

PRESS RELEASE

125TH ANNIVERSARY OF THE PERMANENT COURT OF ARBITRATION

THE HAGUE, 17 MAY 2024

2024 marks the 125th anniversary of the Permanent Court of Arbitration (PCA), the first global mechanism for the settlement of disputes between States.

Established in 1899 by the Hague Convention on the Pacific Settlement of International Disputes, the PCA has since come to play a pivotal role in the peaceful resolution of international disputes, fostering cooperation among States, and upholding the rule of law.

The roots of the PCA can be traced back to the late 19th century, a time marked by increasing efforts to resolve conflicts between States without resorting to warfare. A product of the first Hague Peace Conference in 1899, the PCA was created as a forum where States could voluntarily resolve their disputes through arbitration or other peaceful means of dispute resolution.

From these origins as a forum for the peaceful resolution of disputes between States, the PCA has developed into a modern, multi-faceted arbitral institution perfectly situated to meet the evolving dispute resolution needs of the international community.

Today, the PCA constitutes an essential complement to permanently constituted courts in the resolution of inter-State disputes and a hub that brings together inter-State dispute resolution, mixed arbitration between States and private parties, proceedings involving international organizations, and non-binding forms of dispute resolution, including conciliation, mediation and commissions of enquiry. Its caseload reflects the breadth of the PCA's involvement in international dispute resolution, encompassing territorial, treaty, and human rights disputes between States, as well as commercial and investment disputes, including disputes arising under bilateral and multilateral investment treaties.

The PCA's milestone 125th anniversary in 2024 gives us the opportunity to reflect on the Court's rich legacy and its numerous accomplishments since its creation in 1899:

- *Pioneering Dispute Resolution Mechanisms*: The PCA has pioneered innovative arbitration mechanisms, providing parties with flexible and effective means to resolve disputes. Recent examples include the successful resolution of the PCA-administered Timor Sea Conciliation¹ concerning the maritime boundary between Timor-Leste and Australia, and the PCA's involvement in novel rapid-review mechanisms to consider disputes arising in the course of multilateral decision-making, such as the review panels established by the South Pacific Regional Fisheries Management Organisation (SPRFMO)².
- *Expansion of Dispute Resolution Services:* In response to growing demand, the PCA has expanded its arbitration services to encompass a wide range of sectors, from commercial and investment disputes to those concerning maritime boundaries, international labour relations, telecommunications, and specific fields such as natural resources and the environment or outer space activities.

¹ PCA Case No. <u>2016-10</u>, Timor Sea Conciliation (Timor-Leste v. Australia).

² PCA Cases No. <u>2013-14</u>, <u>2018-13</u> and <u>2023-33</u>, Review Panels established under the Convention on the Conservation and Management of High Seas Fishery Resources in the South Pacific Ocean.

Among its notable contributions, the PCA plays a crucial role in climate-change-related dispute resolution, offering a platform for States to address environmental challenges through arbitration and conciliation. Additionally, its involvement in business and human rights proceedings under the International Accord for Health and Safety in the Textile and Garment Industry³ emphasizes the PCA's commitment to upholding fundamental human rights principles.

- *Landmark Cases:* Throughout its history, the PCA has administered numerous landmark cases, setting precedents and contributing to the development of international law. From the Island of Palmas Arbitration from 1925 (The Netherlands v. The U.S.A.)⁴, one of the most influential precedents dealing with island territorial disputes, to the largest ever investor-state arbitration (the Yukos Arbitration)⁵, the PCA has consistently demonstrated its ability to address complex legal issues.
- **Promotion of International Cooperation:** By facilitating dialogue and negotiation between States, the PCA has played a crucial role in promoting international cooperation and understanding. Its commitment to impartiality and neutrality has earned the trust of States worldwide, making it a preferred forum for dispute resolution. The success of the PCA's efforts in this regard is evidenced by the growing number of its Contracting Parties over the decades, from the initial 26 founding States in 1899 to 122 Contracting Parties in 2024, and by the signature of Cooperation Agreements and Host Country Agreements across the world.
- *Outreach Efforts*: In addition to offering dispute resolution services, the PCA serves as a center for legal scholarship and education, participating in and hosting seminars, workshops, and conferences on international law and dispute resolution. Through its outreach efforts, the Court seeks to promote a deeper understanding of international legal principles and foster cooperation among States in addressing common challenges.

The PCA's contributions to the field of arbitration extend far beyond its individual cases. As a pioneer in the development of international arbitration, the PCA has inspired the establishment of similar institutions and frameworks around the world. Its legacy continues to shape the practice of arbitration, promoting peaceful dispute resolution and the rule of law on a global scale.

As the Permanent Court of Arbitration now enters its next chapter, it remains committed to upholding its founding principles and adapting to the changing needs of the international community. With challenges such as climate change, cybersecurity, and emerging technologies on the horizon, the PCA stands ready to address these issues with diligence, integrity, and a steadfast dedication to the peaceful settlement of disputes.

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³ PCA Cases No. <u>2016-36 and 2013-37</u>, the Bangladesh Accord Arbitrations (IndustriALL Global Union and UNI Global Union v. Two global fashion brands); see also <u>https://internationalaccord.org/</u>.

⁴ PCA Case No. <u>1925-01</u>, Island of Palmas (or Miangas) (The Netherlands / The United States of America).

⁵ PCA Cases No. <u>2005-03</u> (Hulley Enterprises Limited (Cyprus) v. The Russian Federation), <u>2005-04</u> (Yukos Universal Limited (Isle of Man) v. The Russian Federation) and <u>2005-05</u> (Veteran Petroleum Limited (Cyprus) v. The Russian Federation).

Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 122 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering six inter-state arbitrations, one other inter-state proceeding, 102 arbitrations arising under bilateral or multilateral investment treaties or national investment laws, 97 arbitrations arising under contracts involving a State or other public entity, and 5 other proceedings.

More information about the PCA can be found at <u>www.pca-cpa.org</u>.

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