
**European Forest Institute
Dispute Settlement Rules**

AS DECIDED BY THE BOARD OF THE EUROPEAN FOREST INSTITUTE

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Table of Contents

I. SCOPE	1
§ 1 Introduction	1
§ 2 Arbitral tribunal system	1
§ 3 Applicability	1
II. COMMENCING PROCEEDINGS	2
§ 4 Notice of arbitration	2
§ 5 Serving of notices and other communication	2
§ 6 Counting of time	2
III. THE TRIBUNAL	3
§ 7 Competence	3
§ 8 Composition	3
§ 9 Arbitrators	3
§ 10 Challenge of an arbitrator	4
§ 11 Discharge of an arbitrator	4
§ 12 Replacement of an arbitrator	5
§ 13 Exclusion of liability	5
IV. THE PROCEEDINGS	6
§ 14 The procedure	6
§ 15 Decisions	6
§ 16 Language of the proceedings	6
§ 17 The place of Tribunal proceedings	6
§ 18 Time limits	6
§ 19 Representation	6
§ 21 Statement of claim	7
§ 22 Statement of defence	7
§ 23 Counter-claims, demands for set-offs and amendments	7
§ 24 Further written statements	8
§ 25 Evidence	8
§ 26 Hearings	8

§ 27	Experts	9
§ 28	Concluding statements.....	9
V.	ARBITRAL AWARD.....	10
§ 29	Rules governing the resolution of the subject matter	10
§ 30	Deliberations.....	10
§ 31	The award	10
§ 32	Partial and interim award	10
§ 33	Correction of the award	11
§ 34	Additional Award	11
§ 35	Settlement	11
§ 36	Recalling of claims.....	11
VI.	FINAL PROVISIONS	12
§ 37	Archives	12
§ 38	Costs of the Tribunal	12
§ 39	Amendments to the Dispute Settlement Rules	13
	Remuneration to arbitrators under the Dispute Settlement Rules.....	14

I. SCOPE

§ 1 Introduction

1. Article IV of the Agreement between the Government of Finland and the European Forest Institute on the Legal Status, Privileges and Immunities of the Institute and its Personnel, article 5 of the Host Agreement between the European Forest Institute and the Kingdom of Spain on the establishment of an office of the Institute in Spain, and article 3 of the Agreement between the Kingdom of Belgium and the European Forest Institute on the privileges and immunities of the European Forest Institute Liaison office provides that the Institute and its property shall enjoy immunity from every form of legal process.
2. Recognizing The European Convention on Human Rights Article 6.1., the aim of these Dispute Settlement Rules is to guarantee, without prejudice to the immunities granted to the Institute in Host Country Agreements, the due process of law for all current or former employees, other staff members, Directors, experts on mission and economic operators taking part in EFI tender processes.

§ 2 Arbitral tribunal system

An arbitral tribunal system, governed by these Dispute Settlement Rules, is hereby set up by the European Forest Institute (hereinafter “EFI”) with the purpose to guaranteeing access to justice for current and former employees and other staff members, Directors of EFI, experts on mission, as well as for economic operators taking part in EFI tender processes.

§ 3 Applicability

The following matters may be referred to arbitration and finally settled by an arbitral tribunal, hereinafter referred to as “the Tribunal”, in accordance with these Rules:

- a. Disputes arising out of or relating to contracts of employment, other terms and conditions of employment, or terms and conditions for staff members other than employees;
- b. Disputes with the incumbent Director or any former Director;
- c. Disputes with experts on mission, contracted by EFI, where there is an explicit reference in the individual contract to these Rules; and
- d. As stated in the EFI procurement rules

II. COMMENCING PROCEEDINGS

§ 4 Notice of arbitration

1. Convening of the Tribunal and arbitral proceedings shall be initiated by the party initiating recourse to the arbitration (hereinafter “the claimant”) sending the other party (hereinafter “the respondent”) a written notice of arbitration. The claimant and the respondent are together known as the parties.
2. The written notice shall include:
 - a) Contact details of the claimant;
 - b) A reference to the contract, clause, relationship or tender process out of or in relation to which the dispute arises;
 - c) The general nature of the claim, including a preliminary statement on the remedy sought;
 - d) The contact details of the arbitrator appointed by the claimant, and a description of the appointed arbitrators qualifications; and
 - e) A request that the respondent appoints an arbitrator
3. When the notice is received by the respondent the arbitration shall be considered initiated.

§ 5 Serving of notices and other communication

For the purposes of these Rules, any written statement, claim, decision, award or notice, including a notification, communication or proposal, is deemed to have been received if it is physically delivered to the addressee or if it is delivered at the party’s habitual residence, place of business or mailing address, or, if none of these can be found after making reasonable inquiry, then at the addressee’s last-known residence or place of business. Notice shall be deemed to have been received on the day it is so delivered.

All communication referred to in the preceding paragraph shall be sent by the sending party to the other party as well as the Tribunal.

§ 6 Counting of time

For the purposes of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice, notification, communication or proposal is received. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

III. THE TRIBUNAL

§ 7 Competence

1. The Tribunal shall have the power to rule on its own jurisdiction, including the scope and validity of these Rules.
2. A plea that the Tribunal has no jurisdiction shall be raised no later than in the statement of defence or, with respect to a counter-claim, in the reply to the counter-claim.
3. The Tribunal shall not cease to have jurisdiction by reason of any claim that the disputed contract, clause, relationship or tender process is null and void or that it is non-existent.

§ 8 Composition

1. The Tribunal shall consist of a three members (individually hereinafter referred to as “arbitrator”), unless the parties jointly decide that the Tribunal shall consist of a sole arbitrator. In case a sole arbitrator is appointed, any reference to Chairman of the Tribunal in these Rules shall be a reference to that arbitrator.
2. The claimant shall appoint one arbitrator in the notice of arbitration. Unless it is agreed that the Tribunal shall consist of a sole arbitrator, the respondent shall within 60 days from receipt of a notice of arbitration appoint one arbitrator. The two arbitrators thus appointed by the parties shall within 60 days appoint a third arbitrator who shall serve as the Chairman of the Tribunal.
3. If within 60 days after the receipt of the notice of arbitration the respondent has not notified the claimant of an arbitrator appointed, the claimant may request the Arbitration Institute of the Central Chamber of Commerce of Finland (hereinafter called the “appointing authority”) to appoint the second arbitrator.
4. If within 60 days after the appointment of the second arbitrator the two arbitrators have not agreed on the choice of the third arbitrator, the third arbitrator shall, at the request of either party, be appointed by the appointing authority.
5. If a sole arbitrator is to be appointed, the parties shall agree on whom to appoint. If the Parties cannot agree on whom to appoint, any of the Parties may request the appointing authority to appoint the arbitrator.

§ 9 Arbitrators

1. An arbitrator shall be independent and impartial and possess full legal capacity and sufficient knowledge in the field at issue in the arbitration.
2. Only a fully qualified lawyer may be appointed and serve as Chairman of the Tribunal.

3. The arbitrator must be and remain independent of the parties involved in the Tribunal proceedings, and shall not seek nor receive instructions from anyone. The arbitrator shall refrain from all unilateral contact with the parties or their counsel.
4. The person to be appointed as arbitrator shall in writing disclose any circumstances likely to give rise to justifiable doubt in the eyes of the parties as to the arbitrator's impartiality and independence, including any bias or any other financial or personal interest in the result of the arbitration or in the result of the arbitration or any past or present relationship with the parties or their representatives. An arbitrator shall immediately disclose in writing to the parties any facts or circumstances of a similar nature that may arise after having been appointed.

§ 10 Challenge of an arbitrator

1. Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's sufficient knowledge in the field at issue in the arbitration, impartiality or independence.
2. The challenge shall state the grounds therefore and must be made within 21 days to the other party, to the arbitrator who is challenged and, where applicable, to the other arbitrators from the date these grounds became known to the party making the challenge, failing which such party shall be deemed to have waived its right to make such a challenge.
3. A party may challenge the arbitrator appointed by that party only for reasons of which he becomes aware after the appointment has been made.
4. When an arbitrator has been challenged by one party, the other party may agree to the challenge. The arbitrator may also, after the challenge, withdraw from office. In neither case does this imply acceptance of the validity of the grounds for the challenge.
5. If the other party does not agree to the challenge or the challenged arbitrator does not withdraw, the decision on the challenge will be made by the Tribunal.
6. Following a successful challenge, a new arbitrator shall be appointed following the provisions in §§ 8-9.

§ 11 Discharge of an arbitrator

An arbitrator may be discharged when jointly agreed by the parties if the arbitrator is found to be unqualified for the fulfilment of his task or if he fails to fulfil his duties or, without valid reasons, delays the proceedings, or if there are other justifiable grounds for discharge.

§ 12 Replacement of an arbitrator

1. In the event of the death, resignation or discharge of an arbitrator during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen pursuant to the procedure that was applicable to the appointment or choice of the arbitrator being replaced.
2. In the event that an arbitrator fails to act or in the event of the *de jure* or *de facto* impossibility of his performing his functions, the procedure in respect of the challenge and replacement of an arbitrator as provided in the preceding articles shall apply.
3. Following the death, resignation or discharge of an arbitrator, a new arbitrator shall be appointed following the provisions in §§ 8-9.

§ 13 Exclusion of liability

The arbitrator shall not be held liable for any decision or ruling in relation to a dispute settlement process unless the liability results from arbitrator's wilful misconduct or gross negligence.

IV. THE PROCEEDINGS

§ 14 The procedure

1. The parties shall be treated impartially and equally and shall be given full opportunity to present their case before the Tribunal.
2. Oral proceedings shall – in proceedings related to matters under § 3.a., § 3.b. and § 3.c. – always be held at the request of one or more of the parties.

The proceedings shall otherwise be conducted in writing, on the basis of documents and other materials supplied to the Tribunal, unless otherwise foreseen by these Rules or decided by the Tribunal.

3. Part of proceedings that are not conducted in writing shall be open unless, at the request of one of the parties or *ex officio*, for valid reasons, otherwise decided by the Tribunal.

§ 15 Decisions

Unless the Tribunal consists of a sole arbitrator, all decisions are taken by a majority of the arbitrators. If there is no majority, the Chairman of the Tribunal shall have deciding vote.

§ 16 Language of the proceedings

1. The language of the proceedings shall be English.
2. All documents presented during the proceedings shall be in English. A document originally in another language shall for this purpose be translated into English by the party presenting it.

§ 17 The place of Tribunal proceedings

The place of oral proceedings of the Tribunal shall be in Joensuu, Finland, unless otherwise jointly decided by the parties.

§ 18 Time limits

Unless the Tribunal decides otherwise, the time limit for the submission of statements during the proceedings is 45 days at most from the date when a party has been exhorted to submit a statement. A party's statement of evidence and a specification of what is to be proven with the evidence shall also be considered as a statement.

§ 19 Representation

1. Any party may be represented before the Tribunal by counsel or other person of its choice.

2. The name and contact details of any representative shall be communicated to the other party and the Tribunal.
3. All written statements shall be signed by the party or its representative.

§ 20 Refusal to appear

If any of the parties refuses or fails to take part in the proceedings or any stage thereof, the proceedings shall continue notwithstanding such refusal or failure.

§ 21 Statement of claim

1. The Tribunal shall require the claimant to submit a statement of claim in writing.
2. The statement of claim shall contain the following:
 - a) a description of the claim;
 - b) the remedy sought;
 - c) a statement of the relevant facts supporting the claim;
 - d) the evidence the claimant intends to rely on; and
 - e) name, address and other contact details of the claimant

§ 22 Statement of defence

1. Following receiving the statement of claim, the respondent shall submit a statement of defence.
2. The statement of defence shall contain the following:
 - a) an statement whether the claim is accepted or contested;
 - b) a statement on the grounds for contesting the claim and of the relevant facts supporting the statement of defence;
 - c) the evidence the respondent intends to rely on; and
 - d) name, address and other contact details of the respondent

§ 23 Counter-claims, demands for set-offs and amendments

1. During the course of the arbitral proceedings either party may present a counter-claim, a demand for set-off, amend or supplement its claim or defence unless the Tribunal considers it inappropriate to allow such amendment having regard to the delay in making it or prejudice to the other party or any other circumstances.

2. A counter-claim, a demand for set-off, amend or supplement to a claim or defence shall be stated following the provisions of § 23 subsection 2.

§ 24 Further written statements

The Tribunal may ask the parties to submit further written statements, within time limits that it shall set.

§ 25 Evidence

1. The Tribunal shall freely evaluate all evidence.
2. Each party shall have the burden of proving the facts relied on to support its claims or defence.
3. The Tribunal may dismiss evidence that is clearly irrelevant for the case, relates to a fact that already has been established, can be established by more cost efficient means, or if it is otherwise motivated by the stage of the proceedings.
4. At the request of the Tribunal, the parties shall state the evidence and produce the written evidence on which they wish to rely, specifying what they wish to prove with each item of evidence.
5. The Tribunal shall determine to what extent written testimonies may be submitted as evidence.
6. The Tribunal may require a party, a witness or any other person to appear for examination as well as request a party or any other person in possession of a written document or other object which may have relevance as evidence to produce the document or object.

§ 26 Hearings

1. The Tribunal is free to determine the manner in which witnesses are examined.
2. Hearings may be held if it is requested by one or more of the parties and if the Tribunal decides that such hearings are necessary for properly investigating and deciding on the case.
3. A witness may be present at the proceedings only while being heard.
4. A party may call witnesses or expert witnesses to be heard only if these have been brought forward by the party in the statement of claim, statement of defence, or any further written statement.

5. The proceedings shall take place in one continuous session if practicable. If an arbitrator is replaced during the oral proceedings, these shall be recommenced after appointment of a new arbitrator.

§ 27 Experts

6. The Tribunal may where necessary for properly investigating and deciding on the case appoint expert to report to it on anything relating to the disputed matter, unless jointly opposed by the parties. Before appointing an expert the parties shall be consulted.
7. The Tribunal may require a party to give the expert any information necessary for the performance of its task and to give the expert an opportunity to inspect documents, goods or other property.
8. The expert shall report to the Tribunal in writing. The report shall be communicated to the Parties by the Tribunal. Following this the Tribunal may, having consulted the parties, arrange for a hearing of the expert.

§ 28 Concluding statements

The Tribunal may require a party to make a final statement of its claim and of the facts and evidence on which the party relies. Once the time limit for the submission of such a final statement has expired, the party cannot alter the claim nor invoke a new fact or any new evidence, unless the Tribunal in the face of special reasons so allows.

V. ARBITRAL AWARD

§ 29 Rules governing the resolution of the subject matter

1. The Tribunal shall decide the dispute in accordance with the rules and laws applicable to the substance of the dispute.
2. Should the Tribunal not find a relevant stipulation in the said rules and laws, it may seek guidance from common practices of international administrative law.

§ 30 Deliberations

The Tribunal shall conduct its deliberations *in camera*.

§ 31 The award

1. When the Tribunal consists of three arbitrators, any award shall be decided by a majority of arbitrators. When there is no majority, the Chairman of the Tribunal shall have deciding vote.
2. The award shall state the grounds on which it is based, the remedies awarded and remuneration to the arbitrators and other costs of the arbitration.
3. The award shall be in writing and shall be given in English. It shall be signed by all arbitrators. A duly signed and dated original of the award shall be given to each party. The award shall also state the place where it was given.
4. The award is final and binding on the parties. The award cannot be appealed and process regarding the same matter at a later stage is, subject to §§ 33-34, not allowed.
5. The award shall be made promptly by the Tribunal and no later than 90 days from the date of the closing of the proceedings.
6. The parties shall carry out the award without delay.

§ 32 Partial and interim award

1. The Tribunal may, at the request of a party, render a partial arbitral award on an independent claim in a dispute where several claims have been made. The Tribunal may also, at the request of a party, render a partial award on that part of the claim that has been admitted by the respondent. A claim and a demand for a set-off with regard thereto shall, however, be determined jointly.
2. The Tribunal may, if the parties have so agreed, decide by an interim arbitral award a separate issue in dispute, if rendering an award on other matters in dispute is dependent on rendering such an interim award.

§ 33 Correction of the award

1. A party may within 60 days of the award being rendered request that the Tribunal corrects clerical, typographical, technical or computational errors, or errors of a similar kind. Such a request shall, with notice to the other party, be sent to the Chairman of the Tribunal.
2. If the Tribunal considers the request to be justified it shall make the requested correction without delay and, if possible, not later than 30 days after receipt of the request by the Chairman of the Tribunal.
3. The Tribunal may also on its own initiative, within 60 days of rendering the award, correct clerical, typographical, technical or computational errors, or errors of a similar kind. The parties shall be heard before any such correction is made.

§ 34 Additional Award

Either party may, with notice to the other party within 60 days after the rendering of the award, request the Tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award. If the Tribunal considers the request for an additional award to be justified, it shall make an additional award within 90 days. Before rendering the additional award, the parties shall be given an opportunity to be heard.

§ 35 Settlement

1. The parties may settle their dispute at any time during the proceedings. At any moment in the proceedings, the Tribunal may also attempt conciliation between the parties.
2. If the parties settle, the Tribunal shall at the request of any of the parties decide on an award according to the terms of the settlement. The award does not have to include statement of the grounds other than a reference to the terms of the settlement.

§ 36 Recalling of claims

1. If the claimant recalls the claim after the respondent has submitted the statement of defence the respondent may, within 30 days, demand that the matter is tried before the Tribunal. If this is not done the Tribunal shall issue an order for the termination of the proceedings.
2. If the parties agree that the proceedings shall be terminated, or if the Tribunal, after hearing the parties, comes to a conclusion that the proceedings cannot be continued, the Tribunal shall issue an order for the termination of the arbitral proceedings.

VI. FINAL PROVISIONS

§ 37 Archives

All material relating to a dispute resolution process shall be kept by EFI.

§ 38 Costs of the Tribunal

1. The Tribunal shall have powers to decide on the amount of remuneration to each of the arbitrators and other costs of the arbitration. EFI may for this purpose set up maximum amounts not to be exceeded by the Tribunal.
2. Only the following costs are considered other costs of the arbitration:
 - a) travel costs and other expenses related to the arbitration incurred by the arbitrators;
 - b) costs for experts appointed by the Tribunal to the extent such expenses are approved by the Tribunal;
 - c) costs for an arbitrator appointed by the appointing authority; and
 - d) costs for legal representation and assistance of a party, as well as travel costs, and costs of witnesses, if such costs were claimed during the arbitral proceedings, and only to the extent that the Tribunal determines that the amount of such costs are reasonable.
3. The remuneration of the arbitrators and other costs of the arbitration shall be reasonable in amount, taking into account the amount in dispute, the complexity of the subject-matter, time spent relevant to the proceedings and any other relevant circumstances of the case.
4. Remuneration to the arbitrators and cost of the arbitration stated under subsection 2.a), b) and c) will initially be paid by EFI but shall finally be borne according to subsection 5., and 6.
Costs of the arbitration stated under subsection 2. d) shall be borne by the unsuccessful party. This applies both to own costs and the costs of the successful party.
5. For proceedings related to matters under § 3.a. and § 3.b. the following shall apply:
 - a) EFI shall bear the cost of remuneration to the arbitrators and costs of the arbitration stated under subsection 2 a), unless the Tribunal rules that the claim against EFI is manifestly unfounded, in which case the unsuccessful party shall be ordered pay the remuneration to the arbitrators and all other costs of the arbitration stated under subsection 2 a).
 - b) the unsuccessful party shall bear all other costs of the arbitration stated under subsection 2. b) and c).
6. For proceedings related to matters under § 3.c. and § 3.d. the remuneration to the arbitrators and all other costs of arbitration shall finally be borne by the unsuccessful party.

7. Notwithstanding the provisions in subsection 5. and 6. the Tribunal may apportion the costs for remuneration to the arbitrators and other costs of the arbitration between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.
8. If the parties reach a settlement each party shall bear its own costs. The costs for remuneration to the arbitrators and other costs of the arbitration, which are not costs of either of the parties, shall be borne equally between the parties.
9. The remuneration to the arbitrators and other costs of the arbitration may be decided separately by the Tribunal in case the proceedings are closed without an award being given.

§ 39 Amendments to the Dispute Settlement Rules

These Dispute Settlement Rules may only be amended by the Board of EFI.

The European Forest Institute

Remuneration to arbitrators under the Dispute Settlement Rules

The maximum amount of remuneration to any of the arbitrators under § 38 of the European Forest Institute Dispute Settlement Rules shall be EUR 10,000 (ten thousand euros).