition, travel and accommodations. A three-year grant in the amount of US\$ 1 million would fully or partially fund at least 7 participants to each regular program (42-50 participants per annum) during the grant period. IDLI would use such fellowship funds to finance tuition costs, and if necessary accommodations and travel, for those qualified applicants who are unable to find tuition funds or fellowships sponsors in their own country.

Since the Institute has been less successful in recruiting qualified applicants from the Middle East than from Africa, it proposes to use ten percent of the proposed fellowship funds (\$ 100,000) to finance the services of AMIDEAST field offices to assist in all phases of the participant recruitment and application process (including dissemination of IDLI course announcements, identification of potential applicants, interviews and language testing as appropriate) during the project period.

For the reasons stated, IDLI respectfully requests AID grant assistance for the period 1985-87 as follows:

Program support	\$ 500,000
Fellowships	\$ 1,000,000
Total	<u>\$ 1,500,000</u>

Attachment A

I D L I TRAINING PROGRAM 1985

Law is a silent partner in the development process. Project financing, contracting and investment involve the negotiation, review, drafting and performance of highly specialised agreements. Yet, developing countries often fail to derive full benefit from international transactions because their representatives lack specialised legal skills and information. Too often they are forced to learn the «rules of the game» at the bargaining table.

The potentially important role of legal advisors in international transactions is frequently overlooked. Many transactions which could have proven mutually advantageous in the private sector have languished because a developing country has been unprepared to deal with technical legal issues which arise in specialised agreements. In development cooperation there are similar lost opportunities, delays and excessive costs when officials lack familiarity with development assistance agency regulations and procedures in legal transactions which occur during project implementation.

In short, because legal resources are not being fully developed and exploited, developing countries remain at a disadvantage while losses in time and money are often shared by parties seek-

The International Development Law Institute

The International Development Law Institute (IDLI) was established in 1983 as a non-profit, non-governmental international organisation. It conducts practical training for developing country legal advisors and lawyers. IDLI courses and seminars emphasise the specialised information and «rules of the game» in international transactions and build the negotiating and contracting skills necessary to achieve fair agreements.

IDLI's ability to respond to practical legal training needs is evidenced by the wide acceptance of its initial programs.

Eighty seven participants from forty countries attended the Institute's first four courses and seminars.

Future plans for the Institute include training for national law revision, legal documentation services and technical assistance on law-related development issues.

Multidonor funding, an international Board of Directors and an international staff help ensure IDLI's independence and neutrality:

— **Multidonor funding.** IDLI has received contributions and pledges from multilateral development cooperation agencies including the Arab Fund for Economic and Social Development, the OPEC Fund for International Development and the World Bank; and from bilateral development cooperation agencies of the governments of Austria, Canada, France, Italy, Kuwait, the Netherlands and the United States. A variety of other donors (including UNDP, UNIDO, EEC and the Governments of France and Norway) have sponsored individual fellowships. Additional funding is expected from other governmental and international organisations, foundations and the private sector.

— **International Board of Directors.** Jurists and development specialists of eleven nationalities serve on IDLI's Board of Directors (see page 8). Dr. Ibrahim F.I. Shihata, Vice President and General Counsel of the World Bank, is Board Chairman.

— **International staff.** IDLI's senior staff of lawyers includes the three founders of the Institute (L. Michael Hager and William T. Loris of the United States, and Gilles Bianchi of France) and Abdelhafidh Ellouze of Tunisia. Collectively, they have more than thirty years' experience in developing countries in legal and development matters. The balance of IDLI's planned senior staff will be recruited from Sub-Saharan Africa and Italy.

In addition to its senior staff, IDLI draws upon legal and non-legal specialists from both North and South as visiting instructors in its training programs.

Training Methods

IDLI courses and seminars are normally limited to 25 participants. Training methods emphasise participatory learning in the form of drafting exercises, role plays, case studies and simulated negotiations. All participants are provided with a course handbook containing actual agreements and other relevant legal documents. In addition to presentations by subject matter experts, participants are given an opportunity to practise their skills and knowledge in simulated negotiations.

Certification

A certificate of completion will be awarded to all participants who complete an IDLI course or seminar.

Participant qualifications

IDLI invites applications to its courses and seminars from:

- legal advisors to developing country governments, parastatal organisations and development banks.
- private lawyers from developing countries whose practice includes international legal matters.
- non-lawyer developing country officials with legal or negotiation responsibilities.

- legal advisors to international financing agencies and private lawyers in industrial countries whose current job responsibilities relate to the course/seminar subject. Up to five participants from financing organisations and industrial countries will be considered for admission to each course/seminar.

To be eligible for an IDLI course or seminar, each applicant must:

- have a fluent command of spoken and written English or French, depending on the designated language for the course/seminar.
- if a Government employee, be nominated for participation by the appropriate government official.
- if an employee of a parastatal or non-governmental organisation, be nominated for participation by his/her employer.

Lawyers from private legal practice may submit applications without a nomination.

The following factors will be considered in the selection of participants:

- relevance of legal experience.
- current job responsibilities.
- age (preference will be given to candidates between the ages of 25 and 45).

Administrative information

Program fees and other charges. Information regarding tuition fees, recommended per diem and payment procedures accompanies individual course/seminar announcements. Recommended per diem is calculated to cover such expenses as hotel or apartment accommodation, meals, local transportation and other incidental expenses.

Financial Assistance. Applicants are expected to secure funds to cover the costs of their participation in IDLI programs (tuition fees, per diem and roundtrip airfare). Fellowships can be sought through multilateral and bilateral assistance agencies, foundations, local governments or other local sources. Upon request, IDLI will provide guidance in identifying potential sponsors.

Participant Administration. IDLI will provide candidates with information regarding accommodations and living arrangements upon their selection.

INQUIRIES. Requests for additional applications and/or further information should be addressed to:

IDLI
Via Paolo Frisi, 23
00197 Rome, Italy
Telex: 620320
Telephone: (06) 8119961 (temporary)

1985 Program

Announcements and application forms, giving more detailed information, are sent to relevant ministries and development agencies approximately five months prior to each course and seminar.

The selection of applicants is made as applications are received. Applicants are urged to apply early. Applications should be received by IDLI no later than six weeks prior to the commencement of the course or seminar.

Course/Seminar	Language of Instruction	Dates
IBT-3E: Negotiating an International Construction Contract	English	January 13-26, 1985
IBT-4F: Réglement des différends relatifs aux contrats internationaux	French	February 10-23, 1985
DLC-2E: Development Lawyers Course	English	March 3 - May 25, 1985
IBT-3F: Négociation d'un Contrat International de Construction	French	June 2-15, 1985
DLC-2F: Pratique du Droit du Développement	French	September 8 - November 30, 1985
IBT-4E: Resolving International Commercial Disputes	English	December 1-14, 1985

IDLI BOARD OF DIRECTORS

Chairman

Dr. Ibrahim F.I. Shihata
Vice President and General Counsel, The World Bank,
Washington, D.C., U.S.A.

Members

Dr. M.Y. Abdel-Aal
Senior Legal Advisor, Kuwait Fund for Arab Economic
Development, Safat, Kuwait.

Dr. Abdel Aziz Al-Anbari
President, Iraqi Fund for External Development, Baghdad,
Iraq.

Dr. Samuel K.B. Asante
Director for Technical and Advisory Services, United Nations
Centre for Transnational Corporations (UNCTC), United Na-
tions, N.Y., U.S.A.

Hon. Sergio Balanzino (*Host Government Representative*)
Minister Plenipotentiary, Chief, Multilateral Cooperation
Division, Department of Development Cooperation (DDC),
Ministry of Foreign Affairs, Rome, Italy. The Government of
Italy has designated Dr. Gianfranco Facco Bonetti, Coun-
sellor, DDC, as alternate representative.

Dr. Hans Blix
Director General, International Atomic Energy Agency
(IAEA), Vienna, Austria.

Prof. René David
Professor of Comparative Law (retired), Aix-en-Provence,
France.

Mr. L. Michael Hager (*ex-officio*)
Director, International Development Law Institute (IDLI),
Rome, Italy.

Mr. Gordon L. Jaynes
Chairman, Committee on International Construction Con-
tracts, International Bar Association (IBA), London, England.

Prof. Ugo Leone
Liaison Officer, United Nations Development Programme
(UNDP), Rome, Italy.

Hon. Simbi Mubako
Minister of Home Affairs, Harare, Zimbabwe.

Dr. Willibald P. Pahr
Ambassador and Former Federal Minister of Foreign Affairs,
Government of Austria, Vienna, Austria.

Mr. Hugh N. Scott
Associate General Counsel, The World Bank, Washington
D.C., U.S.A.

Mr. Moustapha M. Seck
President, Inter-African Union of Lawyers and Former Energy
Minister of Senegal, Dakar, Senegal.

Prof. Don Wallace, Jr.
Professor of Law and Director, International Law Institute,
Georgetown University Law Center, Washington, D.C.,
U.S.A.

DOCUMENTATION CENTER PROGRAM

The Board reviewed the Documentation Center Program and found it to be of great future interest, it also noted the interest expressed by several government observers.

However in view of the necessity to set priorities among the activities of the Institute and taking into account the need for further assessment of the exact resources required for the implementation of this program, the Board agreed to defer the implementation of the computerized aspects of the documentation program to allow more effort to be devoted to the training component. It was agreed that the Documentation Center program would be taken up at the next full meeting of the Board. In the meantime, donors are invited to express their views with respect to the proposed program and approach.

BACKGROUND

The disparity between legal resources in developing and industrial countries is often an information gap.

Availability of developing country laws would represent a major asset:

-- to Third World draftsmen and law reformers, who would benefit from legislative models more appropriate to their own economic and social situation than the former colonial legislation which is often their principal point of reference;

-- to legal practitioners in developing countries, who would be able to give definitive legal advice;

-- to lawyers who represent potential investors; and

-- to law professors, trainers, legal scholars and researchers.

Legal documentation in Africa and the Middle East remains in deplorable disarray. Documentation is scattered through the national gazettes, circulated and uncirculated decrees at various levels, and private collections. Even where published, laws are not organized in a manner which makes them quickly retrievable.

PROPOSAL

IDLI proposes to establish a legal Documentation Center which would house the following:

1. Up-to-date laws and regulations governing bilateral and multilateral financing agencies;

2. Selected treaties, contracts, and other materials relating to economic cooperation, foreign investment and international trade;

3. Case studies, monographs, journals and other materials relating to specialized courses in international business transactions and negotiations; and

4. A computerized comparative law collection of selected primary source materials from Third World countries (initially Africa and Middle East).

APPROACH

The collection of the first three items above will be undertaken immediately and will be stored in traditional hard copy form. The computerized collection of primary source collections will be undertaken in two phases. First, a detailed feasibility study will be made to determine whether it is technically and economically feasible to make such a collection. Second, depending upon the results of the feasibility study, a hardware and software system will be developed. Finally, a computerized collection system will be procured, installed and put into operation.

In February, 1983, a member of the IDLI Project team made a systematic survey of existing documentation centers in Europe and North America. The objects of these contacts were as follows:

1. To survey the existing state of technology currently in use in the electronic collection and retrieval of legal documentation;
2. To identify the classification systems used by the various institutions;
3. To determine the advantages and disadvantages of the various hardware and software packages now in use;
4. To establish a proposed approach to the problem of legal documentation; and
5. To develop the outline of a scope of work for a feasibility study and the final design of a collection and retrieval system.

Significant organizations visited or contacted were:

1. International Institute for Unification of Private Law (UNIDROIT), Rome, Italy;
2. Electronic Center for Legal Documentation, Italian Supreme Court, Rome, Italy;
3. Centre d'Informatique Juridique (CEDIJ), Saint-Quentin-en-Yvelines, France;
4. Conseil d'Etat, Paris;
5. Institut de Recherches et d'Etudes pour le Traitement de l'Informatique Juridique (IRETIJ), Montpellier, France;
6. Télé Consulte (Lexis - France), Paris;
7. Centre de Recherches et d'Etudes sur l'Orient Arabe Contemporain (CEROAC), Aix en Provence, France;
8. Lexis-Mead Corporation, New York, USA;
9. WESTLAW, Cincinnati, Ohio, USA;
10. New York University Law Library, New York, USA;
11. International Monetary Fund, Washington, USA;
12. International Bureau of Fiscal Documentation, Amsterdam, The Netherlands;
13. Swiss Institute of Comparative Law, Lausanne, Switzerland.

C3

PRELIMINARY FINDINGS

Two important findings were made during the first phase of preparation for the Documentation Center. First, the survey confirmed that no other institution had established or planned to establish a computerized collection of laws from the Middle East and Africa and that such a collection would represent a significant contribution to the development of legal resources in the two regions. Second, the experts surveyed believe that the proposed collection is feasible, but that before any final conclusions can be reached, a feasibility study should be undertaken which would address the major technical and cost issues involved in such a collection. A summary of the major issues raised is set forth below.

Editing. Different alternatives exist. One approach is to introduce the legislative material without any abstracts, keywords or introductory explanatory phrases (Lexis). Another is to edit the full text with key words and footnotes when deemed necessary (CEDIJ). Some documentation centers have decided to dispense with the full text and to rely only on abstracts they draft themselves (IRETIJ). The choice among these various options must be made at the outset, taking into account both the Center's resources and its users.

Several observers argued that in view of the comparative law orientation of the Center--its major characteristic--the full text of the law should be recorded in the data bank, and that some additional information should also be provided. Key words are necessary because legislators may imply notions or even regulate a certain activity without expressly mentioning the activity. The plain language of a law may not reveal its real purpose. Similarly, the same concept may be referred to with different terminology in different countries. It is thus essential that a unique system of reference be applied to all legislation entered in the data bank. The same approach is used by several important legal data banks (Rome, Paris, Lausanne, Washington/IMF).

An important task of the Center will be to design a "Thesaurus for Development Law". In this respect the IDLI Documentation Center intends to work in close collaboration with other centers which have already designed similar systems for comparative purposes in other areas of the law (e.g. the Swiss Institute for Comparative Law in Lausanne). By working in partnership with these institutions, IDLI will avoid duplication of effort, ensure complementarity and, eventually, aim at comprehensiveness. Such network would guarantee adequate updated coverage of legislation of Africa and the Middle East.

210

Developing country laws, both legislation and implementing decrees, are difficult to locate. Official Gazettes, which are sometimes irregularly published, do not contain the whole body of law. Implementing decrees may not be published and the sources of such decrees are diverse. In this context, the only way of ensuring regular access to the law is to have the collaboration of the law-making authorities themselves. Thus, inquiries were made during the survey of potential user countries as to the possibilities of such cooperation. Such contacts will supplement the official gazettes received through UNIDROIT.

Technology. Computerized legal research technology is now well established. Scientists have designed sophisticated techniques enabling lawyers to conduct more exhaustive research of the law. Using modern methods, lawyers can now do comprehensive research which traditional search methods cannot guarantee. The first computerized legal collections put emphasis on case law as they were designed for and by common law lawyers. Because IDLI will be concerned with Middle East and African law, the primary focus of most users will be on statutes. The collection of statutes will require a simpler system than required to accommodate case law searches. Most observers believe that an experienced computer scientist familiar with computerized law research techniques will be able to design such software using existing technology, even though the IDLI collection will cover a number of legal systems.

Hardware. The hardware requirement will have to be developed on the basis of the feasibility study. In the meantime, the offer of access to hardware facilities of the Electronic Center for Legal Documentation of the Italian Supreme Court is worthy of consideration.

Phasing. In order to assess the practicality and accessibility of the retrieval system designed by the IDLI Documentation Center, several experts have advised IDLI to limit its early application to three or four "trial countries." These countries could represent the different legal systems and the various languages used by the data bank. Another selection criterion would be the willingness of countries to participate in the pilot program. Some have already expressed their keen interest in this venture and are likely to provide the necessary assistance.

C5

Language. The language question is to be dealt with very cautiously. English and French do not pose significant problems. The EEC has already achieved important results in these areas and their expertise will be a great resource in the early phase of the program. On the other hand, the inclusion of Arabic poses a significant challenge. If Arabic is to be included, it must be included as such with its own alphabet; no transcription method (e.g., ع = ') is acceptable. Thus, there is need for a special type of equipment accepting both alphabets. Such equipment does exist: the Compagnie Générale d'Automatisme has developed such equipment for its Middle East market. However, major computer manufacturers involved in law search techniques have not yet designed such equipment themselves. Some authorities have suggested that only the titles and references in English with key words be included in the "general" bank while the full texts of the laws be introduced in Arabic in an "adjunct" bank using smaller bi-alphabetical equipment. This could prove to be a good suggestion, as the majority of the users of the Arabic texts may wish to be referred to the Arabic text without being burdened with material they will not be able to read.

OUTLINE OF SCOPE OF WORK

The major areas which must be addressed in the detailed feasibility study are:

1. What should be the scope of the collection ?
2. What would be its uses?
3. How would materials be obtained and kept up to date?
4. Who would be the major users?
5. How would access be gained, especially by Third World users?
6. Given the uses intended and the nature of the users, what retrieval techniques would be used? (i.e. key words, concepts, etc.)?
7. What system of editing would be required? (i.e. which materials would be entered into the system in their entirety and which would be summarized and kept in separate "full text" computers or on microfilm?
8. Can a system be designed to assure that civil, common and Islamic legal concepts can be cross-accessed by researchers who are familiar with only one system of vocabulary and conceptual organization? (i.e. can a cross-system Thesaurus be developed?)
9. Can the system be designed to contain the three major languages in the area (Arabic, English and French)?
10. What software/hardware system is proposed?

27/8

- 11. What would be the staff requirements for operating the system?
- 12. What would be the initial and maintenance costs of the proposed system?
- 13. What would be the operational cost of the system?
- 14. How would user costs be met?
- 15. Is the proposed system cost-effective as compared to more traditional methods?

The above questions would be the basis for development of a detailed scope of work for the feasibility study. The estimated cost of the study is discussed below. Once the study is completed, a decision would be made whether to move to the final design of the system. A separate scope of work would be designed for that work. In order to assure objectivity in the feasibility and design, the organization selected to undertake the feasibility study and final design will not be eligible to supply the software or hardware proposed.

COST

- A. Basic library requirements:
(included in Annex K Budget)
- B. Feasibility/design of computerized Documentation Center: \$250,000
We anticipate that such feasibility/design effort would require:
 - 1. A comparative law expert, working with two computer specialists familiar with law search systems (6 months);
 - 2. A computer technician (4 months); and
 - 3. A cost-benefit economist (1 month).
 Some of these experts would likely be provided through a service contract with a leading firm with expertise in computer law search techniques. The study will also require international travel by the experts to the headquarters, to selected user countries and to some European centers with similar concerns. The amount budgeted also includes short term leasing of equipment and cost-sharing with the center providing access to hardware facilities.
- C. Software/hardware for computerized Documentation Center
(to be determined in feasibility study)

TIME SCHEDULE

It is anticipated that nine months will be required to complete the feasibility study and final design and to prepare the procurement documents for the hardware and software. After the completion of the final design, which will include a detailed cost estimate, the International Advisory Board will be asked to consider whether the Institute should undertake the implementation of the computerized legal documentation center.

If the decision is made to undertake the documentation activity, the following is an illustrative schedule for the procurement and start up of the Documentation Center:

- X Advertising of availability of Request for Proposal (RFP);
- X + 2 months--RFP Issued;
- X + 5 months--Proposals Submitted;
- X + 8 months-- Supplier Selected;
- X + 10 months-- Negotiations Complete and Contract Executed;
- X + 16 months-- Delivery Complete;
- X + 18 months--Installation-Testing Complete;
- X + 20 months--Basic Training Program Complete
Collection begins.

X = Day 1.

TABLE OF CONTENTS

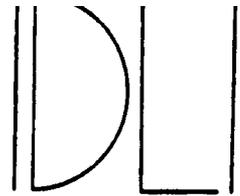
I. Summary	1
II. Background	3
III. Programs	5
IV. Finances	10
V. Fundraising	13
VI. Request	14

Attachments

- A. Training Program 1985
- B. Training Workshop Brochure
- C. Documentation Center Program
- D. Annual Report 1983-84
- E. Analysis of 1984 Expenses
- F. Cash on Hand Statement
- G. Accounts Receivable, December 31, 1984
- H. Comparison: 1984 Expenses and 1984 Budget
- I. Three Year Budget, 1985-87
- J. Grants Pledged or Received to Date
- K. Grant Commitments for 1985-87
- L. Fellowship Contributions, 1984
- M. A Legal Framework for International Business
- N. USAID Fellowships for 1984

I D L I ANNUAL REPORT 1983-84

D



INTERNATIONAL DEVELOPMENT LAW INSTITUTE

The International Development Law Institute (IDLI), with headquarters in Rome, is a non-profit, international non-governmental organisation established in 1983 as a foundation ("Stichting") under the law of the Netherlands.

Its overall objective is to help developing country legal advisors and lawyers play a constructive role in the development process. More specifically, its initial programs are training courses and seminars designed to provide developing country lawyers with an opportunity to improve their ability to negotiate agreements and assist in the implementation of projects in the fields of development assistance, foreign investment and international trade. Future plans for the Institute include training for national law revision, legal documentation services and technical assistance on law-related development issues.

IDLI receives financial support from a number of Governments, international organisations and private foundations and firms.

Registered also as a non-profit corporation in the District of Columbia, U.S.A., IDLI has been granted section 501 (c) (3) non-profit status by the U.S Internal Revenue Service and thus can receive tax deductible contributions.

For more information, please contact:

The Director
International Development Law Institute (IDLI)
Via Paolo Frisi, 23
00197 Rome, Italy
Tel: (06) 678-1404
Tlx: 622381 IDLI I

30

TABLE OF CONTENTS

IDLI BOARD OF DIRECTORS	1
DIRECTOR'S OVERVIEW	2
CHARTING IDLI'S PROGRESS	3
Project Mandate Institute	
TRAINING PROGRAM	5
First year The Future	
ADMINISTRATION	8
Legal Status Headquarters Management	
FINANCIAL SUPPORT	9
First year The Future	
BUDGET	11
AUDIT REPORT	12
Annex A: Participants Visiting Instructors Resource Persons and Observers in First Programs	18
Annex B: Course/Seminar Overviews	26
IDLI STAFF	

IDLI BOARD OF DIRECTORS



Board Chairman Dr. Ibrahim F.I. Shihata with Dr. S. Aziz of IFAD during IDLI Board meeting in March 1984.

Chairman

Dr. Ibrahim F.I. Shihata
Vice President and General Counsel
The World Bank
Washington D.C., U.S.A.

Members

Mr. M.Y. Abdel-Aal
Senior Legal Advisor
Kuwait Fund for Arab Economic Development
Safat, Kuwait

Dr. Abdel Amir Al-Anbari
President
Iraqi Fund for External Development
Baghdad, Iraq

Dr. Samuel K.B. Asante
Director for Technical and Advisory Services
United Nations Centre for Transnational Corporations
(UNCTC)
United Nations, New York, USA

Dr. Sergio Balanzino (Host Government Representative)
Minister Plenipotentiary
Chief, Multilateral Cooperation Division
Department of Development Cooperation
Ministry of Foreign Affairs
Rome, Italy

Dr. Hans Blix
Director General
International Atomic Energy Agency (IAEA)
Vienna, Austria

Prof. René David
Professor of Comparative Law (retired)
Aix-en-Provence, France

Ms. Antoinette Ford (member until March 17, 1984)
Assistant Administrator for the Near East
United States Agency for International Development
(USAID)
Washington D.C., USA

Mr. L. Michael Hager (ex-officio)
Director
International Development Law Institute (IDLI)
Rome, Italy

Mr. Gordon L. Jaynes
Chairman Emeritus
Committee on International Construction Contracts
International Bar Association (IBA)
London, England

Prof. Ugo Leone
Liaison Officer
United Nations Development Programme (UNDP)
Rome, Italy

Hon. Simbi Mubako
Minister of Home Affairs
Harare, Zimbabwe

Dr. Willibald P. Pahr
Ambassador of Austria to the Federal Republic of
Germany and former Federal Minister of Foreign Affairs
Bonn, Federal Republic of Germany

Mr. Hugh N. Scott
Associate General Counsel
The World Bank
Washington D.C., U.S.A.

Mr. Moustapha M. Seck
President
Inter-African Union of Lawyers and
former Minister of Energy
Dakar, Senegal

Prof. Don Wallace, Jr.
Professor of Law and Director
International Law Institute
Georgetown University Law Center
Washington D.C., U.S.A.

DIRECTOR'S OVERVIEW

During a 1982 survey of potential donor and user agencies, several Government officials in both Europe and Africa used the term "overdue" to describe IDLI's mandate. Others said that it is simply an idea "whose time has come". More recently, some local observers have described the Institute's rapid establishment as "miraculous".

Why has the IDLI vision been so readily accepted? The answer, I think, lies in the Institute's objectives and constituencies. In striving to improve the capability of Third World lawyers and legal advisors in the development process, the Institute furthers three important goals: the North-South dialogue, management for development and technology transfer. At the same time it serves three important constituencies: developing country governments, international financing agencies and the private sector.

— **North South dialogue.** By helping Third World lawyers negotiate more effectively in the fields of development assistance, foreign investment and international trade, IDLI seeks a better deal for the South. At the same time, the promotion of greater fairness in the bargaining process yields sound and enduring agreements for both North and South.

— **Management in development.** The World Bank, among others, has cited managerial weaknesses as a significant constraint in developing countries. IDLI trains development ministry legal advisors in the skills of the development lawyer and acquaints them with the international "rules of the game". Since there is a legal component inherent in almost every development activity, (e.g. negotiation, drafting and interpretation of agreements), the training of legal advisors builds management capability.

— **Technology transfer.** IDLI training programs constitute a transfer of legal technology, helping to bridge a critical information gap. Modern international business transactions employ negotiating practices and legal mechanisms which have emerged from legal practice in the North. Thus, economic arrangements which are potentially beneficial to both northern and southern private sector require knowledgeable lawyers on both sides. Through its practical training programs and planned documentation center, IDLI provides access to legal information.

Accomplishments

IDLI's progress over the past year has been extraordinary. It has moved from idea to implementation, from project activity to full-fledged Institute and from single source to multiple donor funding.

In the months which followed the March 1983 Board meeting, IDLI designed its first curriculum. With the publication of the IDLI Training Program for 1983-84 in August, the Institute committed itself to an ambitious first year program, consisting of four two-week International Business Transactions (IBT) seminars and two twelve-week Development Lawyers Courses (DLC), a total of 32 training weeks.

The first two IBT seminars reached some 43 participants from 28 countries. The Development Lawyers Course, which began in March, trained 19 participants from 11 countries. Unfortunately, ten admitted candidates were unable to participate in these programs because fellowships could not be found for them.

The enthusiastic response of participants, visiting instructors and observers to IDLI training programs already demonstrates the relevance and importance of this program to the developing countries. As an African official now employed by a United Nations agency recently wrote us:

"... Je peux dire, sans craindre d'être contredit, que les objectifs de votre Institut sont parfaitement dans la ligne des préoccupations majeures des responsables africains au plus haut niveau". (I can say, without fear of being contradicted, that the objectives of your Institute are perfectly in line with the main preoccupations of African officials of the highest level).

IDLI began the current year wholly dependent upon the initial seed money grant provided by the United States Agency for International Development (USAID). As a result of our fundraising appeal, IDLI's current list of contributors now numbers twelve, including bilateral, multilateral and non-governmental organisations. Similarly, the types of funding provided to the Institute range from core support to fellowships to endowments. The contribution of services by visiting instructors constitutes another valuable resource. Although IDLI's financial base remains seriously incomplete, a promising start has been made.

This year's Board meeting marks the first anniversary of IDLI's legal establishment as an international, non-governmental organisation. During the past year, the Institute also established a non-profit corporate entity in the District of Columbia, USA, in order to attract tax exempt private sector contributions in the United States. It has initiated discussions with the Government of Italy regarding the provision of office and training premises and staffing, taxation and foreign exchange.

IDLI has also made significant progress with respect to its administration. It has identified candidates for the Arab, African and Italian senior staff positions. It has also retained an Italian administrative officer and engaged an international accounting firm to develop a financial reporting system and conduct the first annual audit (the audit report is set forth on page 13). A work/study "fellows" program has brought to the Institute highly motivated younger lawyers on a largely *pro bono* basis.

The challenges yet to be met are at least as formidable as the accomplishments recorded over the past year.

— We have first of all to complete the ambitious training program set out for the remainder of the year, improving upon it as we learn from experience.

— We must fix reasonable goals for the future which take into account the various opportunities for cooperation with other legal and developmental organisations, the demand for field programs and the need for supporting national law revision efforts.

— We must identify adequate operational facilities, including training and office premises. We must complete the recruitment of additional staff which will confirm our truly international character.

Finally, if IDLI is to fulfill even its primary training mandate, it must achieve a secure financial base.

CHARTING IDLI'S PROGRESS

"I am grateful for the opportunity to participate in the seminar. Even though I had no hand in its creation, I nevertheless feel proud to have been a participant of IDLI's inaugural seminar. I have no doubt at all that the Institute will quickly begin to play a very significant role in the orientation of lawyers for the development effort. Let me congratulate you and your colleagues... for your foresight and getting a good job done". (Letter from a participant).

The IDLI Project began in September 1982 with the award of a seed money grant by the United States Agency for International Development (USAID). Its antecedents, however, lay in the 60's and 70's. The SAILER Program (Staffing of African Institutions for Legal Education and Research), financed by the Ford Foundation, recruited teachers for the new law faculties of Africa. Later, the International Legal Center, also with Ford Foundation support, concerned itself with the development of legal institutions worldwide. More recently, the International Center for Law in Development has addressed legal issues at the grassroots level. The IDLI Board Chairman in a 1969 law review article emphasized the importance of law in economic development (Ibrahim F.I. Shihata, *Egyptian Review of International Law*, vol. 25 (1969), p. 119).

With the encouragement of Dr. Shihata and others, USAID agreed to finance the IDLI Project, the objectives of which were fourfold: completion of a feasibility study, legal establishment, identification of multi-donor funding support and program preparation.

Project

The first task was to determine the interest and practical needs of potential donors and users.

From October 1982 to January 1983, IDLI Project officers visited eighteen development assistance organisations, including a number of Arab funds, in thirteen countries. The response of both bilateral and multilateral agencies was strongly positive. During the period December-January, the Project officials also visited twelve countries in the Middle East and Africa. In some eighty meetings with government officials, lawyers and financing agency representatives, the Project obtained a first-hand understanding of the practical training needs and priorities of developing country ministries.

Meanwhile, steps were taken toward legal establishment. On March 16, 1983, IDLI became an international non-profit, non-governmental organisation ("Stichting") under the law of the Netherlands. Two days later, the first meeting of the Board of Directors took place at the OPEC Fund Headquarters in Vienna.



D3

Left to right: DLC participants Messers Halm, Ngikami and Harding in a simulated negotiation with IDLI Director, Mr. Hager.

Mandate

The IDLI Board of Directors (sixteen jurists and development agency officials representing eleven nationalities) met in Vienna on March 18, 1983. Reviewing the Institute's three program goals (training, technical assistance and legal documentation services), the Board recommended that the first-year program be limited to training and that technical assistance and documentation activities be deferred to the future.

The Board approved and adopted by-laws which *inter alia* established Rome as the provisional headquarters. It elected Dr. Ibrahim F.I. Shihata as Chairman and Dr. Hans Blix and Ms. Antoinette Ford As Vice-Chairmen. It also approved and endorsed the proposed organisational structure and staffing pattern.

With respect to IDLI's proposed three-year budget, the Board requested certain amendments, which were subsequently reviewed and approved by the Executive Committee. The Board designated and approved the first Director of the Institute and established the three to five year terms of office of the original Board members by a process of random selection.

Finally, the Board urged all donor agencies to "accord a most favourable consideration to requests for financial and other support...".

Following the meeting, the remaining tasks were to plan, develop and begin the first-year training program, and to raise funds.

Institute

In the months which followed the first Board meeting, IDLI prepared its initial training program. Detailed design began with a Curriculum Planning Workshop in May, 1983. Financed in part by a grant from the International Development Research Centre (IDRC) of Canada, the Workshop brought together some nineteen legal advisors, lawyers and training specialists from eleven developing and industrial countries.

With a first-year program consisting of four two-week International Business Transactions (IBT) seminars and two twelve-week Development Lawyers Courses (DLC), the Institute published its 1983-84 Training Program in August 1983.

The newly-established Institute inaugurated its fund raising effort last March 29, 1983. The IDLI Board Chairman addressed letters covering the Funding Request Memorandum to the member governments, of the OECD Development Assistance Committee, Arab funds and other development organisations.

Initial responses broadened IDLI's funding base. Although the prospects of full funding of IDLI's first three-year budget requirements remained uncertain, the Executive Committee approved the immediate launching of the Training Program, in the expectation that successful results would show IDLI to be worthy of further financial support.

With the termination of the AID seed money grant in December, 1983 the Institute could point to the successful completion of all four project tasks: a positive feasibility study, legal establishment, substantial preparations completed for the first program year and initial affirmative responses to its fundraising appeal. The IDLI Project had thus achieved its goals and become an Institute.

Today, just one year after receiving its mandate from the Board of Directors, IDLI has successfully completed two International Business Transactions seminars and begun its first Development Lawyers Course, all with a full complement of highly motivated and qualified participants and international experts as visiting instructors and resource persons.

37

Dy

TRAINING PROGRAM

First Year

At its meeting last March, the Board of Directors recommended that the Institute concentrate initially on training. The Curriculum Planning Workshop carried the Board's guidance one step further. It recommended that IDLI's first training program focus on North-South commercial and development assistance relationships, leaving national law revision initiatives for the future.

IDLI's inaugural 1983-84 program thus consists of two training categories:

— The "Development Lawyers Course" (DLC): two twelve-week courses which focus on basic legal skills of development lawyers in the context of development assistance and international business; and

— "International Business Transactions" (IBT) seminars: four two-week seminars which combine negotiation skill training with technical legal information in selected international business law subjects.

The Development Lawyers Course (DLC) is the program centerpiece. The aim of the Course is to provide legal advisors with the knowledge and techniques which will help them make a greater contribution to the development process in their countries. Participants learn to use new techniques to make them better advisors and negotiators. They learn the «rules of the game» which are followed in the highly specialised legal arrangements of development cooperation organisations, commercial banks, supplier and multinational corporations. Returned participants can help equalise the negotiation balance in international transactions.

The two-week International Business Transactions seminars are designed to bridge aspects of the legal information gap between North and South. IDLI relies upon recommendations from its Board Members, participants and its developing country correspondents in choosing IBT topics to be treated. The Institute draws upon leading specialists from both North and South to provide their knowledge and expertise as visiting instructors to each IBT seminar.

As a worldwide organisation, IDLI welcomes participants from all regions. Although resource limitations have confined initial active recruitment to Africa and the Middle East, the Institute has already trained participants from such diverse nations as the People's Republic of China, Ecuador and Yugoslavia.

In order to serve as wide an audience as initially possible, each of the IDLI activities has been designed for separate presentation to French and English-speaking audiences.

Although the Legal Documentation Services activity is being deferred until the third year, IDLI has already begun to collect valuable documents (agreements, legislation and monographs). Some of this material is reproduced for course and seminar handbooks. In addition, IDLI has, to the extent of its limited resources, responded to developing country requests for copies of specific documents.

First Year Program:

Course/Seminar	Language of Instruction	Dates
IBT-1E : Negotiating a Petroleum Exploration and Development Agreement	English	December 4-17, 1983
IBT-2F : Leasing/Crédit-bail International d'Équipement	French	February 5-18, 1984
DLC-1E: Development Lawyers Course	English	March 4 - May 26, 1984
IBT-1F : Négociation d'un Accord de Prospection Pétrolière	French	May 6-19, 1984
DLC-1F: Pratique du Droit du Développement	French	Sept. 9-Dec. 1, 1984
IBT-2E : International Equipment Leasing	English	October 14-27, 1984

138

The Future

The Institute has already completed almost half of its first year program. Twenty-three legal advisors and contract negotiators from eighteen countries participated in the inaugural seminar on "Negotiating a Petroleum Exploration and Development Agreement". The first francophone program, a two-week seminar on international equipment leasing was attended by twenty participants from eleven countries. The first Development Lawyers Course, trained nineteen legal advisors from eleven countries. (See Annex A for a complete list of participants and visiting instructors; Annex B for course and seminar overviews.)

In its first programs, IDLI has succeeded in three important respects. It has recruited top experts from North and South as visiting instructors, most of whom have served *pro bono* or for modest honoraria. It has attracted the ideal target audience: highly motivated Third World legal advisors with current negotiating and drafting responsibilities. It has developed participatory training methods which promote "learning by doing". The promise of the IDLI Project is being fulfilled in the Institute's first year program.

The second year (1985) will build on the accomplishments of the first year. IDLI will again emphasize the Development Lawyers Course, with both English and French versions. There will be four IBT seminars, addressing two new subjects each to be offered in English and French ("Negotiating an International Construction Contract" and "Resolving International Contractual Disputes"). During its second year IDLI will visit selected developing countries to assess training needs for future seminars and workshops and to survey returned participants to determine the impact of IDLI's training programs on job performance.

Second Year Program:

Course/Seminar	Language of Instruction	Dates
IBT-3E : Negotiating an International Construction Contract	English	January 13-26, 1985
IBT-4F : Règlement des Différends Relatifs aux Contrats Internationaux	French	February 10-23, 1985
DLC-2E: Development Lawyers Course	English	March 3 - May 25, 1985
IBT-3F : Négociation d'un Contrat International de Construction	French	June 2-15, 1985
DLC-2F: Pratique du Droit du Développement	French	Sept. 8 - Nov. 30, 1985
IBT-4E : Resolving International Contract Disputes	English	December 1-14, 1985

Third year program (1986) plans include an on-site training initiative in a developing country. At the suggestion of IDLI participants and correspondents, IBT seminars will be devoted to "Legal Aspects of International Debt Rescheduling" and "Legal Aspects of Developing Country Banking".

During the second and third years, IDLI will consider additional training programs, either on its own initiative or in cooperation with other institutions. One example of such a program now under consideration is a workshop for donor

agency representatives on the uniform simplification of development assistance agency procurement guidelines. Another program under consideration would provide field training on how to identify and solve legal problems in the administration of development projects.

Finally, in its third year, IDLI will investigate the feasibility of providing computer-based legal documentation services.

Program Development

D6

At the invitation of the FAO Training Division, the IDLI Director and two Program Legal Counsel participated in a three-week "Training of Trainers" course in Rome in June 1983. The course, employing "Criterion Referenced Instruction" provided a useful framework for course design and use of practical training methods.

Finally, in the preparation of detailed syllabi for the first-year training program, IDLI received consulting assistance from three experts:

— Mr. René Springuel, Coordinator for Regional Programs, Economic Development Institute (EDI) for the World Bank. Mr. Springuel visited IDLI in July 1983 under World Bank auspices to advise on training program management and logistics. At his invitation, an IDLI staff member visited EDI in September 1983 to observe training sessions and to meet admissions and participant administration staff.

— Mr. Russell Sunshine, International Development Consultant, and former Executive Director of the Investment Negotiation Center of the International Law Institute, Washington, D.C. Mr. Sunshine assisted IDLI in September 1983 in the preparation of a detailed curriculum and administrative design of the Development Lawyers Course.

— Prof. Howard Taubenfeld, Professor of Law Southern Methodist University, Dallas, Texas. Financed by a grant from the International Institute for Environment and Development (IIED), Prof. Taubenfeld assisted IDLI in August 1983 in the preparation of a detailed syllabus for the legislation section of the Development Lawyers Course.



Mr. Y. Joly of the Canadian International Development Agency with DLC participants in a simulated negotiation.



USAID Legal Advisor, Mr. G. Davidson with DLC participants in a simulated negotiation.

Targets of Opportunity

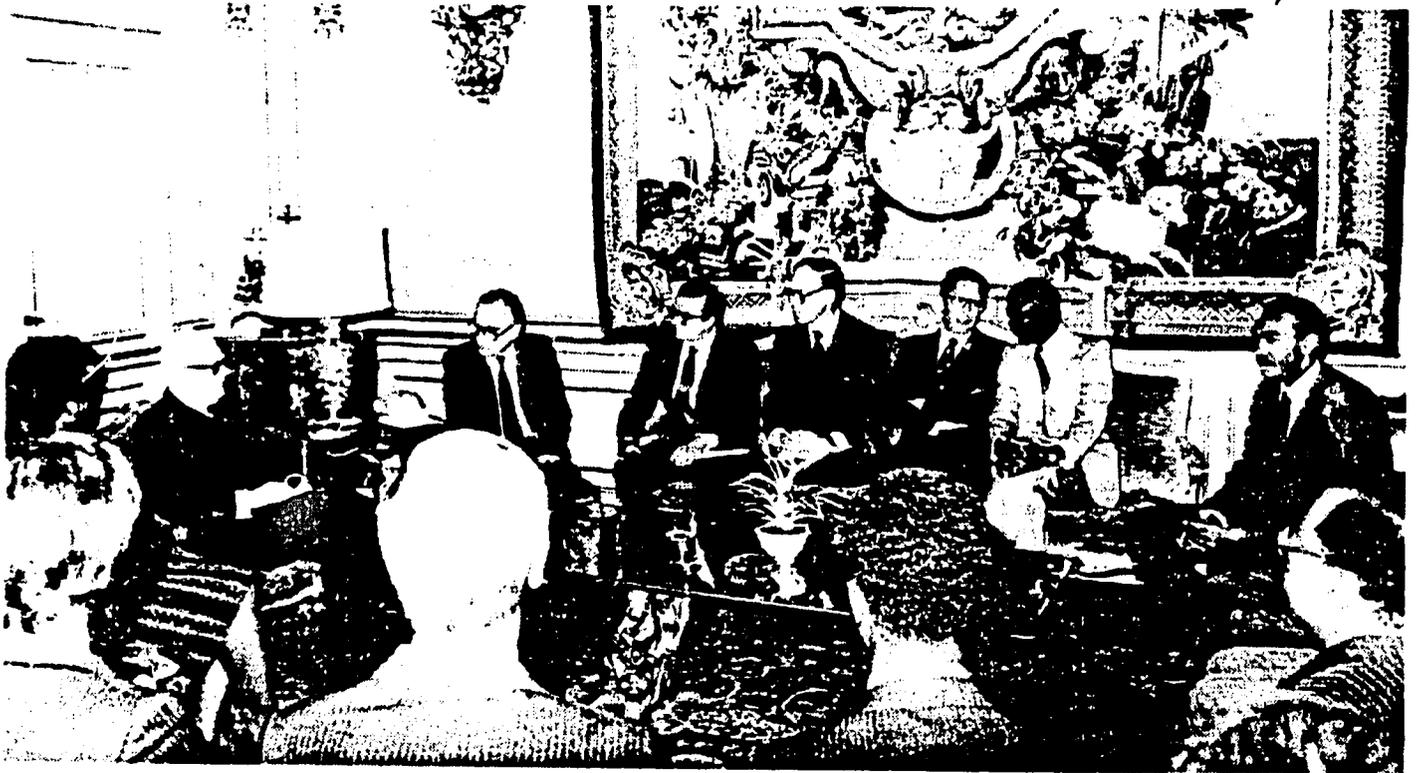
IDLI must husband its limited resources. Yet it should remain flexible enough to consider worthwhile additions to its program as they may arise over the next two years. For example, requests for training or technical assistance may present appropriate opportunities for IDLI cooperation with other legal or development organizations. Each such initiative will be considered case-by-case under the following criteria:

- Does it fall within IDLI's mandate?
- Will it pay for itself and also contribute to the Institute's overhead?
- Can it be administered without interfering with the regular training program?

Only if all three conditions are met will IDLI undertake a special project.

On the other hand, circumstances beyond the Institute's control (such as an interruption of financial support) may impair its ability to carry out the planned program. In such event, the IDLI Director, in consultation with the Board or its Executive Committee, will reduce or otherwise modify the training schedule to ensure that standards are maintained by keeping program and resources in balance.

D7



March 16, 1984. IDLI Board and staff members were received by the President of the Republic of Italy, Sandro Pertini, at the Quirinal Palace.

Legal Status

In March 1983, IDLI was legally established as an international non-governmental organization. On March 16, two days before the first Board Meeting in Vienna, the Institute became a foundation ("Stichting") under the law of the Netherlands. Subsequently, in June 1983, IDLI established a non-profit corporation under the laws of the District of Columbia in the United States, later obtaining tax exempt status under the U.S. Internal Revenue Code, section 501 (c) (3). In Italy, IDLI has maintained a direct and close relationship with the Department of Development Cooperation of the Ministry of Foreign Affairs, and has submitted its proposal for headquarters status to the Italian Government.

Headquarters

During its project phase, IDLI shared office space with the Consiglio per le Scienze Sociali (CSS) in Rome. The move to larger quarters in Piazza Venezia took place at the beginning of August. For its first program year, training facilities have been provided to IDLI with the generous cooperation of two Italian corporations: the IBT-1E and IBT-2E seminars are being held at the training center of the Ente Nazionale Idrocarburi (ENI), whereas the IBT-2F and IBT-1F seminars and the two Development Lawyers Courses are being held at the training center of the Istituto per la Formazione e l'Aggiornamento Professionale (IFAP). These arrangements are limited to the first year, pending the provision of permanent office and training premises by the Italian Government.

Management

Both as Project and as Institute, IDLI has followed a prudent recruitment policy. Until autumn of 1983, the Institute's staff consisted of its three founders and three full-time administrative staff. In November, the Institute retained an Italian administrative officer and in January recruited an additional secretary. Other clerical support has been retained on a temporary basis to meet urgent needs. *Pro bono* contributions by work/study "Fellows" and a visiting scholar have added to IDLI's professional resources. Likewise, IDLI has followed a restrained procurement policy. Almost all the Institute's present furnishings and equipment are either included in its premises sublease or leased from suppliers.

On the advice of the IDLI Executive Committee at its third meeting on October 29, 1983, the employment of additional senior staff (two full-time and one part-time) originally planned for January 1984, has been deferred. In the meantime, however, financed in part by a grant from the Canadian International Development Agency (CIDA), IDLI has identified an Arab lawyer and an African lawyer as qualified candidates. If funding permits, the new lawyers will join the IDLI staff during the period August 1984 - September 1985.

Each senior staff member is responsible for a combination of course/seminar/workshop management, classroom training, administration and program development.

FINANCIAL SUPPORT

D8



Board Meeting, March 1984. Left to right: Board members Drs. H. Blix, S. Balanzino and M. Y. Abdel-Aal

Unrestricted Funds

Government of Italy
Kuwait Fund for Arab Economic Development
Government of the Netherlands
United States Agency for International Development (USAID)
The World Bank

Restricted Funds: Program

Canadian International Development Agency (CIDA)
Government of Italy
Government of the Netherlands
International Development Research Centre (IDRC, Canada)
International Institute for Environment and Development (IIED)

Restricted Funds: Fellowships

OPEC Fund for International Development
Arab Fund for Economic and Social Development
In addition, the following donors have financed one or more participants:
Abu Dhabi Fund for Arab Economic Development
AGIP/ENI (Italian National Petroleum Corporation)
European Economic Community (EEC)
General Petroleum Corporation, Sudan
Government of Austria
Government of Canada (CIDA)
Government of France
Government of Italy
Government of the Netherlands
Government of Norway (NORAD)
Industrial Development Bank of India (IDBI)
The World Bank
Third World Foundation
United Nations Industrial Development Organisation (UNIDO)
United States Agency for International Development (USAID)

First Year

Fundraising efforts began with the issuance of the 1983 Funding Request Memorandum in March 1983. A formal presentation in May 1983 by the IDLI Director to the Heads of the Arab Funds, and joint Arab Funds/DAC meetings attracted donor interest.

Initial response to the funding appeal was encouraging. The World Bank and the Canadian International Development Agency (CIDA) provided funds for general support and program costs. The Government of Italy made a generous pledge covering three years. The OPEC Fund for International Development approved a grant for fellowships for the first year, while the Kuwait Fund for Arab Economic Development, urging that the Institute be endowed on a permanent basis, provided a contribution for general support costs and established a trust fund in which annual earnings estimated at about US \$ 35,000 may be used for general support as well as fellowships.

In recent months, IDLI has received contributions, pledges or statements of intent to contribute from the Arab Fund for Economic and Social Development, the United States Agency for International Development, and the Governments of Austria, France and the Netherlands. In addition, other donors have financed individual fellowships on an *ad hoc* basis. A complete list of contributors by category follows.

As of the date of this Report, IDLI has attracted almost US \$ 2 million toward its three year budget. This represents approximately 32 percent of total budget requirements, including participant travel and per diem.

42

D9

The Future

IDLI expects to train approximately five hundred lawyers, legal advisors and other government officials during its first three years. To achieve this goal, financial assistance is required in three categories:

1. General support

General support assistance is essential to IDLI's survival. Without it, the Institute will be unable either to carry out its current training program or to plan future programs. Unrestricted grants or endowment contributions, following the example set by the Kuwait Fund, will help to establish the Institute on a permanent basis.

2. Training Program support

IDLI also seeks contributions earmarked for specific training expenses which relate directly to scheduled courses and seminars.

3. Fellowships

The selection of qualified, highly motivated participants is central to the achievement of IDLI's training goals. However, the selection process is constrained by the lack of ready funding sources for tuition, travel and per diem.

Although the Institute has so far succeeded in attracting *ad hoc* fellowships for most of the accepted applicants, some places have remained vacant due to lack of funds. More importantly, the donor agency field offices, upon which IDLI has principally relied for fellowship support, may soon tire of repeated requests for *ad hoc* funding. The Institute needs an available block of fellowship funds to cover at least 80 percent of its admitted applicants. It must also find funds to support private sector lawyers who face foreign exchange restrictions which preclude their self-financing of training costs.



Left to right: IBT-2F participants Messers, Adbelkoff, Meddeb, Amer and Soussouja (Tunisia) with the Ambassador of Tunisia to Italy, H.E. Mr. Mohamed Sayeh and IBT-2F Visiting Instructor, Dr. El Mokhtar Bay, a Director of LOCAFRANCE.

43

BUDGET

D10

GENERAL & ADMINISTRATIVE	(In US \$ Thousands)			
	1984	1985	1986	Total 3 Years
Salaries and benefits	283	404	452	1139
Office Rent and Maintenance	60	48	57	165
Equipment rental and office supplies	30	36	43	109
Communications, postage, courier	20	24	30	74
Consultants	15	18	21	54
Travel and meetings	25	30	36	91
Subtotal	433	560	639	1632
Contingency 10%	43	56	64	163
Total G & A	476	616	703	1795

PROGRAM

Program coordination and training	140	216	242	598
Instructors (honorarium, travel, per diem)	94	122	146	362
Training site rent and maintenance	5	30	36	71
Supplies and materials	30	36	43	109
Communications, postage, courier	20	24	30	74
Program coordination travel	15	18	21	54
Insurance and other program expenses	16	19	23	58
Subtotal	320	465	541	1326
Contingency 10%	32	46	54	132
Operations reserve	167	167	167	501
Total Program	519	678	762	1959

TOTAL BUDGET	995	1294	1465	3754
---------------------	------------	-------------	-------------	-------------

Budget Notes

1. Salaries are based on the following senior staff:
1984: Director (12 months) and Program Legal Counsel (30 months); 1985 and 1986: Director (12 months) and Program Legal Counsel (48 months).

Distribution of salaries between General & Administrative and Program is as follows:

Director:	G & A, 80%;	Program, 20%
Program Legal Counsel:	G & A, 30%;	Program, 70%
Support staff:	G & A, 100%;	Program, 0%
PLC Assistant:	G & A, 0%;	Program, 100%

2. For 1985 and 1986, IDLI expects offsetting contributions in the amounts shown for office and training site rent and maintenance from the Host Government.

3. The Program Budget is based on the following:
1984: 3 Seminars and 2 Development Lawyers Courses;
1985 and 1986: 4 Seminars and 2 Development Lawyers Courses

4. Staff salaries have been increased in 1985 and 1986 by an inflation factor of 12%. All other expenses have been increased by 20%

5. An Operations Reserve has been established to minimize the risk of cash flow constraints arising from delinquent payment of participant travel and living expenses by sponsors. These sums are normally advanced by IDLI and amount to the following for the first three years:

	(In US\$ Thousands)			
	1984	1985	1986	Total
Participant per diem	322	415	498	1235
Participant travel	180	259	310	749
Total	502	674	808	1984

44

AUDIT REPORT

D11

D12

SOCIETÀ DI REVISIONE
E CERTIFICAZIONE

The International Development
Law Institute
Rome

We have examined the balance sheet of the International Development Law Institute as of December 31, 1983 and the related statements of support revenue, expenses and changes in fund balance and of changes in financial position for the period August 31, 1982 (inception) to December 31, 1983.

As described in Note 4, the position of the Institute with respect to Italian taxation has not been finally established. The liability, if any, which may derive to the Institute with respect to Italian taxation is not presently determinable since it depends upon whether the Institute is successful in obtaining an agreement on tax exemption from the Italian Government.

In our opinion, subject to the effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, the financial statements examined by us present fairly the financial position of the International Development Law Institute at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended, in conformity with acceptable accounting principles. Accounting principles which are of significance in relation to the Institute's financial statements are described in Note 2.

Price Waterhouse

March 1, 1984

D13

BALANCE SHEET
AT DECEMBER 31, 1983
(In United States dollars)

ASSETS

CURRENT ASSETS

Cash	231,047
Accounts receivable	39,993
Prepaid expenses	5,936

Total current assets 276,976

Fixed assets net of depreciation 2,682

TOTAL ASSETS \$ 279,658

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts payable and accrued expenses	28,364
Deferred revenue	116,844

Total current liabilities 145,208

Employee leaving indemnity fund 433

TOTAL LIABILITIES \$ 145,641

FUND BALANCES

Unrestricted	134,017
Restricted	—

TOTAL FUND BALANCES \$ 134,017

TOTAL LIABILITIES
AND FUND BALANCES \$ 279,658

24 477

D14

**STATEMENT OF CHANGES IN
FINANCIAL POSITION FOR THE
PERIOD FROM AUGUST 31, 1982
(INCEPTION) TO DECEMBER 31, 1983
(in United States dollars)**

Sources of cash:

Excess of support and revenue over expenses	134,017
Depreciation	965
Restricted grants received in excess of expenses incurred	116,844
Increase in accounts payable and accrued expenses	28,364
Increase in employee leaving indemnity fund	433
	<hr/>
	280,623
	<hr/>

Uses of cash:

Purchase of equipment	3,647
Increase in accounts receivable	39,993
Increase in prepaid expenses	5,936
	<hr/>
	49,576
	<hr/>

Increase in cash \$ 231,047

48

D15

**STATEMENT OF SUPPORT REVENUE,
EXPENSES AND CHANGES IN FUND
BALANCES FOR THE PERIOD FROM
AUGUST 31, 1982 (INCEPTION)
TO DECEMBER 31, 1983**

(In United States dollars)

	OPERATING FUNDS		
	Unrestricted	Restricted	Total
Support and revenue			
Grants	618,559	66,928	685,487
Tuition	32,000	—	32,000
Endowment and other			
Investment income	6,793	—	6,793
Total support and revenue	\$ 657,352	66,928	724,280
Expenses			
Program services	40,325	22,263	62,588
General administration	440,586	44,665	485,251
Fund raising	42,424	—	42,424
Total expenses	\$ 523,335	66,928	590,263
Excess of support and revenue over expenses	134,017	—	134,017
Fund balance - beginning	—	—	—
Fund balance - ending	\$ 134,017	—	134,017
	=====	=====	=====

26 49

NOTES TO FINANCIAL STATEMENTS AT DECEMBER 31, 1983

D16

NOTE 1 - THE ORGANIZATION

The International Development Law Institute (IDLI) is a non-profit, international non-governmental organization. Organizational operations began in August 1982 when funding for the preparatory phase was approved by the U.S. Agency for International Development. In March, 1983, IDLI was incorporated as a foundation ("stichting") under the law of the Netherlands. Its overall objective is to help Third World legal advisors and lawyers play a constructive role in the development process. More specifically, its initial programs are courses and seminars designed to increase the capability of developing country lawyers to negotiate and implement projects effectively in the fields of development assistance, foreign investment and international trade. In the future, it will also provide legal documentation services and technical assistance on law-related development issues.

IDLI receives financial support from a number of organizations and governments, including the Government of Italy. In addition the Institute has initiated discussions with the Italian Government regarding the provision of rent-free office and training premises and certain organisational benefits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of IDLI have been prepared on the accrual basis. The financial statements include operations since the inception of the IDLI project in August 1982 through December 31, 1983. The significant accounting policies followed are described below:

Grant Revenue Recognition

The Institute records income from unrestricted grants when they are received. Operating funds restricted by the donor for particular operating purposes are deemed to be earned and are reported as revenues as expenditures are incurred in accordance with the specific restrictions. Such amounts received but not yet earned are reported as restricted deferred amounts.

Tuition Revenues

Tuition relating to course participation is recognized over the term of the applicable course.

Foreign Exchange

Exchange adjustments arising from the translation of foreign currencies are included in the results of operations currently.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support and revenue, expenses and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fixed Assets and Depreciation

Office equipment and furniture is recorded at cost and is depreciated over the estimated useful life of the respective assets on a straight-line basis.

NOTE 3 - EMPLOYEES TERMINATION PAY

The balance in this account represents deferred pay due to local employees upon termination of employment for any reason. The amount payable is based upon the length of service of the employee and the current rate of remuneration as defined for this purpose by Italian legislation. This liability is fully provided for and is charged to income in the period in which it accrues. In normal circumstances the major part of this liability is long-term in nature.

NOTE 4 - TAXATION

The position of the Institute with respect to Italian taxation has not been finally established. The Institute has made a formal request to the Italian Government whereby, *inter alia*, the Government would exempt it from taxation of income from contributions and tuition revenue, indirect taxes on major purchases and direct taxes on its foreign national staff, or provide reimbursement therefor. The Italian Government has indicated that the matter is being considered and is under process by the competent Italian authorities. In the absence of a final decision by the Italian Government in this regard the Institute has not paid any taxes on income since its establishment. Because of the tentative nature of the activity prior to its operational phase, support services were obtained on a casual and informal or consultant basis. Formal employer-employee relationships were established on November 1, 1983. Since that date, taxes have been paid to the Italian government along with all required contributions under Italian law with respect to all employees. Italian taxes are withheld from amounts paid to consultants in Italian lire. Such withholding is not made for consultant payments in US dollars.

The liability, if any, which may derive to IDLI from these matters is not presently determinable since it depends upon the final decision and action of the Italian Government.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Institute receives a substantial amount of its support from governmental and non-governmental financing agencies. A significant reduction in the level of this support, if this were to occur, would have an effect on the Institute's programs and activities.

NOTE 6 - SUBSEQUENT EVENT

In January, 1984, the Institute received a contribution to a Trust Fund of Kuwaiti Dinars 120,000 (US \$ 409,000). This Trust Fund represents a portion of a contribution made by the Kuwait Fund for Arab Economic Development. The Trust Fund is to be invested in accordance with an investment policy satisfactory to the donor. Income earned on this investment may be used as earned or in the future for any purpose consistent with IDLI's charter and by-laws. Any expenditure of the principal of the Trust Fund would require prior agreement of the Kuwait Fund.

50

**Participants,
Visiting Instructors,
Resource Persons and
Observers in
First Programs**



5

Curriculum Planning Workshop

D18

22-24 May, 1983, Rome

Participant

Ronald Brown
Special Legal Advisor
Commercial Secretariat
Crown Agents
London, U.K.

Michel Chatelus*
Professeur de Droit
Université des Sciences Sociales
Grenoble, France

David Gachuki*
Professor of Law & Consultant
International Development Research
Centre (IDRC)
Nairobi, Kenya

Marco Guadagni
Professor of Law
Trieste University
Trieste, Italy

Gordon L. Jaynes,
Attorney at Law
Whitnam & Ransom
London, U.K.

J.P.W.B. McAuslan
Professor of Law
University of Warwick
Coventry, U.K.

Paschal Mihyo*
Professor of Law
University of Dar Es Salaam
Dar Es Salaam, Tanzania

O.F. Natchaba*
Professeur de Droit
Université du Bénin
Lomé, Togo

Ruth Nyakotey*
Legal Officer
Ghana Investment Center
Accra, Ghana

Sayed Omar*
Legal Advisor
Ministry of Investment and International
Cooperation
Cairo, Egypt

Gabriele Crespi Reghizzi
Professor of Law
University of Pavia
Milano, Italy



The Curriculum Planning Workshop.

Robert B. Seidman**
Professor of Law
University of Zimbabwe
Harare, Zimbabwe

Christopher C. Smart
Programme Officer
Social Sciences Division
International Development Research Centre
Ottawa, Canada

C. M. Southall,
Legal Advisor
Technical Assistance
The World Bank
Washington, D.C., U.S.A.

Paul Tessa*
Directeur de la Cellule Juridique
Ministère du Plan et de l'Industrie
Yaoundé, Cameroon

Don Wallace, Jr.
Professor of Law and Director
International Law Institute
Georgetown University Law Center
Washington, D.C., U.S.A.

* Participation made possible by a grant provided by the Canadian International Development Research Centre (IDRC).

** Travel Funds provided by the Ford Foundation.

52

Negotiating a Petroleum Exploration and Development Agreement

4-17 December, 1983
Castelgandolfo (Rome)

D19

Participant	Funding Source		AGIP
Tawia Yaw Akyea, Deputy Manager National Investment Bank Accra, Ghana	Opec Fund	Kexi Lin, Contract Negotiation Manager Chinese National Offshore Oil Corp. (CNOOC) Beijing, China	AGIP
Hassan Abdelrahman Hamad Al Beili, Legal Advisor Ministry of Energy and Mining Khartoum, Sudan	USAID	Luis Alfonso Lopez Marroquin, Engineer, Texaco - CEPE Consortium Quito, Ecuador	Italy
Kenneth Dan Ameyo, State Counsel Attorney General's Chambers Nairobi, Kenya	IBRD	C.L.C. Mubanga Chipoya, Principal State Advocate Ministry of Legal Affairs Lusaka, Zambia	Opec Fund
Gianni Bonetti, Manager, Exploration and Production Agreements AGIP S.p.A. Milan, Italy	AGIP	Lovemore Green Munlo, Senior State Advocate Ministry of Justice Lilongwe, Malawi	EEC
Andrew John Chenge, Senior State Attorney Ministry of Justice Dar Es Salaam, Tanzania	AGIP	Geoffrey Antony Mugarura Ndagije, Principal State Attorney Ministry of Justice Kampala, Uganda	Italy
Avv. Giuseppe Daino, Manager, International Affairs Legal Affairs Division Ente Nazionale Idrocarburi (ENI) Milan, Italy	AGIP	Desideri Sebastian Ngalo, Legal Advisor Tanzania Petroleum Development Corp. Dar-Es-Salaam, Tanzania	Norway
C.I. Egwuenu, Deputy Chief Legal Officer Nigerian National Petroleum Corp. Lagos, Nigeria	Italy	Christian Rasoarahona, Assistant Director General Office Militaire National des Industries Stratégiques (OMNIS) Antananarivo, Madagascar	Italy
Ahmed Mohamed Omer El Mufti, Senior Legal Counsel General Petroleum Corporation Khartoum, Sudan	General Petroleum Corporation	K.S. Sivam, Chief Legal Officer Ceylon Petroleum Corporation Colombo, Sri Lanka	Norway
Raana Gauhar, Assistant Director Third World Foundation London, U.K.	Third World Foundation	Raymond Claudius Sock, Acting Registrar General Attorney General's Chambers Ministry of Justice Banjul, The Gambia	Italy
Philip M. Karani, Assistant Secretary Legal Division Ministry of Foreign Affairs Nairobi, Kenya	Opec Fund	William E. Stewart, Deputy Minister for Planning and Development Ministry of Lands, Mines & Energy Monrovia, Liberia	Canada
Ms. Nellie B. Kashumba, State Advocate Ministry of Foreign Affairs Lusaka, Zambia	Opec Fund	Alem Metcha Taye, Legal Advisor Ministry of Mines and Energy Addis Ababa, Ethiopia	IBRD
		Zeljka Vetic, Legal Advisor INA-Naftaplin Zagreb, Yugoslavia	AGIP

53

D20

Visiting Instructors

Khalid Al Shawi,
Legal Adviser
Organization of Arab Petroleum Exporting Countries (OAPEC)
Safat, Kuwait

Marcello Colitti,
Vice President
AGIP, S.p.A.
Rome, Italy

Roger Fisher,
Williston Professor of Law
Harvard Law School
Cambridge, U.S.A.

Robert Mabro,
Director
Oxford Institute for Energy Studies
Oxford, U.K.

Atef Suleiman,
General Counsel
Abu Dhabi National Oil Company
Abu Dhabi, United Arab Emirates

Hasan Zakariya,
Inter-Regional Adviser
Petroleum Economics and Legislation
Department
United Nations
New York, U.S.A.

Giovanni Zappala,
Vice President/Negotiations
AGIP, S.p.A.
Milan, Italy

Resource Persons

Avv. Piero Bernardini
Director
Legal Affairs
Ente Nazionale Idrocarburi (ENI)
Rome, Italy

Thomas W. Walde
Inter-Regional Advisor on Mineral Development Legislation
Department of Technical Cooperation for Development
United Nations
New York, U.S.A.

Observers

Hans J. Geiser
Chief, Training for International
Cooperation and Multilateral Diplomacy
United Nations Institute for Training
and Research (UNITAR)
New York, U.S.A.

Morio Okatsu
Legislation Branch
Legal Office
Food and Agriculture Organisation (FAO)
Rome, Italy

Roberto Pistorelli
Legal Department
ENI
Milan, Italy

Joop Sytauw,
Professor of International Relations
International Law and Development Programme
Institute of Social Studies (ISS)
The Hague, The Netherlands



Left to right: DLC participant Mr. F. Ruhindl (Uganda), Board Member Mr. M.Y. Abdel-Aal, participants Messrs. M. Magboul and A. Semoot (Sudan).

54

Leasing/Crédit-bail international d'équipement

Rome, 5-18 Février 1984

D21

Participants	Source de Financement		
Mohamed Ben Ahmed Amor Directeur Crédit & Finance Ministère des Finances Tunis, Tunisie	Etats Unis		
Victoire Andriatahiana Chef du Service Législatif Ministère de la Justice Antananarivo, Madagascar	Italie	Hamuli Mupenda Conseiller Juridique Ministère des Affaires Etrangères et de la Coopération Kinshasa, Zaïre	Italie
Ahmed Ben Abdelkefi Conseiller du Général Directeur STUSID/Abu Dhabi Fund Tunis, Tunisie	Etats-Unis	Brahim Nassour Directeur Général Ministère des Travaux Publics et des Mines N'djamena, Tchad	Pays Bas
Vinod Boolell Conseiller Juridique Ministère de la Justice Port Louis, Ile Maurice	Italie	Richard Ndarurinze Conseiller Juridique Ministère Commerce & Industrie Bujumbura, Burundi	Autriche
Mohamed Bouaouaja Directeur Etudes & Crédit Banque Centrale de Tunisie	Etats-Unis	Thomas Nzikoruriho Conseiller Ministère des Affaires Etrangères Bujumbura, Burundi	Fonds de l'OPEP
Kokuvi Dogbe Conseiller Juridique Ministère Economie & Finances Lomé, Togo	France	Mayaki Rakiatou Direction Affaires Juridiques Ministère des Affaires Etrangères et de la Coopération Niamey, Niger	Fonds de l'OPEP
Kowote Dotsey Conseiller Juridique Société Nationale d'Investissements Lomé, Togo	Canada	Angèle Soudre Conseiller Affaires Economiques Ministère des Finances Ouagadougou, Haute Volta	Fonds de l'OPEP
J-Baptiste Gatse Conseiller Juridique Ministère du Commerce Brazzaville, Congo	Etats-Unis	Sikirou Tairou Attaché de Cabinet Ministère des Finances Lomé, Togo	Fonds de l'OPEP
Abdelrahman Haggag Directeur Affaires Financières et Administratives Ministère de la Justice N'djamena, Tchad	Pays Bas	Samuel Tcheby Conseiller Juridique Direction du Budget Ministère des Finances Yaounde, Cameroun	Italie
Mbimbo Mangaya Conseiller Juridique Ministère du Plan Kinshasa, Zaïre	France	Darnace Torou Directeur Relations Economiques Internationales Ministère des Affaires Etrangères et de la Coopération N'djamena, Tchad	Italie
Radhi Meddeb Directeur Planification et Suivi Société Tuniso-Séoudienne d'Investissement et Développement (STUSID) Tunis, Tunisie	Etats-Unis		

Enseignants Visiteurs

El-Mokhtar Bey
Directeur Central
Groupe LOCAFRANCE
Paris, France

Prof. Renato Clarizia,
Directeur Association italienne
pour le leasing (ASSILEA)
Rome, Italie

Robert Garel
Directeur du Service de
Comptabilité Générale
Air France
Paris, France

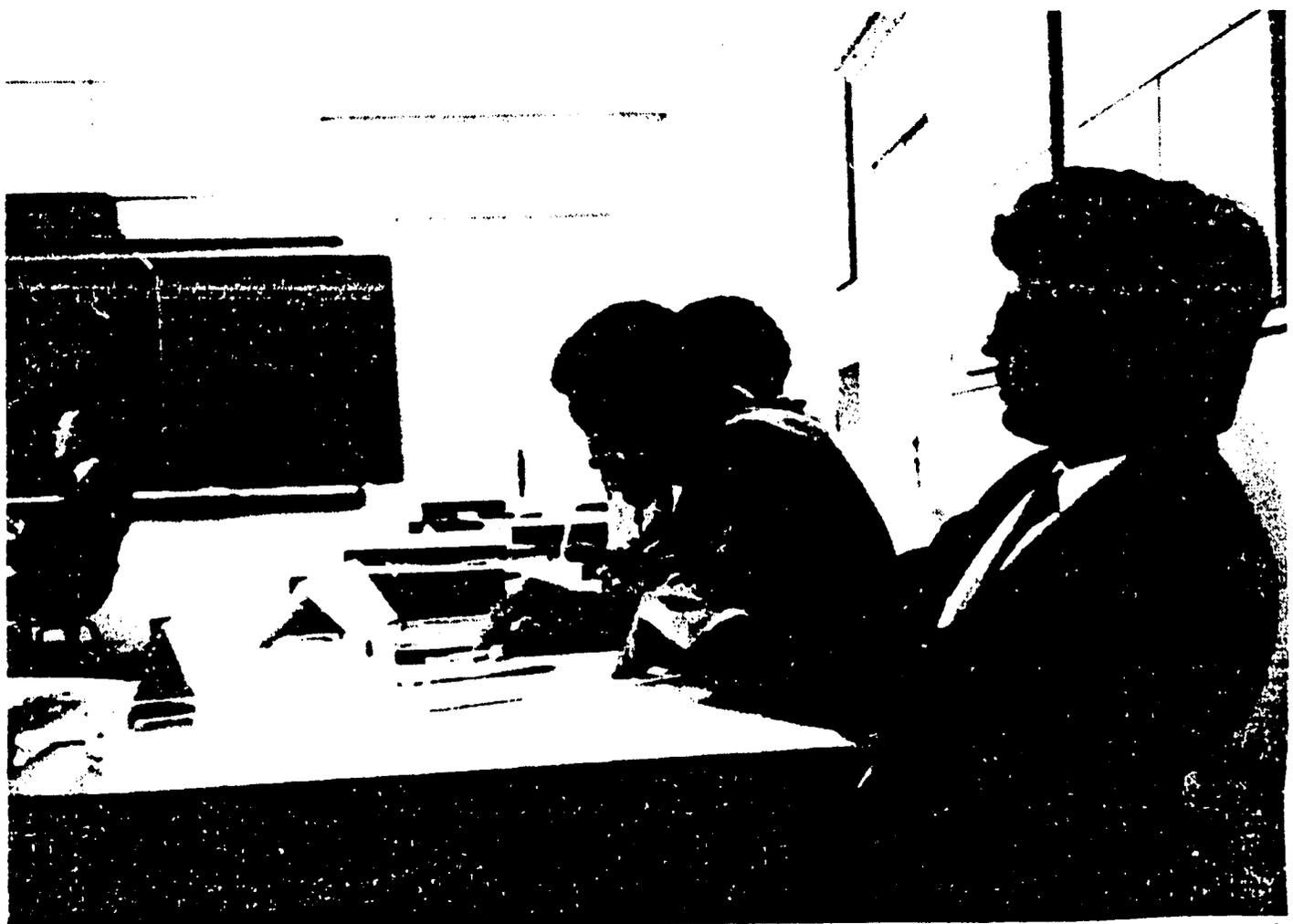
Christian Gavalda
Professeur de Droit
Université de Paris 1
Paris, France

Michael McNulty
Conseiller Juridique
Whitman & Ransom
Londres, Royaume Uni

William Park
Directeur
Service juridique
Trade & Development Bank
Geneva, Switzerland

Martin Stanford
Charge de Recherches
UNIDROIT
Rome, Italie

D22



Development Lawyers Course

4 March - 26 May, 1984, Rome



Messrs. M. Harding (participant, The Gambia), W. Loris (Course Manager) and M. Seck (Board member) in the training room of the Development Lawyers Course.

D23

Participants	Funding Source		
Mr. Ali Safar Abdulla Assistant Legal Advisor Abu Dhabi Fund for Arab Economic Development Abu Dhabi, UAE	Abu Dhabi Fund	Ms. Barbara Mate Barrister National Investment Bank Accra, Ghana	Opec Fund
Ms. Roselyn Vugutsa Amadi Legal Officer Ministry of Commerce and Industry Nairobi, Kenya	Unido	El Haythem M. Ali Magboul Legal Advisor Ministry of Transport & Telecommunications Khartoum, Sudan	Opec Fund
Mr. Melaku Dessalegn Legal Advisor Commercial Bank of Ethiopia Addis Ababa, Ethiopia	Opec Fund	Sreerama Murty Gubbala Joint Legal Advisor Industrial Development Bank of India (IDBI) Bombay, India	IDBI
Wilfred Dumisa Fakudze Legal Advisor Small Enterprises Development Company Mbabane, Swaziland	Opec Fund	Mary Moses Ndosi State Attorney Attorney General's Chambers Dar Es Salaam, Tanzania	Opec Fund
William de Graft Hughes Halm Principal State Attorney Attorney General's Dept. Accra, Ghana	Holland/Opec Fund	John Bistari Ngeleshi Corporation Secretary Mwananchi Engineering and Contracting Corporation Dar Es Salaam, Tanzania	Opec Fund
Mohammed Hassan Harding Senior State Counsel Attorney General's Chambers Banjul, The Gambia	Italy	Twalib Merey Islem Ngitam District Registrar High Court Tanga, Tanzania	Opec Fund
Mr. Francis Philip Iya Director Law Development Centre Ministry of Justice Kampala, Uganda	Italy	Tomas Njenga Principal Counsel Housing Development Dept. Nairobi City Counsel Nairobi, Kenya	Opec Fund
Mr. January Raphael Kambamwene Airport Manager (Legal) Ministry of Works Dar Es Salaam, Tanzania	Austria	Freddie Ruhindi State Attorney Ministry of Justice Kampala, Uganda	Italy
Mr. Tuvako Nathaniel Manongi Legal Advisor Embassy of Tanzania Washington, USA	Opec Fund	El Geyli Abdel Fadeel Someet Legal Counsel Attorney General's Chambers Kordofan Province, Sudan	Opec Fund
		Byrd Ssebuliba Legal Officer Uganda Development Bank Kampala, Uganda	Opec Fund

9

Day

Visiting Instructors

Donald S. Brown
Vice President
International Fund for Agricultural
Development (IFAD)
Rome, Italy

Michael Brown
Regional Manager
Development Aid Branch
The Crown Agents
London, U.K.

Alberto Castagnoli
Attorney-at-Law
Studio Avv. Alberto Castagnoli
Genova, Italy

Walter G. Copenrath, Jr.
Attorney-at-Law
Fletcher, Mahoney, Parker & Connell
Santa Monica
California, U.S.A.

Garber Davidson
Assistant General Counsel
Bureau for the Near East
Agency for International Development (USAID)
Washington D.C., U.S.A.

Michael Davies
Attorney-at-Law
Oteifi Law Office
In association with Fox & Gibbons
Cairo, Egypt

Zakaria A. Al-Hashim
Legal Advisor
Kuwait Fund for Arab Economic Development
Safat, Kuwait

George Drexel Ish
President
Ish Associates, Inc.
Napoli, Italy

Yves Joly
Legal Advisor
Canadian International Development
Agency (CIDA)
Hull-Quebec, Canada

John King
Procurement/Management Specialist
Belforte, Sienna
Italy

Mark Edward Kleckner
Professor of Law
Milano, Italy

Ugo Leone
Liaison Officer
United Nations Development Programme (UNDP)
Rome, Italy

Igor V. Leto
Engineering Consultant
Rome, Italy

Gerald Moore
Chief, Forestry Wildlife and Fisheries Legislation Section
Food and Agriculture Organization (FAO)
Rome, Italy

Mohammed Nawaz
Director
Legal Services Division
International Fund for Agricultural
Development (IFAD)
Rome, Italy

Robin Newmark
Line Manager
Construction/Engineering Insurances
Zurich Insurance Group
Zurich, Switzerland

Friedrich Niggeman
Legal Advisor
Klöckner & Co.
Duisburg, West Germany

Giovannangelo Montecchi Palazzi
Advisor
Department of Development Cooperation
Ministry of Foreign Affairs
Rome, Italy

Alfhild Petrón
Legal Officer
Swedish International Development Authority
(SIDA)
Stockholm, Sweden

James Rogan
Regional Legal Advisor
United States Agency for International
Development (USAID)
Regional Economic Development Service Office
(REDSO/WCA)
Abidjan, Ivory Coast

Robert Seidman
Professor of Law
Boston University School of Law
Boston, U.S.A.

C.M. Southall
Legal Advisor
Technical Assistance
The World Bank
Washington D.C., U.S.A.

Russell B. Sunshine
Consultant, International Development
Washington D.C., U.S.A.

Nancy Swing
Consultant, Development Communication
Washington D.C., U.S.A.

Howard J. Taubefeld
Professor of Law
Southern Methodist University
Dallas, U.S.A.

Giovanni Ughi
Attorney-at-Law
Studio Avvocati Ughi & Nunziante
Milan, Italy

Gösta Westring
General Counsel
Swedish Fund for Industrial Cooperation
with Developing Countries (SwedFund)
Stockholm, Sweden

Keith White
Corporate Secretary
Crown Agents
London, England

SB

Course/Seminar Overviews

D25

Negotiating a Petroleum Exploration and Development Agreement (IBT 1E)

4-17 December, 1983

Course Manager: L. Michael Hager, Director, IDLI
 Technical Coordinator: Dr. Khalid Al-Shawi, Legal Advisor, OAPEC

Monday	Tuesday	Wednesday	Thursday	Friday
<p>Dec 5 Prof. Roger Fisher</p> <p><i>The Process of Negotiation The Problems and Basic Concepts</i></p>	<p>Dec 6 Prof. Roger Fisher</p> <p><i>The Process of Negotiation Criteria and Positions</i></p>	<p>Dec 7 Dr. Khalid Al-Shawi</p> <p><i>Introduction; Categories of Petroleum Agreements; and Joint Ventures and Other Forms of Association</i></p>	<p>Dec 8 Dr. Atef Suleiman</p> <p><i>Disputes; Arbitration; and The Enforcement of Awards</i></p>	<p>Dec 9 Dr. Hasan Zakariya</p> <p><i>Legal Framework for Oil Exploration and Development; and Alternative Allocation Systems</i></p>
<p>Dec 12 Dr. Hasan Zakariya</p> <p><i>Safeguards for Speedy and Effective Petroleum Exploration</i></p>	<p>Dec 13 Dr. Khalid Al-Shawi</p> <p><i>Fiscal Terms, incl. Pricing, Royalties, Production Sharing and Taxation</i></p>	<p>Dec 14 Mr. Marcello Colitti and Dr. Giovanni Zappalà</p> <p><i>Technical Considerations including Relinquishment, Flaring, Production Reserve Ratio and Pollution Control; and Employment of Local Labor and Staff</i></p>	<p>Dec 15 Dr. Khalid Al-Shawi</p> <p><i>Applicable Law and National Sovereignty</i></p>	<p>Dec 16 Dr. Khalid Al-Shawi and Dr. Robert Mabro</p> <p><i>Downstream Rights and Obligations</i></p>

Def

150

Le crédit international d'équipement (IBT 2F)

5-18 février 1984

Responsable du cours: M. Gilles Blanchi, IDLI Program Legal Counsel
 Coordinateur Technique: M. Martin Stanford, Chargé de recherches, UNIDROIT
 Assistant: M. Giuseppe Barberis

Lundi	Mardi	Mercredi	Jeudi	Vendredi
<p>6 février Martin Stanford</p> <p><i>Typologie du Leasing.</i></p> <p>Prof. William Park</p> <p><i>Dimensions fiscale aux E.U. et au R.U.</i></p>	<p>7 février Prof. William Park</p> <p><i>Dimensions fiscales (suite et dimensions comptables aux E.U.)</i></p> <p>Prof. Clarizia</p> <p><i>L'expérience législative italienne du leasing.</i></p>	<p>8 février Martin Stanford</p> <p><i>Nature juridique au contrat de leasing; analyse comparative dans différents pays.</i></p>	<p>9 février El Mokhtar Bey</p> <p><i>Le leasing: contrat spécifique, opération globale; essais de législation: divers modèles</i></p>	<p>10 février El Mokhtar Bey</p> <p><i>Problèmes pratiques: litiges techniques et financiers.</i></p>
<p>13 février El Mokhtar Bey</p> <p><i>cf. vendredi 10</i></p>	<p>14 février El Mokhtar Bey et Prof. Gavalda</p> <p><i>Questions des participants.</i></p>	<p>15 février Prof. Gavalda</p> <p><i>Leasing et autres formes de crédit: Parenting.</i></p>	<p>16 février Robert Garel</p> <p><i>Contrats de leasing d'aéronefs</i></p>	<p>17 février Robert Garel et Michael McNulty</p> <p><i>cf. jeudi 16</i></p>

Development Lawyers Course (DLC-1E)

4 March - 26 May, 1984

Course Manager: W.T. Loris, Program Legal Counsel, IDLI
Course Assistant: Giuseppe Barberis

D28

WEEK N°			
1	ORIENTATION	ADVISING TECHNIQUES	PLANNING FOR LEGAL ADVISORS
2	NEGOTIATION TECHNIQUES		TECHNIQUES OF LEGAL DRAFTING
3	METHODS OF REVIEWING & REVISING LEGAL DOCUMENTS	MONITORING PERFORMANCE OF AGREEMENTS	RESOLVING DISPUTES
4	PROJECT FINANCING - PUBLIC & PRIVATE "RULES OF THE GAME"		
5	SIMULATION EXERCISE - NEGOTIATION OF A LOAN AGREEMENT WITH A DEVELOPMENT ASSISTANCE AGENCY		
6	BASIC CHARACTERISTICS OF THE LEGISLATIVE PROCESS		
7	PRACTICE IN DRAFTING OF LAWS & REGULATIONS AS INSTRUMENT FOR DEVELOPMENT		
8	INTERNATIONAL CONTRACTS/COMMERCIAL PRACTICE GOODS SERVICES		
9	INTERNATIONAL CONTRACTS/COMMERCIAL PRACTICE CONSTRUCTION CONTRACTING: IN-DEPTH ANALYSIS OF F.I.D.I.C. CONDITIONS		
10	DEVELOPMENT ASSISTANCE AGENCIES PROCUREMENT GUIDELINES		
11	SIMULATION EXERCISE - NEGOTIATION & IMPLEMENTATION OF INTERNATIONAL CONTRACTS IN A PROJECT FINANCED BY A DEVELOPMENT ASSISTANCE AGENCY		
12	TECHNIQUES FOR ON-THE-JOB APPLICATION OF KNOWLEDGE AND SKILLS ACQUIRED DURING THE COURSE	COURSE EVALUATION	COURSE CLOSING

62

E

ANALYSIS OF EXPENSES 1984 (PRELIMINARY)

Attachment E

DESCRIPTION	TOTAL	MONTHLY AVERAGE
Salaries & Benefits	380,279.74	31,689.98
Insurance	10,224.36	852.03
Prof. Services	17,052.41	1,421.03
Office Expenses	15,505.03	1,292.09
Rents & Utilities	65,656.68	5,471.39
Repairs/Maintenance	6,514.03	542.84
Communications	11,437.06	953.09
Post & Courier	14,125.70	1,177.14
Printing & Reprod.	16,922.54	1,410.21
Publications	2,565.83	213.82
Official Travel	66,579.76	5,548.31
Entertainment	4,285.14	357.10
Depreciation	7,948.40	662.37
Other Expenses	5,185.28	432.11
Instructors' Fees	34,450.42	2,870.87
<hr/>		
TOTAL	658,732.38	54,894.36
<hr/>		
Accounts payable 1984 - Approx.	12,000	
<hr/>		
GRAND TOTAL	670,732.38	55,894.36
<hr/>		

63

F

CASH ON HAND
DECEMBER 31, 1984

Attachment F

AMOUNT US\$

CREDITO ITALIANO LIRE ACCOUNT	79,000
CREDITO ITALIANO DOLLAR ACCOUNT	3,000
AMSTERDAM-ROTTERDAM BANK	3,000
CREDIT COMMERCIAL DE FRANCE DOLLAR ACCOUNT	9,200
RIGGS NATIONAL BANK DOLLAR ACCOUNT	2,200
PETTY CASH	1,000
<hr/> TOTAL <hr/>	<hr/> 97,400 <hr/>

64

G

ACCOUNTS RECEIVABLE
DECEMBER 31, 1984

Attachment G

	AMOUNT US\$
GOVERNMENT OF NETHERLANDS	5,575
GOVERNMENT OF ITALY	108,211
SOCIETE NATIONALE HYDROCARBURES	3,000
EEC	35,000
UNDP	12,920
IBRD	25,000
USAID	15,660
Mr. Felsberg	2,840
NIGERIAN AMERICAN BANK	2,840
CIDA	770
ASSOCIAZIONE BANCARIA ITALIANA	11,000
<hr/> TOTAL <hr/>	<hr/> 223,516 <hr/>

65

H

1984: COMPARISON EXPENSES/BUDGET

Attachment H

<u>G&A</u>	<u>Budget</u>	<u>Expense</u>	<u>Difference</u>
Salaries	283	253	-30
Office rent & Maintenance	60	58	- 2
Equipment rental & Office supplies	30	25	- 5
Communications - Post & Courier	20	15	- 5
Professional Services	15	17	+ 2
Travel & Meetings	25	12	-13
	<u>433</u>	<u>380</u>	<u>-53</u>
 <u>PROGRAM</u>			
Program Coordination & Training	140	127	-13
Instructors	94	80	-14
Training site rent & Maintenance	5	5	-
Supplies & Materials	30	21	- 9
Communications - Post & Courier	20	11	- 9
Program Coordination Travel	15	10	- 5
Insurance and Other	16	16	-
	<u>320</u>	<u>270</u>	<u>-50</u>
 TOTAL	 753	 650	 -103

I

THREE YEAR BUDGET (Preliminary)
January 1, 1985 - December 31, 1987

Attachment I

(in US\$ Thousands)				
	1985	<u>YEAR</u> 1986	1987	<u>Total</u> 3 Years
<u>GENERAL & ADMINISTRATIVE</u>				
Salaries and benefits	180	207	238	625
Office Rent and Maintenance	40	46	53	139
Equipment rental and office supplies	30	35	40	105
Communications, postage, courier	20	24	28	72
Professional Services	15	18	21	54
Travel and meetings	20	24	28	72
Subtotal	305	354	408	1067
Contingency 10%	30	35	40	105
Total G & A	335	389	448	1172
<u>PROGRAM</u>				
Program coordination and training	270	310	357	937
Instructors (honorarium, travel, per diem)	100	115	132	347
Training site rent and maintenance	25	29	33	87
Supplies and materials	25	29	33	87
Communications, postage and courier	20	24	28	72
Program coordination travel	15	18	21	54
Insurance and other program expenses	15	18	21	54
Program development:				
1. Legal documentation center	-	5	8	13
2. Training workshops + conferences	-	5	8	13
Subtotal	470	553	641	1664
Contingency 10%	47	55	64	166
Operations reserve	167	167	167	501
Total Program	684	775	872	2331
TOTAL IDLI BUDGET	1019	1164	1320	3503

BUDGET NOTES

1. Distribution of all staff salaries between General & Administrative and Program is as follows:
 G & A, 40%; Program, 60%
2. An Operations Reserve has been established to minimize the risk of cash flow constraints arising from delinquent payment by sponsors of participant travel and living expenses advanced by IDLI.

J

GRANTS PLEDGED OR RECEIVED
TO DATE

Attachment J

GRANTOR	AMOUNT US\$	TYPE	PERIOD
USAID	500,000	Unrestricted	1982-83
USAID	130,000	Unrestricted	1984
CIDA	82,000	Fellowships/Program	1983-84
CIDA	19,000	Fellowships/Program	1984
OPEC Fund	200,000	Fellowships	1984
OPEC Fund	84,000	Fellowships	1985
IBRD	20,000	Unrestricted	1983
IBRD	15,000	Unrestricted	1984
KUWAIT Fund	102,000	Unrestricted	1983
KUWAIT Fund	40,000*	Interest/Endowment	1984
IDRC	11,000	Curriculum Workshop	1983
GOV. ITALY	945,000	3-yr grant/Unrestricted	1984-86
ARAB Fund	7,000**	Interest/Endowment	1984
GOV. NETHERLANDS	80,000	Fellowships/Program	1984-86
GOV. NETHERLANDS	50,000	3-yr grant/Unrestricted	1984-86
AGFUND	100,000	Fellowships/Program	1985
SIDA	70,000	Fellowships/Program	1985

* This amount represents approximately the interest accrued over one year of US\$ 408,000, granted to the Institute as endowment by the Kuwait Fund.

** This amount represents approximately the interest accrued over one year of US\$ 70,000, granted to the Institute as endowment by the Arab Fund.

68

K

GRANT COMMITMENTS FOR 1985-1987

Attachment K

<u>ADMINISTRATIVE/PROGRAM</u>	1985	1986	1987
GOV. of ITALY	315	315	-
SIDA	10	-	-
GOV. of NETHERLANDS	22	20	-
KUWAIT FUND (Endowment Income)	40	40	40
ARAB FUND (Endowment Income)	7	7	7
 <u>FELLOWSHIPS</u>			
OPEC FUND	84	-	-
AGFUND	100	-	-
SIDA	60	-	-
GOV. of NETHERLANDS	22	22	-

69

SUMMARY OF DONOR FELLOWSHIPS
(Expressed in \$US)

Attachment L

Donor	IBT-1E	IBT-2F	DLC-1E	IBT-1F	IBT-2E	DLC-1F	TOTAL
Government of Italy	15,000	15,000	51,680	15,000	16,000	54,600	167,280
OPEC Fund	16,308	16,620	147,605	5,505		12,920	198,958
US Agency for International Development	3,000	14,750		6,000	2,840	25,840	52,430
EEC	3,000					37,860	40,860
IBRD	6,000			6,000		25,000	37,000
Norwegian Agency for International Development (NORAD)	6,000						6,000
AGIP	13,400			2,500			15,900
Canadian International Development Agency (CIDA)	4,335	3,942				14,170	22,447
General Petroleum Corporation GEPCO (Sudan)	3,000						3,000
Third World Foundation	3,000						3,000
Government of Austria		4,500	14,850				19,350
Government of France		8,349		8,730			17,079
Government of Netherlands		8,500	13,800				22,300
United Nations Industrial Development Organization (UNIDO)			13,155		2,840	12,920	28,915
ABU DHABI Fund Industrial Development Bank of India			13,155				13,155
United Nations Development Program				6,000		46,260	52,260
Société Nationale des Hydrocarbures S.N.H. (Cameroun)				3,000			3,000
Société Italo-Tunisienne d'Exploitation Pétrolière (Tunis)				3,000			3,000
Société des Pétroles du Sénégal				6,000			6,000

DONOR	IBT-1E	IBT-2E	DLC-1E	IBT-1E	IBT-2E	DLC-1E	TOTAL
Société Nationale d'Operations Pétrolières de la Côte d'Ivoire				3,000			3,000
SAGA Petroluem (Norway)				3,000			3,000
TOTAL-CFP				1,500			1,500
ELF Aquitaine Angola (France)				400			400
Ministère des Mines et des Hydrocarbures (Libreville)				3,000			3,000
Investment and Development Bank (Malawi)					2,840		2,840
Government of Sudan					2,840		2,840
IBM					2,500		2,500
Nigerian-American Bank (Lagos)					2,840		2,840
Federal Ministry of Education, Science and Technology (Lagos)					2,840		2,840
Chase Bank					2,840		2,840
Ministère des Travaux Publics (Madagascar)						12,920	12,920
Ford Foundation						12,920	12,920
Self-financed					5,680		5,680
TOTAL	73,043	71,661	267,400	72,635	44,060	255,410	784,209

The above figures relate to maintenance and tuition fees. Many of the above donors have also paid participant travel costs. In some cases, travel costs have been met by the participants' government. Not all the above amounts have been paid to IDLI: some sponsors choose to give maintenance fees directly to participants.

A LEGAL FRAMEWORK FOR INTERNATIONAL BUSINESS

Foreign markets and investment provide attractive economic incentives for international business. Unfortunately, there are serious disincentives as well. Regional conflicts, nationalism and ideology erode trust and confidence which are indispensable to economic relationships. Corporate risk assessment rules out many investments. In an increasingly dangerous and volatile world, relatively little has been done to strengthen the rule of law to create economic certainty and safety.

A legal framework for international business is fundamental to the achievement of mutual economic gains. While the long-term harvest of a one-sided agreement is distrust and insecurity, fair agreements are likely to produce expected results. Just as sound, enduring agreements are based upon the sanctity of contracts, Third World trust in the contracting process largely derives from their negotiators' abilities and self-confidence.

business relationships between North and South reflect imbalances in negotiating capability. Developing countries have often failed to achieve their objectives in international negotiations because their representatives have been forced to learn the "rules of the game" at the bargaining table. Indeed, many private sector transactions which could have proved advantageous to both sides have languished because a Third World legal advisor has felt unprepared to deal with technical legal issues which arise in specialized agreements. Both developing country and multinational corporations suffer lost opportunities.

IDLI

Established in 1983 as a non-profit international non-governmental organisation, the International Development Law Institute (IDLI) trains developing country legal advisors from government ministries, banks, parastatal corporations and private firms. The Institute offers practical training in negotiation, legal drafting, international contracting procedures and financing agency rules. It helps Third World representatives negotiate more effectively in the fields of foreign investment, international trade and development assistance.

M

The twelve-week **Development Lawyers Course** imparts such basic legal skills as reviewing contracts, drafting, negotiating, monitoring implementation and resolving disputes.

The two-week **International Business Transactions seminars** bridge the information gap in such specialized legal areas as:

- Negotiating a Petroleum Exploration and Development Agreement
- International Equipment Leasing
- Negotiating an International Construction Contract
- Legal Aspects of International Debt Rescheduling
- Resolving International Contract Disputes
- Legal Aspects of International Corporate Finance

In addition, IDLI has begun a program of in-country **Training Workshops** upon the request of governments and organisations. For example, the Institute recently conducted a two-day workshop for the Italian Bankers Association on "Co-financing Projects with the World Bank".

IDLI offers the Private Sector a strengthening of the international legal framework. Most corporate lawyers prefer to have knowledgeable and confident negotiators on the other side of the bargaining table.

Foreign suppliers expect equal and above-board treatment in international bidding and well-crafted procurement documents and agreements. Accordingly, the twelve-week Development Lawyers Course emphasizes fair international procurement rules and practices.

Beyond its subject matter expertise, IDLI's most important product may be its credibility, ensured by the internationality of its staff, Board of Directors and funding sources. Outside the din of world polemics, IDLI is taking the North-South dialogue down to the practical level where it can make a difference.

13

Private Sector Contributions to IDLI

M

because IDLI courses and seminars strengthen the legal framework for international business, private corporations and firms benefit.

Four-fifths of IDLI's three year budget and fellowship requirements are being met by tuitions and grants from governments (Canada, Italy, Kuwait, The Netherlands and the United States) and international organisations (The Arab Fund, The OPEC Fund and the World Bank). The Institute requests private sector support for the balance (approximately US\$ 1 million).

Contributions may take such forms as the following:

-- Corporate sponsors program. Donors which contribute US\$50,000 or more are invited to participate as observers at IDLI Board Meetings and training programs.

-- Fellowship program. A gift of US\$15,000 will wholly or partially finance one or more participants to the Development Lawyers Course; a gift of US\$5,000, one or more participants to an International Business Transactions seminar.

-- Special programs. Corporations may underwrite programs in the regular IBT series or contribute "seed money" for in-country training workshops or international conferences on law-related development issues of major importance.

-- Endowment program. The Kuwait Fund for Arab Economic Development and the Arab Fund for Economic and Social Development have established trust funds as a first step toward IDLI's permanent funding. The Institute welcomes additional contributions in this form.

USAID FELLOWSHIPS 1984

Attachment N

IBT-1E

Mr. H. El-Belly (Sudan)	Tuition	\$1,800
	Per Diem	<u>\$1,200</u>
		<u>\$3,000</u>

IBT-2F

Mr. M. Amor (Tunis)	Tuition	\$1,800
	Per Diem	<u>\$1,150</u>
		<u>\$2,950</u>

Mr. A. Ben Abdelkefi (Tunis)	Tuition	\$1,800
	Per Diem	<u>\$1,150</u>
		<u>\$2,950</u>

Mr. M. Bouaouaja (Tunis)	Tuition	\$1,800
	Per Diem	<u>\$1,150</u>
		<u>\$2,950</u>

Mr. R. Meddeb (Tunis)	Tuition	\$1,800
	Per Diem	<u>\$1,150</u>
		<u>\$2,950</u>

Mr. G. Gatse	Tuition	\$1,800
--------------	---------	---------

IBT-1F

Mr. B. Tekaye (Tunis)	Tuition	\$1,800
	Per Diem	<u>\$1,200</u>
		<u>\$3,000</u>

Mr. M. Mechiche Alami (Morocco)	Tuition	\$1,800
	Per Diem	<u>\$1,200</u>
		<u>\$3,000</u>

N

15

IBT-2E

Mr. C. Anson (Ghana)	Tuition	\$1,800
	Per Diem	<u>\$1,040</u>
		<u>\$2,840</u>

DLC-1F

Mr. Niyonizeye (Rwanda)	Tuition	\$6,900
	Per Diem	<u>\$6,020</u>
		<u>\$12,920</u>

Mr. Havugiyaremye (Rwanda)	Tuition	\$6,900
	Per Diem	<u>\$6,020</u>
		<u>\$12,920</u>