

**REMARKS BY H.E PAUL KAGAME, PRESIDENT OF THE REPUBLIC
OF RWANDA, AT THE LAUNCH OF PALU-ALSF JOINT PROJECT
ON INTERNATIONAL COMMERCIAL LAW IN AFRICA
SERENA HOTEL, KIGALI, 11TH FEBRUARY, 2011**

- + Chief Justice, Excellencies;**
- + President of the African Development Bank, Dr. Donald Kaberuka;**
- + President of the Pan-African Lawyers' Union, Mr. Akere Muna;**
- + Director, African Legal Support Facility, Mamadou Dame;**
- + Leaders of our government institutions;**
- + Rwandan Legal Fraternity;**
- + Distinguished Ladies and Gentlemen;**

When I was invited to preside over the launch of this joint project on international commercial law in Africa, I knew that this was an initiative I would want to support and be associated with.

And I wish to commend the Pan-African Lawyers Union (PALU) and the African Legal Support Facility (ALSF) for taking the bold and important decision that will no doubt benefit all of us on the African Continent.

Let me also take this opportunity to thank the African Development Bank and its President Dr.Kaberuka for supporting this project.

This initiative has been needed for quite a long time now, because the existing capacity gap among African legal practitioners to negotiate complex international commercial transactions is a well known fact.

This is most evident in the field of commercial law where for far too long the lack of sophistication in our legal practice has robbed Africans of significant rightful returns to investment.

For example, the number of cases and amounts of financial resources our countries have lost in litigations instituted by many times unscrupulous investors and, sometimes, illegitimate creditors are staggering.

It is estimated that in 2008, about US 1.5 billion worth of lawsuits were pending against eleven of the poorest countries in the world, including those from Africa. These cases have often been filed by vulture funds that both the Presidents of the African Development Bank and the Pan-African Lawyers' Union referred to.

The losses incurred have exposed major weaknesses in negotiating international commercial contracts and handling litigations that arise from them.

Leakages of this nature continuously reduce the impact of important projects to the development of our people. We therefore need sound principles to guide the design of fair contracts that adequately protect our countries in resource-centred deals with powerful countries and companies.

These principles, coupled with good legal advice and support, will help us enter into international commercial agreements, especially in large-scale Public - Private Partnership contracts for the development and exploitation of natural resources, such as minerals, oil and gas, and also infrastructural projects.

We must create a fair balance and avoid situations where the weak remain perpetually so, and the strong continue to have the upper hand. The playing field must be leveled for African countries, international investors and creditors alike.

To do this, we must first build confidence in our legal systems, and enforce accountability in them.

As you know, most of the contracts between powerful multinational companies and our countries are referred to as “standard-form” contracts, which leave us with little room for manoeuvre.

Their returns will be guaranteed, while our countries assume the risks. In fact, the applicable laws will be the laws of their countries, and arbitration set in far away capitals.

This is simply unacceptable. What we want is to see contracts that recognise an investor’s need for a reasonable rate of return, while the country also gets the appropriate benefits it deserves.

I am glad that this joint project is designed to address these weaknesses in our negotiating capacity, and that the mutual interest governments and lawyers’ associations have in delivering this crucial support is well recognized.

As legal practitioners, and in the various seminars you will be holding following this launch, I encourage you to go beyond legal theory and also consider the values of human dignity, issues of equality, and accountability. These are values that empower our people to have a say in the administration of justice, making it a collective responsibility of all our citizens.

I once again congratulate the Pan-African Lawyers' Union and the African Legal Support Facility on this joint venture, and I thank the African Development Bank for supporting such an important undertaking.

This issues being addressed here today will respond to something I am always telling my people. It is always said that we should treat investors like kings – well I have no problem with that , but we should also treat our citizens with the respect they deserve and protect their interests. This project will help to address that.

It is now my pleasure to declare the joint project on international commercial law in Africa officially launched, and this conference officially open.

I wish you fruitful deliberations and a memorable stay in Rwanda.

Thank you very much.