



**ICSID**

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

**2017**  
**ANNUAL**  
**REPORT**

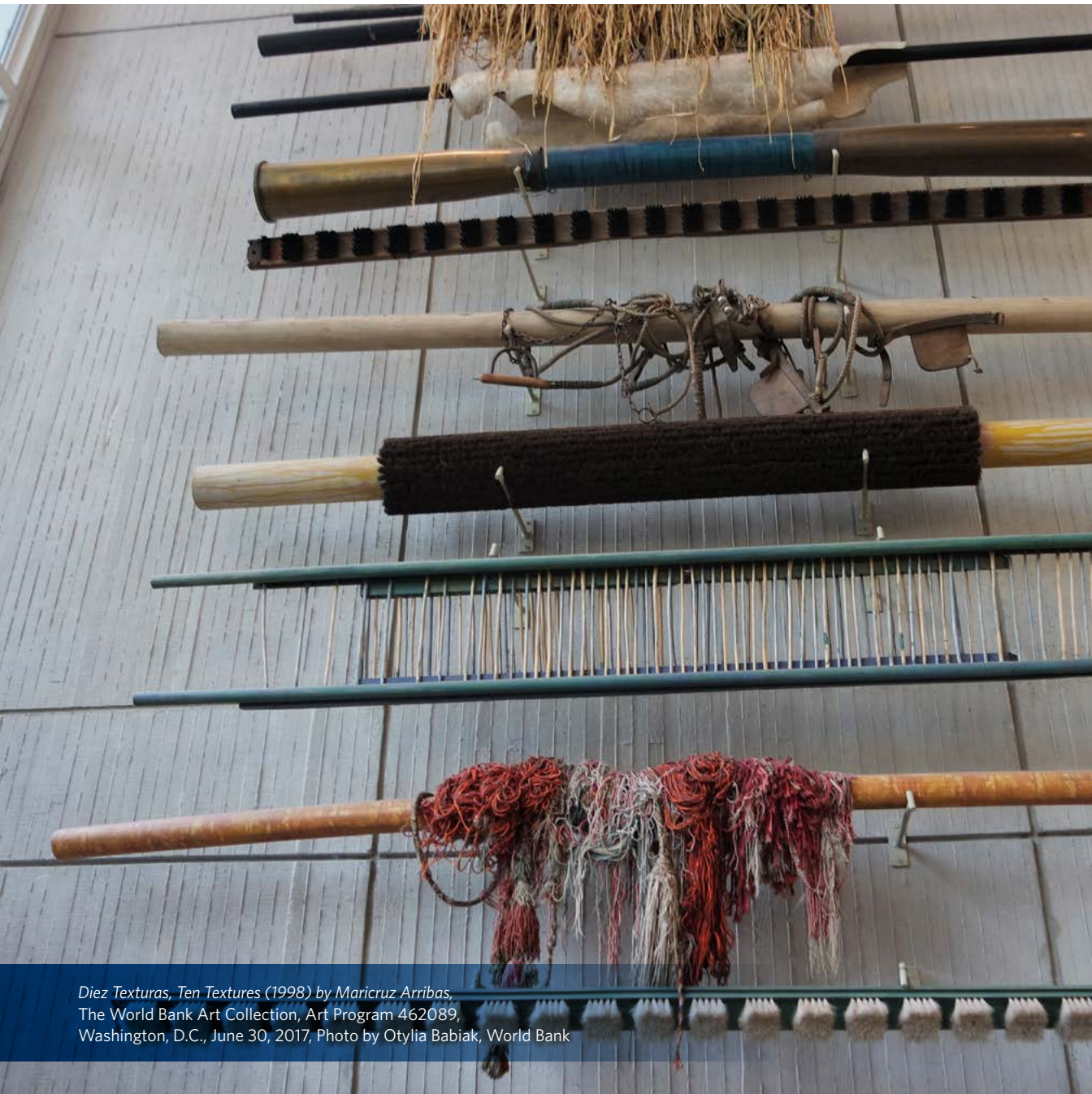


A stylized globe background composed of a network of light gray lines forming a grid of latitude and longitude, overlaid on a white background.

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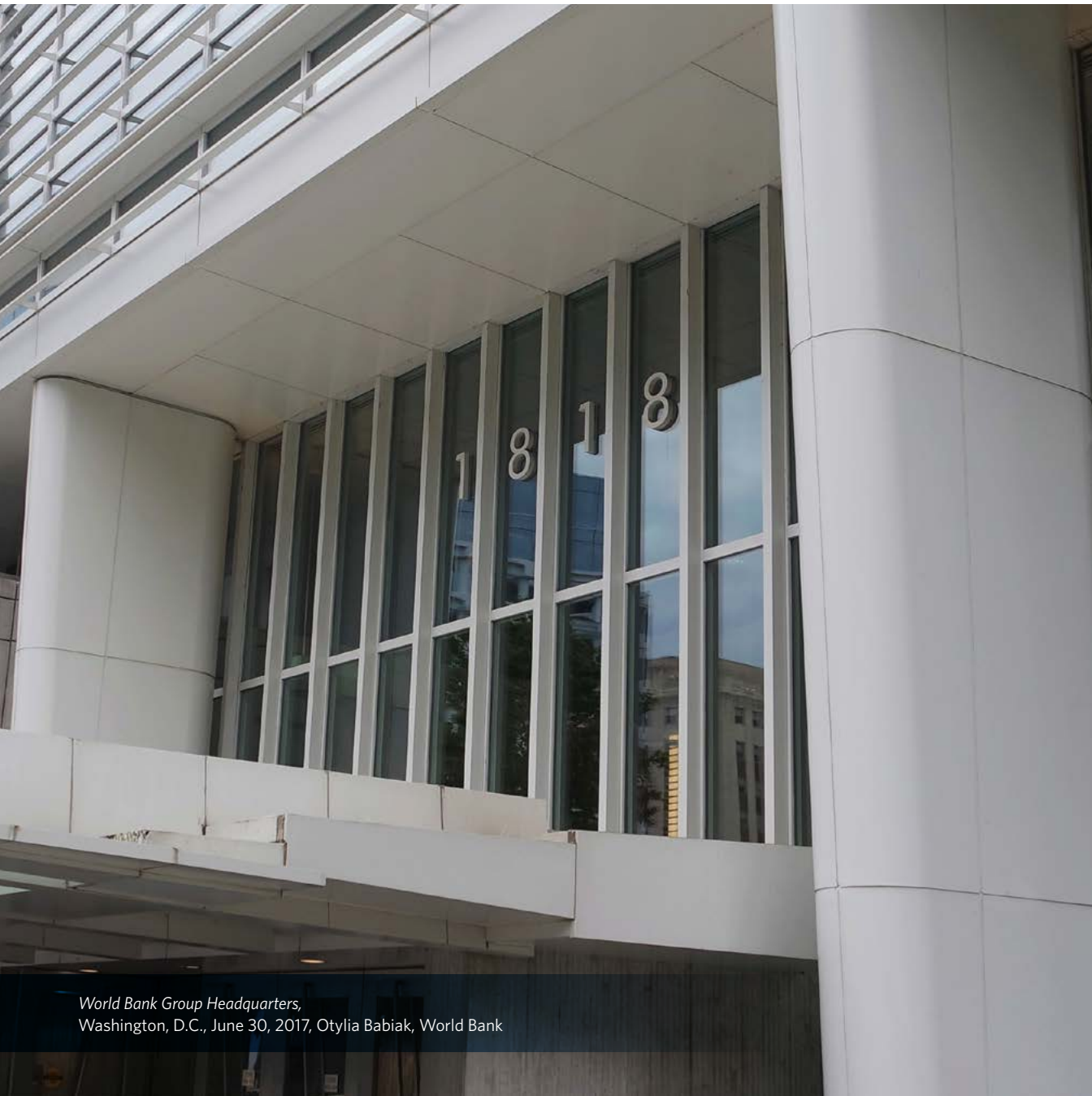


*Diez Texturas, Ten Textures (1998) by Maricruz Arribas,*  
The World Bank Art Collection, Art Program 462089,  
Washington, D.C., June 30, 2017, Photo by Otylia Babiak, World Bank



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*World Bank Group Headquarters,  
Washington, D.C., June 30, 2017, Otylia Babiak, World Bank*



# INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

September 6, 2017

Dear Mr. Chairman,

I am pleased to submit the Annual Report on the operation of the International Centre for Settlement of Investment Disputes for approval by the Administrative Council. This Annual Report covers the fiscal year from July 1, 2016 to June 30, 2017.

The Report includes the audited financial statements of the Centre, presented pursuant to Administrative and Financial Regulation 19.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Meg Kinnear'. The signature is fluid and cursive, with a large initial 'M'.

Meg Kinnear

Secretary-General

Dr. Jim Yong Kim  
Chairman  
Administrative Council  
International Centre for Settlement of Investment Disputes



*IMF/World Bank Annual Meetings,*  
Washington D.C., October 8, 2014, Simone D. McCourtie, World Bank



# FOREWORD



MEG KINNEAR  
*ICSID Secretary-General*

ICSID celebrated its 50<sup>th</sup> year of operation in 2016. This milestone was an opportunity to reflect on the foresight and innovation of Member States in designing the ICSID Convention. The Convention and the Centre it established have been a remarkable success in a relatively short time, and are a testament to the demonstrated need for such a facility in an era of increasing cross-border trade and investment.

Today, ICSID is the acknowledged world leader in investor-State dispute settlement. It has administered more than 70% of all known international investment proceedings. Over the past year alone, ICSID administered 258 cases, the most in any single year of its history. These cases are administered in every region of the world, and are decided by a diverse international group of specialist arbitrators, conciliators and *ad hoc* committee members.

ICSID's case administration is complemented by its leading role in training parties about international investment dispute settlement and in publishing cutting-edge legal scholarship on developments in the field. This systemic perspective enhances ICSID's ability not only to provide the most effective administrative service, but also to envision and implement continuous improvement of investment dispute settlement.

A few examples of recent initiatives demonstrate the drive for innovation. In the past year ICSID translated its comprehensive website into the three official languages of the Centre (English, French and Spanish). The Centre inaugurated a trilingual newsletter that

updates readers on significant recent cases, provides practice guidance on dispute settlement techniques, and reports on training and other activity at the Centre. ICSID has also designed a registry service for States to simplify the administration of disputes under individual investment agreements. The first example of this will be pursuant to the Comprehensive Economic and Trade Agreement between Canada and the European Union where ICSID will act as the registry for the dispute settlement mechanism established by the investment chapter in that treaty. ICSID offers this registry service to other States to support their treaty obligations, lending cost-effectiveness, consistency, transparency and expertise to the process.

ICSID has added two facilities cooperation agreements over the past year, furthering its ability to offer service in every region of the world. At the same time, ICSID has improved its facilities in Paris and Washington, D.C. The Paris Centre was renovated in 2016-2017, upgrading technology and providing an additional hearing room. Planning is currently underway for ICSID to move to new quarters in Washington, D.C. in 2018, where it will have modern hearing rooms co-located with the Secretariat's offices. We also restructured the Secretariat's organization this year with the Administrative Council electing two Deputy Secretaries-General. Today ICSID has more than 65 staff in case teams, an administration and finance team and a front office team. The expertise and dedication of the ICSID staff explain the Centre's success, and I thank them for being such wonderful colleagues and supporting our mission whole-heartedly.

In the upcoming year ICSID will address further modernization of the ICSID rules. ICSID announced the commencement of this process during the October 2016 Annual Meeting of the ICSID Administrative Council. Subsequently it has canvassed all Member States for suggestions as to potential rule amendments and has received suggestions and feedback on this process from an engaged group of State officials. At the same time, ICSID welcomed public suggestions on potential amendments, which are published on a dedicated webpage. Over 2017-2018, ICSID will release background papers on potential amendments and undertake consultations with stakeholders to determine the direction of an amendment package that ultimately will be submitted to the Administrative Council for approval. This offers an exciting opportunity to continue to develop the investment dispute settlement process to better serve States and investors alike.

Finally, I would like to thank the ICSID Member States and facility users for their continued confidence in the Centre. Together we contribute to the promotion of stable investment climates where citizens can share in global prosperity. ICSID is honored to contribute to fulfilling this mission and will support it through the effective and peaceful resolution of disputes.



Meg Kinnear

Secretary-General

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**acknowledged  
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ICSID Headquarters,  
Washington, D.C., June 30, 2017, Otylia Babiak, World Bank



# ICSID SECRETARIAT

The ICSID Secretariat carries out the day-to-day operations of the Centre. Its composition and principle functions are set out in the ICSID Convention (Articles 9 to 11) and the Administrative and Financial Regulations. The ICSID Secretariat is led by the Secretary-General, who is assisted by two Deputy Secretaries-General. The staff are organized into a front office team, four case management teams and a general administration and financial management team.

As at June 30, 2017, the Secretariat consisted of 66 staff members from 26 countries, making it one of the most diverse organizations within the World Bank Group. Most ICSID staff are fluent in two or all three of the Centre's official languages (English, French and Spanish), and collectively ICSID staff are fluent in 23 other languages, including Akan, Amharic, Arabic, Bulgarian, Cantonese, Czech, Finnish, German, Greek, Hebrew, Hungarian, Italian, Japanese, Kirundi, Kinyarwanda, Mandarin, Polish, Russian, Swahili, Swedish, Tagalog, Wolof and Yoruba.

During FY2017, ICSID welcomed two externs, a Fulbright Scholar from Pakistan and a dual JD student from China, and over a dozen interns from Algeria, Canada, China, France, India, Ireland, the Republic of Korea, Morocco, Nigeria, Peru, and the United States to assist on dispute settlement cases and institutional projects.

## SECRETARIAT STAFF AS OF JUNE 30, 2017

### Secretary-General

Meg Kinnear

### Deputy Secretary-General

Gonzalo Flores

Martina Polasek

### LEGAL STAFF

#### Senior Legal Adviser

Aurélia Antonietti

Milanka Kostadinova

#### Team Leader/Legal Counsel

Paul-Jean Le Cannu

Frauke Nitschke

Natalí Sequeira

Mairée Uran Bidegain

#### Legal Counsel

Francisco Abriani

Laura Bergamini

Ana Conover

Mercedes Cordido-Freytes de  
Kurowski

Aïssatou Diop

Geraldine Fischer

Anneliese Fleckenstein

Benjamin Garel

Lindsay Gastrell

Francisco Grob D.

Anna Holloway

Alex B. Kaplan

Alicia Martín Blanco

Sara Marzal Yetano

Jara Mínguez Almeida

Marco Tulio Montañés-  
Rumayor

Celeste Mowatt

Marisa Planells-Valero

Ella Rosenberg

Luisa Fernanda Torres

### Legal Counsel— Institutional Matters

Daniela Argüello

Randi Ayman

Otylia Babiak

Chrysoula Mavromati

### PARALEGAL, ADMINISTRATIVE AND CLIENT SUPPORT STAFF

#### Paralegal

Geraldine Alonso Ghersi

Joy Berry

Arkiatou Boissaye

Colleen Ferguson

Ivania Fernández

Nicholas Grant Maisel

Valérie Locoh-Donou

Phoebe Ngan

Nayib Rivera

Francisco Sánchez

Elizabeth Starkey

#### Legal Assistant

Alix Ahimon

Alejandra Bobadilla

Paula Carazo

Cinthyia Ibáñez

Lanny Isimbi

Ayling Kocchiu

Jennifer Ann Melendez

Erika Nyman

Drake Palmer Starling

Alexander Vázquez

#### Administrative Assistant to Secretary-General

Cindy Ayento

#### Program Assistant

Anita Chen

### FINANCIAL AND GENERAL ADMINISTRATION STAFF

#### Team Leader/Sr. Program Officer

Javier Castro

#### Hearings & Events Organizer

Lamiss Al-Tashi

#### Financial Analyst

Azeb Debebe Mengistu

Walter Meza-Cuadra

#### Sr. Information Technology Assistant

Patricia V. Romero

#### Program Assistant

Guillermo Acevedo

Sherri Akanni

#### Hearings & Events Organizer Assistant

Diana Magalona

#### Receptionist

Adjoa Apete

#### Records Assistant

Dante Herrera Guzman



*Staff of the ICSID Secretariat, Washington, D.C., June 1, 2017, Franz Rudolph Mahr, World Bank*

# ANNUAL HIGHLIGHTS

2

**THE SECOND ANNUAL ICSID BRIEFING FOR EMBASSY REPRESENTATIVES** was held in Washington, D.C. in September 2016, updating local representatives of ICSID Member States on ICSID proceedings and institutional developments.

3

**THE ICSID REVIEW PUBLISHED THREE SPECIAL-FOCUS ISSUES** on State-owned enterprises, the intersection of investment arbitration and public international law, and procedural issues in investment treaty arbitration.

9

In FY2017, **ICSID ADMINISTERED 9 INVESTOR-STATE ARBITRATIONS** under the UNCITRAL Rules.

17

**ICSID NOW HAS 17 COOPERATION AGREEMENTS** with other international arbitral institutions, with 2 new agreements concluded in FY2017. This complements its capacity to hold hearings anywhere in the world.

32

In FY2017, **ICSID TRIBUNALS RENDERED A RECORD OF 32 AWARDS.**

**ICSID REGISTERED 49 CASES** in the fiscal year ending June 30, 2017.

49

**THE CENTRE CONCLUDED 56 CASES IN THE PAST YEAR**, the highest in ICSID's history; demonstrating that its efforts to expedite the arbitral process are having an impact on the duration of individual cases.

56



## A NUMERIC PROFILE OF ICSID IN FY2017

66

**ICSID HAS A STAFF OF 66 PROFESSIONALS.** More than half of ICSID staff are lawyers trained in various civil and common law jurisdictions. Secretariat staff speak 23 languages in addition to the Centre's official languages, English, French and Spanish.

At fiscal year-end, **16 ICSID CONTRACTING STATES MADE 73 DESIGNATIONS OR RE-DESIGNATIONS** to the ICSID Panels of Arbitrators and Conciliators. By the end of FY2017, there were 657 individuals on the ICSID Panels.

73

80

**MORE THAN 80 PRESENTATIONS WERE GIVEN BY SECRETARIAT STAFF** in over 25 countries on 6 continents.

93

This fiscal year, **93 INDIVIDUALS FROM 33 DIFFERENT COUNTRIES** of origin were appointed to serve as arbitrators, conciliators or *ad hoc* committee members in 57 ICSID cases.

At its 50<sup>th</sup> Anniversary, **THE ICSID CONVENTION HAD 153 CONTRACTING STATES** and 161 Signatory States.

153

In FY2017, **182 SESSIONS OR HEARINGS WERE HELD.** More than half (53%) of all sessions and hearings in FY2017 were conducted by telephone or video conference.

182

**ICSID ADMINISTERED 258 CASES** in FY2017, the greatest number of cases ever administered in a single year.

258

619

ICSID's 600<sup>th</sup> case overall was registered in January 2017, and **619 CASES HAD BEEN REGISTERED** by the fiscal year-end.



Meg Kinnear, ICSID Secretary-General, with Gonzalo Flores and Martina Polasek, ICSID Deputy Secretaries-General, at a Briefing for World Bank Executive Directors, Washington, D.C., January 30, 2017, Daniela Argüello, World Bank



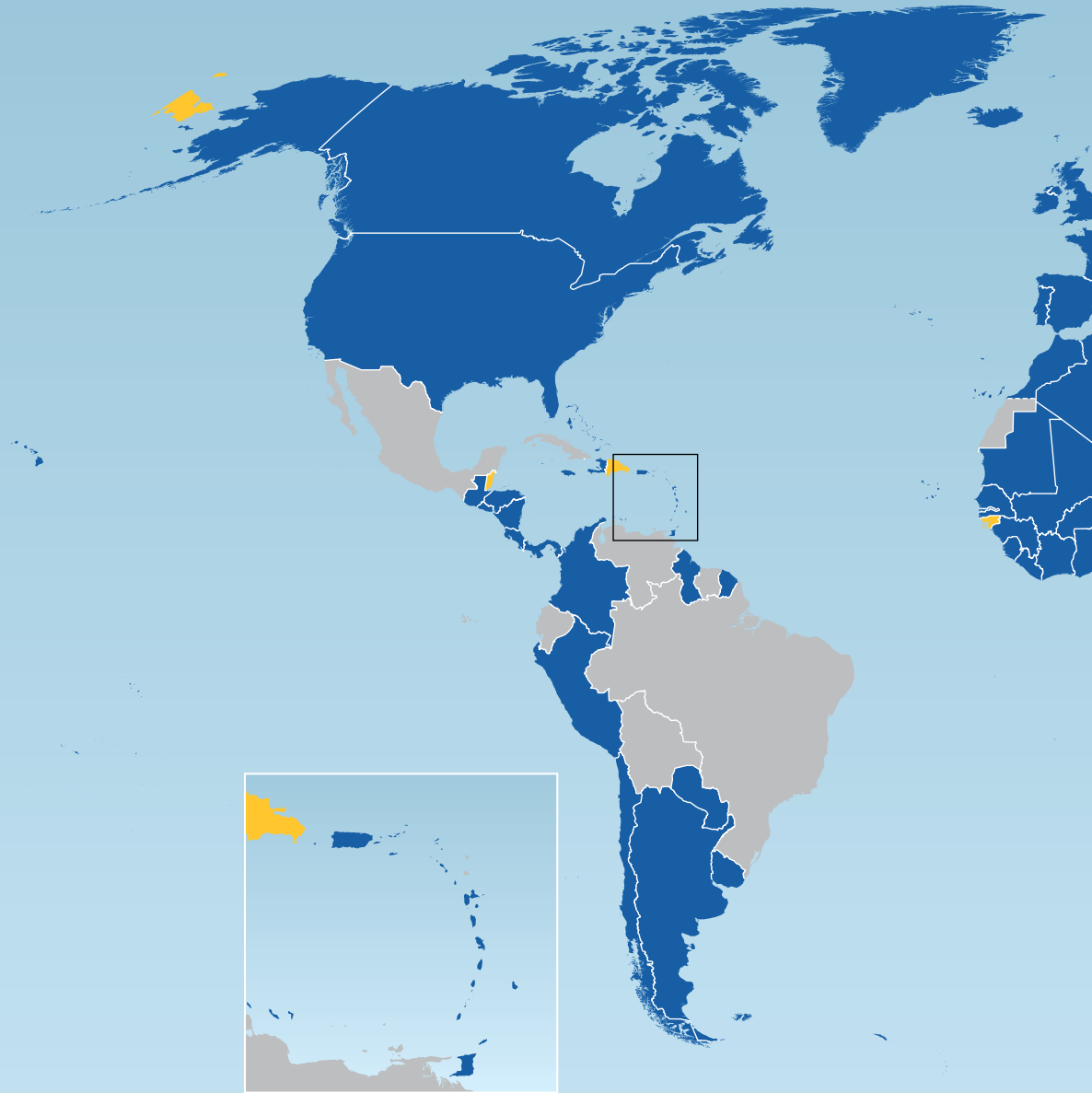
## CHAPTER 1 MEMBERSHIP

ICSID is an intergovernmental organization established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. It is the only global arbitration institution offering a specialized forum and rules for international investment dispute resolution. Consistent with its mandate, ICSID provides a wide range of arbitration and conciliation services and various platforms for information and collaboration in the field of international investment law and arbitration.

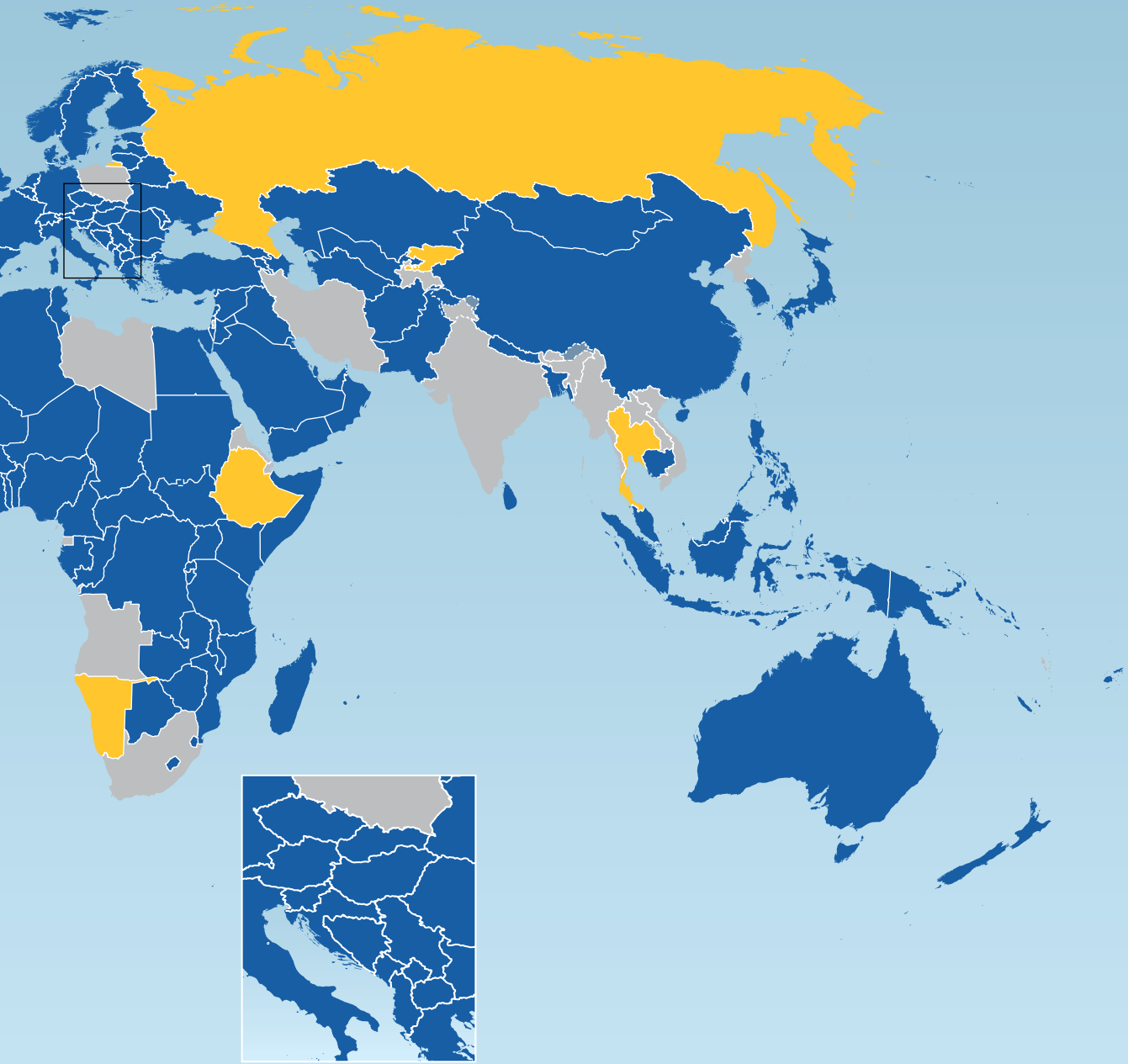
Membership in ICSID offers numerous benefits to Member States. Each member contributes to the governance of ICSID through equal representation on the Administrative Council.

By the end of FY2017, ICSID counted 161 signatories to the ICSID Convention, of which 153 are Contracting States to the ICSID Convention.





*This map was produced by the Cartography Unit of the World Bank Group. The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of the World Bank Group, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries.*



- CONTRACTING STATES TO THE ICSID CONVENTION
- SIGNATORY STATES TO THE ICSID CONVENTION

## LIST OF CONTRACTING STATES AND OTHER SIGNATORIES OF THE CONVENTION

AS OF JUNE 30, 2017

The 161 States listed below signed the Convention on the Settlement of Investment Disputes between States and Nationals of Other States on the dates indicated. The names of the 153 States that have deposited their instruments of ratification are in bold, with the dates deposit and the entry into force of the Convention for each of them.

State	Signature	Deposit of Ratification	Entry into Force of Convention
<b>Afghanistan</b>	Sep. 30, 1966	June 25, 1968	July 25, 1968
<b>Albania</b>	Oct. 15, 1991	Oct. 15, 1991	Nov. 14, 1991
<b>Algeria</b>	Apr. 17, 1995	Feb. 21, 1996	Mar. 22, 1996
<b>Argentina</b>	May 21, 1991	Oct. 19, 1994	Nov. 18, 1994
<b>Armenia</b>	Sep. 16, 1992	Sep. 16, 1992	Oct. 16, 1992
<b>Australia</b>	Mar. 24, 1975	May 2, 1991	June 1, 1991
<b>Austria</b>	May 17, 1966	May 25, 1971	June 24, 1971
<b>Azerbaijan</b>	Sep. 18, 1992	Sep. 18, 1992	Oct. 18, 1992
<b>Bahamas, The</b>	Oct. 19, 1995	Oct. 19, 1995	Nov. 18, 1995
<b>Bahrain</b>	Sep. 22, 1995	Feb. 14, 1996	Mar. 15, 1996
<b>Bangladesh</b>	Nov. 20, 1979	Mar. 27, 1980	Apr. 26, 1980
<b>Barbados</b>	May 13, 1981	Nov. 1, 1983	Dec. 1, 1983
<b>Belarus</b>	July 10, 1992	July 10, 1992	Aug. 9, 1992
<b>Belgium</b>	Dec. 15, 1965	Aug. 27, 1970	Sep. 26, 1970
<b>Belize</b>	Dec. 19, 1986		
<b>Benin</b>	Sep. 10, 1965	Sep. 6, 1966	Oct. 14, 1966
<b>Bosnia and Herzegovina</b>	Apr. 25, 1997	May 14, 1997	June 13, 1997
<b>Botswana</b>	Jan. 15, 1970	Jan. 15, 1970	Feb. 14, 1970
<b>Brunei Darussalam</b>	Sep. 16, 2002	Sep. 16, 2002	Oct. 16, 2002
<b>Bulgaria</b>	Mar. 21, 2000	Apr. 13, 2001	May 13, 2001
<b>Burkina Faso</b>	Sep. 16, 1965	Aug. 29, 1966	Oct. 14, 1966
<b>Burundi</b>	Feb. 17, 1967	Nov. 5, 1969	Dec. 5, 1969

State	Signature	Deposit of Ratification	Entry into Force of Convention
Cabo Verde	Dec. 20, 2010	Dec. 27, 2010	Jan. 26, 2011
Cambodia	Nov. 5, 1993	Dec. 20, 2004	Jan. 19, 2005
Cameroon	Sep. 23, 1965	Jan. 3, 1967	Feb. 2, 1967
Canada	Dec. 15, 2006	Nov. 1, 2013	Dec. 1, 2013
Central African Republic	Aug. 26, 1965	Feb. 23, 1966	Oct. 14, 1966
Chad	May 12, 1966	Aug. 29, 1966	Oct. 14, 1966
Chile	Jan. 25, 1991	Sep. 24, 1991	Oct. 24, 1991
China	Feb. 9, 1990	Jan. 7, 1993	Feb. 6, 1993
Colombia	May 18, 1993	July 15, 1997	Aug. 14, 1997
Comoros	Sep. 26, 1978	Nov. 7, 1978	Dec. 7, 1978
Congo, Democratic Rep. of	Oct. 29, 1968	Apr. 29, 1970	May 29, 1970
Congo, Rep. of	Dec. 27, 1965	June 23, 1966	Oct. 14, 1966
Costa Rica	Sep. 29, 1981	Apr. 27, 1993	May 27, 1993
Côte d'Ivoire	June 30, 1965	Feb. 16, 1966	Oct. 14, 1966
Croatia	June 16, 1997	Sep. 22, 1998	Oct. 22, 1998
Cyprus	Mar. 9, 1966	Nov. 25, 1966	Dec. 25, 1966
Czech Republic	Mar. 23, 1993	Mar. 23, 1993	Apr. 22, 1993
Denmark	Oct. 11, 1965	Apr. 24, 1968	May 24, 1968
Dominican Republic	Mar. 20, 2000		
Egypt, Arab Rep. of	Feb. 11, 1972	May 3, 1972	June 2, 1972
El Salvador	June 9, 1982	Mar. 6, 1984	Apr. 5, 1984
Estonia	June 23, 1992	June 23, 1992	July 23, 1992
Ethiopia	Sep. 21, 1965		
Fiji	July 1, 1977	Aug. 11, 1977	Sep. 10, 1977
Finland	July 14, 1967	Jan. 9, 1969	Feb. 8, 1969
France	Dec. 22, 1965	Aug. 21, 1967	Sep. 20, 1967
Gabon	Sep. 21, 1965	Apr. 4, 1966	Oct. 14, 1966
Gambia, The	Oct. 1, 1974	Dec. 27, 1974	Jan. 26, 1975
Georgia	Aug. 7, 1992	Aug. 7, 1992	Sep. 6, 1992
Germany	Jan. 27, 1966	Apr. 18, 1969	May 18, 1969
Ghana	Nov. 26, 1965	July 13, 1966	Oct. 14, 1966

State	Signature	Deposit of Ratification	Entry into Force of Convention
Greece	Mar. 16, 1966	Apr. 21, 1969	May 21, 1969
Grenada	May 24, 1991	May 24, 1991	June 23, 1991
Guatemala	Nov. 9, 1995	Jan. 21, 2003	Feb. 20, 2003
Guinea	Aug. 27, 1968	Nov. 4, 1968	Dec. 4, 1968
Guinea-Bissau	Sep. 4, 1991		
Guyana	July 3, 1969	July 11, 1969	Aug. 10, 1969
Haiti	Jan. 30, 1985	Oct. 27, 2009	Nov. 26, 2009
Honduras	May 28, 1986	Feb. 14, 1989	Mar. 16, 1989
Hungary	Oct. 1, 1986	Feb. 4, 1987	Mar. 6, 1987
Iceland	July 25, 1966	July 25, 1966	Oct. 14, 1966
Indonesia	Feb. 16, 1968	Sep. 28, 1968	Oct. 28, 1968
Iraq	Nov. 17, 2015	Nov. 17, 2015	Dec. 17, 2015
Ireland	Aug. 30, 1966	Apr. 7, 1981	May 7, 1981
Israel	June 16, 1980	June 22, 1983	July 22, 1983
Italy	Nov. 18, 1965	Mar. 29, 1971	Apr. 28, 1971
Jamaica	June 23, 1965	Sep. 9, 1966	Oct. 14, 1966
Japan	Sep. 23, 1965	Aug. 17, 1967	Sep. 16, 1967
Jordan	July 14, 1972	Oct. 30, 1972	Nov. 29, 1972
Kazakhstan	July 23, 1992	Sep. 21, 2000	Oct. 21, 2000
Kenya	May 24, 1966	Jan. 3, 1967	Feb. 2, 1967
Korea, Rep. of	Apr. 18, 1966	Feb. 21, 1967	Mar. 23, 1967
Kosovo, Rep. of	June 29, 2009	June 29, 2009	July 29, 2009
Kuwait	Feb. 9, 1978	Feb. 2, 1979	Mar. 4, 1979
Kyrgyz Republic	June 9, 1995		
Latvia	Aug. 8, 1997	Aug. 8, 1997	Sep. 7, 1997
Lebanon	Mar. 26, 2003	Mar. 26, 2003	Apr. 25, 2003
Lesotho	Sep. 19, 1968	July 8, 1969	Aug. 7, 1969
Liberia	Sep. 3, 1965	June 16, 1970	July 16, 1970
Lithuania	July 6, 1992	July 6, 1992	Aug. 5, 1992
Luxembourg	Sep. 28, 1965	July 30, 1970	Aug. 29, 1970
Macedonia, former Yugoslav Rep. of	Sep. 16, 1998	Oct. 27, 1998	Nov. 26, 1998




State	Signature	Deposit of Ratification	Entry into Force of Convention
Madagascar	June 1, 1966	Sep. 6, 1966	Oct. 14, 1966
Malawi	June 9, 1966	Aug. 23, 1966	Oct. 14, 1966
Malaysia	Oct. 22, 1965	Aug. 8, 1966	Oct. 14, 1966
Mali	Apr. 9, 1976	Jan. 3, 1978	Feb. 2, 1978
Malta	Apr. 24, 2002	Nov. 3, 2003	Dec. 3, 2003
Mauritania	July 30, 1965	Jan. 11, 1966	Oct. 14, 1966
Mauritius	June 2, 1969	June 2, 1969	July 2, 1969
Micronesia, Federated States of	June 24, 1993	June 24, 1993	July 24, 1993
Moldova	Aug. 12, 1992	May 5, 2011	June 4, 2011
Mongolia	June 14, 1991	June 14, 1991	July 14, 1991
Montenegro	July 19, 2012	April 10, 2013	May 10, 2013
Morocco	Oct. 11, 1965	May 11, 1967	June 10, 1967
Mozambique	Apr. 4, 1995	June 7, 1995	July 7, 1995
Namibia	Oct. 26, 1998		
Nauru	Apr. 12, 2016	Apr. 12, 2016	May 12, 2016
Nepal	Sep. 28, 1965	Jan. 7, 1969	Feb. 6, 1969
Netherlands	May 25, 1966	Sep. 14, 1966	Oct. 14, 1966
New Zealand	Sep. 2, 1970	Apr. 2, 1980	May 2, 1980
Nicaragua	Feb. 4, 1994	Mar. 20, 1995	Apr. 19, 1995
Niger	Aug. 23, 1965	Nov. 14, 1966	Dec. 14, 1966
Nigeria	July 13, 1965	Aug. 23, 1965	Oct. 14, 1966
Norway	June 24, 1966	Aug. 16, 1967	Sep. 15, 1967
Oman	May 5, 1995	July 24, 1995	Aug. 23, 1995
Pakistan	July 6, 1965	Sep. 15, 1966	Oct. 15, 1966
Panama	Nov. 22, 1995	Apr. 8, 1996	May 8, 1996
Papua New Guinea	Oct. 20, 1978	Oct. 20, 1978	Nov. 19, 1978
Paraguay	July 27, 1981	Jan. 7, 1983	Feb. 6, 1983
Peru	Sep. 4, 1991	Aug. 9, 1993	Sep. 8, 1993
Philippines	Sep. 26, 1978	Nov. 17, 1978	Dec. 17, 1978
Portugal	Aug. 4, 1983	July 2, 1984	Aug. 1, 1984
Qatar	Sep. 30, 2010	Dec. 21, 2010	Jan. 20, 2011
Romania	Sep. 6, 1974	Sep. 12, 1975	Oct. 12, 1975

State	Signature	Deposit of Ratification	Entry into Force of Convention
Russian Federation	June 16, 1992		
Rwanda	Apr. 21, 1978	Oct. 15, 1979	Nov. 14, 1979
Samoa	Feb. 3, 1978	Apr. 25, 1978	May 25, 1978
San Marino	Apr. 11, 2014	Apr. 18, 2015	May 18, 2015
Sao Tome and Principe	Oct. 1, 1999	May 20, 2013	June 19, 2013
Saudi Arabia	Sep. 28, 1979	May 8, 1980	June 7, 1980
Senegal	Sep. 26, 1966	Apr. 21, 1967	May 21, 1967
Serbia	May 9, 2007	May 9, 2007	June 8, 2007
Seychelles	Feb. 16, 1978	Mar. 20, 1978	Apr. 19, 1978
Sierra Leone	Sep. 27, 1965	Aug. 2, 1966	Oct. 14, 1966
Singapore	Feb. 2, 1968	Oct. 14, 1968	Nov. 13, 1968
Slovak Republic	Sep. 27, 1993	May 27, 1994	June 26, 1994
Slovenia	Mar. 7, 1994	Mar. 7, 1994	Apr. 6, 1994
Solomon Islands	Nov. 12, 1979	Sep. 8, 1981	Oct. 8, 1981
Somalia	Sep. 27, 1965	Feb. 29, 1968	Mar. 30, 1968
South Sudan	Apr. 18, 2012	Apr. 18, 2012	May 18, 2012
Spain	Mar. 21, 1994	Aug. 18, 1994	Sept. 17, 1994
Sri Lanka	Aug. 30, 1967	Oct. 12, 1967	Nov. 11, 1967
St. Kitts & Nevis	Oct. 14, 1994	Aug. 4, 1995	Sep. 3, 1995
St. Lucia	June 4, 1984	June 4, 1984	July 4, 1984
St. Vincent and the Grenadines	Aug. 7, 2001	Dec. 16, 2002	Jan. 15, 2003
Sudan	Mar. 15, 1967	Apr. 9, 1973	May 9, 1973
Swaziland	Nov. 3, 1970	June 14, 1971	July 14, 1971

State	Signature	Deposit of Ratification	Entry into Force of Convention
Sweden	Sep. 25, 1965	Dec. 29, 1966	Jan. 28, 1967
Switzerland	Sep. 22, 1967	May 15, 1968	June 14, 1968
Syria	May 25, 2005	Jan. 25, 2006	Feb. 24, 2006
Tanzania	Jan. 10, 1992	May 18, 1992	June 17, 1992
Thailand	Dec. 6, 1985		
Timor-Leste	July 23, 2002	July 23, 2002	Aug. 22, 2002
Togo	Jan. 24, 1966	Aug. 11, 1967	Sep. 10, 1967
Tonga	May 1, 1989	Mar. 21, 1990	Apr. 20, 1990
Trinidad and Tobago	Oct. 5, 1966	Jan. 3, 1967	Feb. 2, 1967
Tunisia	May 5, 1965	June 22, 1966	Oct. 14, 1966
Turkey	June 24, 1987	Mar. 3, 1989	Apr. 2, 1989
Turkmenistan	Sep. 26, 1992	Sep. 26, 1992	Oct. 26, 1992
Uganda	June 7, 1966	June 7, 1966	Oct. 14, 1966
Ukraine	Apr. 3, 1998	June 7, 2000	July 7, 2000
United Arab Emirates	Dec. 23, 1981	Dec. 23, 1981	Jan. 22, 1982
United Kingdom of Great Britain and Northern Ireland	May 26, 1965	Dec. 19, 1966	Jan. 18, 1967
United States of America	Aug. 27, 1965	June 10, 1966	Oct. 14, 1966
Uruguay	May 28, 1992	Aug. 9, 2000	Sep. 8, 2000
Uzbekistan	Mar. 17, 1994	July 26, 1995	Aug. 25, 1995
Yemen, Republic of	Oct. 28, 1997	Oct. 21, 2004	Nov. 20, 2004
Zambia	June 17, 1970	June 17, 1970	July 17, 1970
Zimbabwe	Mar. 25, 1991	May 20, 1994	June 19, 1994



*Pierre Mayer, Raed Fathallah, and Brigitte Stern, Tribunal members and designees to ICSID's Panel of Arbitrators, and Paul-Jean Le Cannu, ICSID Team Leader/Legal Counsel, at a hearing in Tamagot Bumi S.A. and Bumi Mauritania S.A. v. Islamic Republic of Mauritania, Paris, April 21, 2017, Veronika Korom, Bredin Prat*



## CHAPTER 2 PANELS OF ARBITRATORS AND OF CONCILIATORS

The ICSID Convention requires the Centre to maintain a Panel of Arbitrators and a Panel of Conciliators. According to Article 13 of the Convention, each Contracting State is entitled to designate up to four persons to each Panel. The designees may be nationals or non-nationals of the designating State and are nominated for a renewable term of six years. In addition, up to ten persons may be designated to each Panel by the Chairman of the ICSID Administrative Council.

The Panels are an important component of the ICSID system of dispute settlement. When the Chairman of the Administrative Council is called upon to appoint arbitrators, conciliators or *ad hoc* Committee members under Articles 30, 38 or 52 of the ICSID Convention, these appointees are drawn from the Panels. With a growing ICSID caseload, it has become increasingly important for States to make designations to the ICSID Panels.

During FY2017, 16 ICSID Contracting States made 73 designations to the ICSID Panels: Algeria, Argentina, Australia, Costa Rica, the Czech Republic, Egypt, Estonia, Lebanon, Macedonia, Nigeria, Paraguay, the Slovak Republic, Somalia, Togo, the United Arab Emirates, and Uruguay. By the end of FY2017, there were 657 individuals on the ICSID Panels of Arbitrators and of Conciliators. A complete list of ICSID Panel nominees is available in an official ICSID document known as ICSID/10, available on the ICSID website.



In the past five fiscal years, 75 ICSID Contracting States have made 375 designations to the ICSID Panels.

The names of designees to the ICSID Panels made in FY2017 are provided below.

## ALGERIA

### *Panel of Arbitrators*

Designations effective January 18, 2017:  
Farid Ben Belkacem, Mohamed Chemloul,  
Ali Haroun, El Oualid Laggoune

### *Panel of Conciliators*

Designations effective January 18, 2017:  
Hocine Benissad, Belgacem Boudra,  
Ahcène Bououden, Mohamed Améziane  
Baileche\*

## ARGENTINA

### *Panels of Arbitrators and of Conciliators*

Designations effective July 5, 2016:  
Diego P. Fernández Arroyo, Mario J.A.  
Oyarzábal, Mónica Pinto, Raúl E. Vinuesa

## AUSTRALIA

### *Panel of Arbitrators*

Re-designations effective February 2, 2017:  
Gavan Griffith, Doug Jones, Michael C. Pryles

### *Panel of Arbitrators*

Designation effective February 2, 2017:  
Annabelle Bennett

### *Panel of Conciliators*

Re-designations effective February 2, 2017:  
Neil Brown, Ian Hanger

### *Panel of Conciliators*

Designations effective February 2, 2017:  
Bronwyn Lincoln, James Spigelman

## COSTA RICA

### *Panels of Arbitrators and of Conciliators*

Re-designation effective July 24, 2016:  
Rodrigo Barahona Israel

### *Panels of Arbitrators and of Conciliators*

Re-designation effective July 27, 2016:  
Rodrigo Oreamuno Blanco

### *Panels of Arbitrators and of Conciliators*

Designations effective July 27, 2016:  
Dyalá Jiménez Figueres, Alberto Pauly Sáenz

## CZECH REPUBLIC

### *Panel of Arbitrators*

Designation effective September 30, 2016:  
Dmitri Evseev

## EGYPT

### *Panel of Arbitrators*

Designations effective May 3, 2017:  
Mohamed Sameh Amr, Karim Hafez,  
Tarek Riad

## ESTONIA

### *Panel of Arbitrators*

Designations effective February 15, 2017:  
Triinu Hiob, Pirkka-Marja Pöldvere,  
Tomas Vaher

### *Panel of Conciliators*

Designations effective February 15, 2017:  
Ilmar-Erik Aavakivi, Leon Glickman

## LEBANON

### *Panel of Conciliators*

Designations effective September 16, 2016:  
Bassam Mirza, Marwan Sakr

## MACEDONIA

*Panels of Arbitrators and of Conciliators*

Designations effective December 23, 2016:  
Stojne Danilova Ivanoski, Vladimir Peshevski

*Panel of Arbitrators*

Designations effective December 23, 2016:  
Danela Arsovska, Alexis Mourre

*Panel of Conciliators*

Designations effective December 23, 2016:  
Maja Baric Chochkova, Maja Saveska

## NIGERIA

*Panel of Arbitrators*

Designations effective July 4, 2016:  
Taiwo Akinola Abidogun, Olatunde Busari,  
Abubakar Malami, Ucheora Onwuamaegbu

*Panel of Conciliators*

Designations effective July 4, 2016:  
Augustine O. Alegeh, Stella Anukam,  
Chukwuma Uchenna Ekomaru,  
Yakubu Chonoko Maikyau

## PARAGUAY

*Panel of Arbitrators*

Designation effective March 2, 2017:  
Benigno M. López Benitez

## SLOVAK REPUBLIC

*Panel of Arbitrators*

Designation effective October 31, 2016:  
David A. Pawlak

*Panel of Conciliators*

Designations effective October 31, 2016:  
Stephen Anway, Constantinos Salonidis

## SOMALIA

*Panels of Arbitrators and of Conciliators*

Designation effective June 20, 2016:  
Bajju S. Vasani

*Panels of Arbitrators and of Conciliators*

Designation effective June 23, 2016:  
Maryan Mohamed Salah Hassan

*Panel of Arbitrators*

Designation effective October 28, 2016:  
Abdulqawi Ahmed Yusuf

## TOGO

*Panels of Arbitrators and of Conciliators*

Designations effective May 8, 2017:  
Sena Agbayissah, Hounaké Kossivi,  
Tchitchao Tchalim

*Panel of Arbitrators*

Designation effective February 1, 2017:  
Dorothy Udeme Ufot

## UNITED ARAB EMIRATES

*Panel of Arbitrators*

Designations effective March 13, 2017:  
Mohammed R. Alsuwaidi, Abdulla  
Mohammed Al-Yousuf,\* Hassan Arab

*Panel of Conciliators*

Designations effective March 13, 2017:  
Abdullah Ibrahim Deafis Al Muhairi,  
Ahmed M. Al Mutawa, Abdul Wahid Al  
Ulama, Saleh Ahmed Alobeidli

## URUGUAY

*Panel of Arbitrators*

Designations effective February 7, 2017:  
Jorge Rubén Enríquez Figoli, Ricardo  
Olivera García

*Panel of Conciliators*

Designations effective February 7, 2017:  
María Carolina Asuaga Taran, Fernando  
Cetrulo Martínez, Álvaro Hansen Amestoy,  
Leonardo Jorge López Viñán

*\*Pending acceptance*

*Pierre-Yves Tschanz, William W. Park, and Brigitte Stern, Tribunal members, at a hearing in Impresa Grassetto S.p.A., in liquidation v. Republic of Slovenia, Paris, January 7, 2017, Benjamin Garel, World Bank*



## CHAPTER 3 OPERATIONS OF THE CENTRE

### SUMMARY OF ICSID OPERATIONS

The primary mandate of ICSID is to provide facilities and services in support of resolution of international investment disputes. It administers cases under the ICSID Convention, the ICSID Additional Facility, and other rules such as the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL Arbitration Rules). ICSID also offers a full range of related services, including acting as appointing authority, naming consolidation tribunals under certain treaties, deciding party challenges of arbitrators or conciliators, administering certain State-State disputes, and acting as the registry for dispute settlement under treaties.





## ICSID CASES

The initiation and conduct of cases under the Centre's auspices are usually governed by one of ICSID's two sets of procedural rules. These are the ICSID Convention, Regulations and Rules, and the ICSID Additional Facility Rules.

Conciliation and arbitration proceedings under the ICSID Convention involve a legal dispute between an ICSID Contracting State and a national of another ICSID Contracting State. Such disputes arise out of an investment and the disputing parties must have consented in writing to submit their dispute to ICSID.

The ICSID Additional Facility Rules allow the ICSID Secretariat to administer conciliation and arbitration proceedings in investment disputes where either the State party or the home State of the foreign investor is not an ICSID Contracting State. They also authorize conciliation and arbitration of disputes that do not arise directly out of an investment where at least one of the disputing parties is a Contracting State or a national of a Contracting State.

## OTHER CASES

The ICSID Secretariat also administers proceedings under rules other than the ICSID Convention or the ICSID Additional Facility. In particular, the Secretariat often assists parties and tribunals with investment arbitrations conducted pursuant to the UNCITRAL Arbitration Rules. It also provides assistance in cases conducted under free trade agreements, and *ad hoc* rules agreed by the parties.

The services provided in non-ICSID proceedings are similar to those available under the ICSID Rules, ranging from handling specific aspects of a case to offering full administrative services. In the past fiscal year, the Centre administered nine investor-State arbitrations under the UNCITRAL Rules, and provided administrative assistance to five investor-State arbitrations under other rules.

## OVERVIEW OF ICSID ARBITRATION

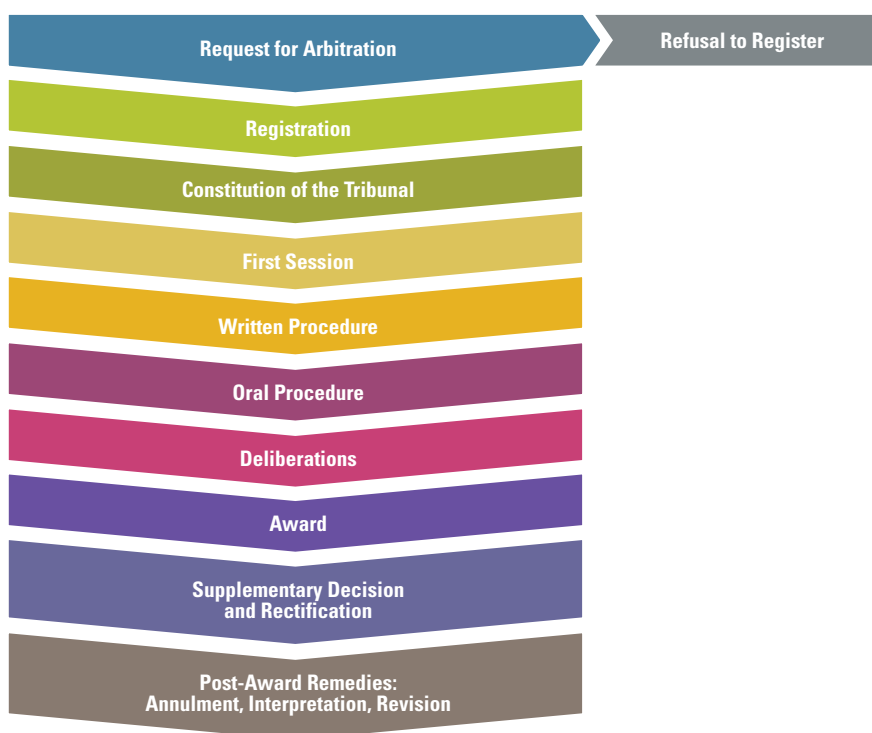
ICSID Convention arbitration is initiated by submitting a Request for Arbitration to the Secretary-General. The Request outlines the basic facts and legal issues to be addressed and must be registered unless the dispute is manifestly outside the jurisdiction of ICSID. In the past fiscal year, most Requests for Arbitration were processed within an average of three weeks of being filed at ICSID.

The next procedural step is constitution of the arbitral tribunal. The ICSID Arbitration Rules offer the disputing parties significant flexibility regarding the number of arbitrators and the method of their appointment. In most instances, tribunals consist of three arbitrators: one arbitrator appointed by each party, and the third, presiding, arbitrator appointed by agreement of the parties or of the party-appointed arbitrators. The parties may ask the Centre to assist with the appointment of arbitrators, either in accordance with a previous agreement or pursuant to the default provisions in the ICSID Rules. In FY2017, when ICSID was asked to appoint, the Centre completed consultations with parties and finalized appointments on average within six weeks of receiving the request to appoint.

Proceedings are deemed to have begun once the tribunal is constituted. The tribunal holds a first session within 60 days of its constitution to deal with preliminary questions of procedure. The subsequent proceeding usually comprises two distinct phases: a written procedure followed by in-person hearings. After the parties present their case, the tribunal deliberates and renders its award.

An ICSID Convention award is binding and not subject to any appeal or other remedies except those provided by the Convention. The Convention allows the parties to request a supplementary decision or rectification of the award, or to seek the post-award remedies of annulment, interpretation or revision.

#### CONDUCT OF AN ICSID CONVENTION ARBITRATION

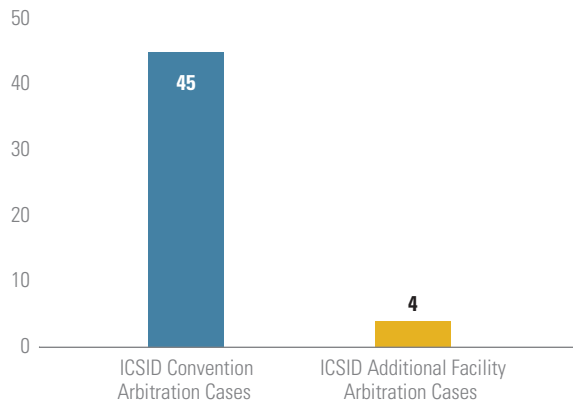


Arbitration under the ICSID Additional Facility is similar in process to ICSID Convention arbitration with a few notable differences. In particular, parties must obtain approval of access to the Additional Facility prior to instituting proceedings, and post-award remedies under the Additional Facility Rules are limited to interpretation, correction, and supplementary decision by the original tribunal. Other remedies may also be available under the applicable laws of the place of proceedings.

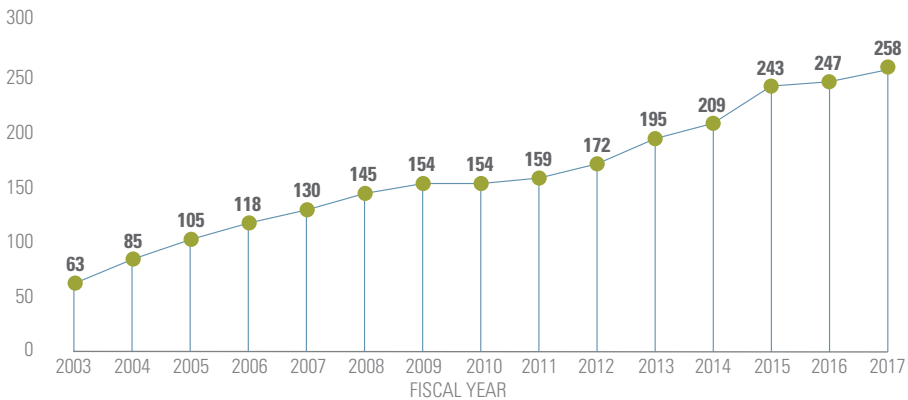
## NEW ICSID CASES REGISTERED

Forty-nine new ICSID cases were registered in FY2017. This constitutes the second highest number of cases registered at ICSID in a single fiscal year. All the new cases registered were arbitration proceedings. The vast majority of these new arbitrations were instituted under the ICSID Convention (45 cases), and four arbitrations were instituted under the Additional Facility Rules.

### CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2017



### ICSID CASES ADMINISTERED BY THE SECRETARIAT (FY2003-FY2017)

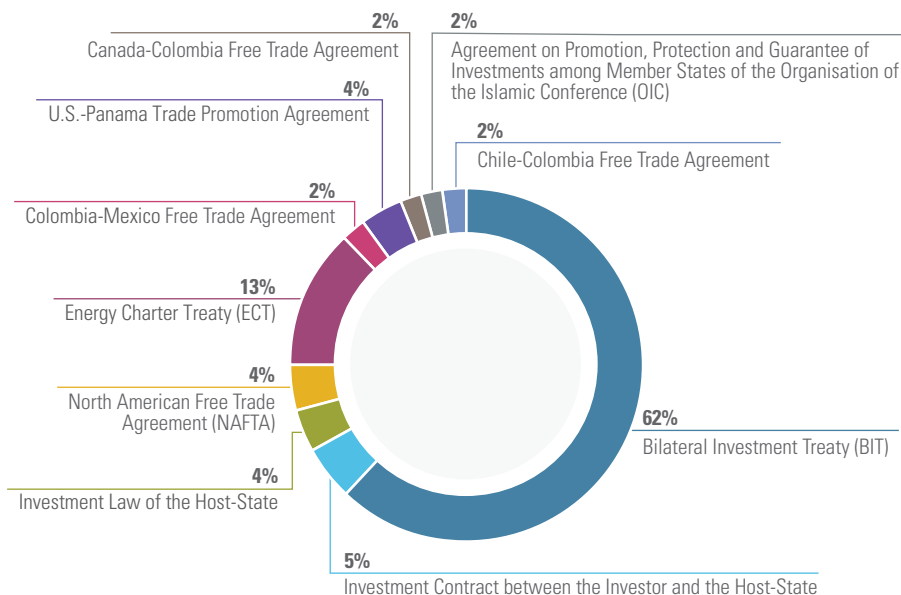


The Centre administered a record of 258 ICSID cases over the past fiscal year. This is equal to 42% of ICSID's entire caseload, which stands at 619 ICSID cases as of June 30, 2017.

## BASIS OF CONSENT TO ICSID PROCEEDINGS

Arbitration and conciliation under the ICSID Convention and Additional Facility Rules are entirely voluntary. The basis of the parties' consent to ICSID jurisdiction can be found in a variety of sources, including investment laws, contracts concluded between a foreign investor and the host-State of the investment, and bilateral or multilateral treaties.

### BASIS OF CONSENT INVOKED TO ESTABLISH JURISDICTION IN CASES REGISTERED IN FY2017 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES

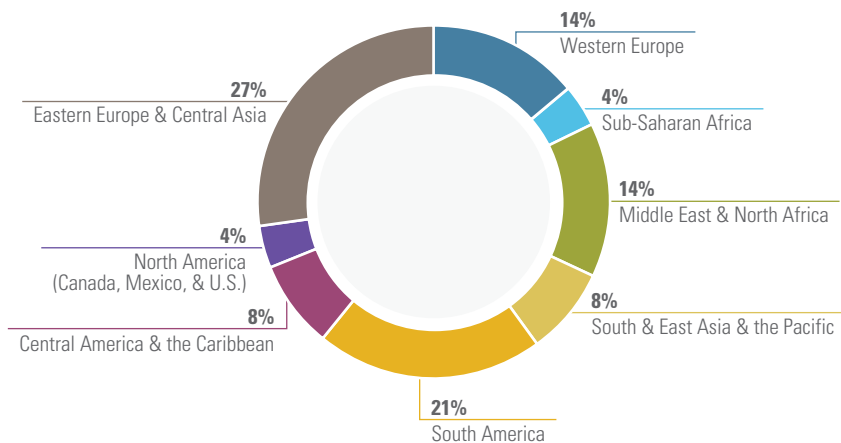


The above chart identifies the instruments invoked by the requesting parties for ICSID cases registered in FY2017. The majority of these cases (33 cases) asserted ICSID jurisdiction on the basis of a bilateral investment treaty (BIT). Seven cases were brought on the basis of the Energy Charter Treaty (ECT). Three cases relied on investment contracts between the investor and the host-State to assert the Centre's jurisdiction, and two cases were brought on the basis of investment laws. In two cases, the investor sought to establish ICSID jurisdiction on the basis of the North American Free Trade Agreement (NAFTA). For the first time, investors invoked ICSID dispute settlement provisions in the U.S.-Panama Trade Promotion Agreement (two cases), the Canada-Colombia Free Trade Agreement, the Chile-Colombia Free Trade Agreement, the Colombia-Mexico Free Trade Agreement, and the Agreement on Promotion, Protection and Guarantee of Investments among Member States of the Organisation of the Islamic Conference (OIC) (one case each). Four cases relied on two bases for jurisdiction.

## STATE PARTIES TO ICSID PROCEEDINGS REGISTERED IN FY2017

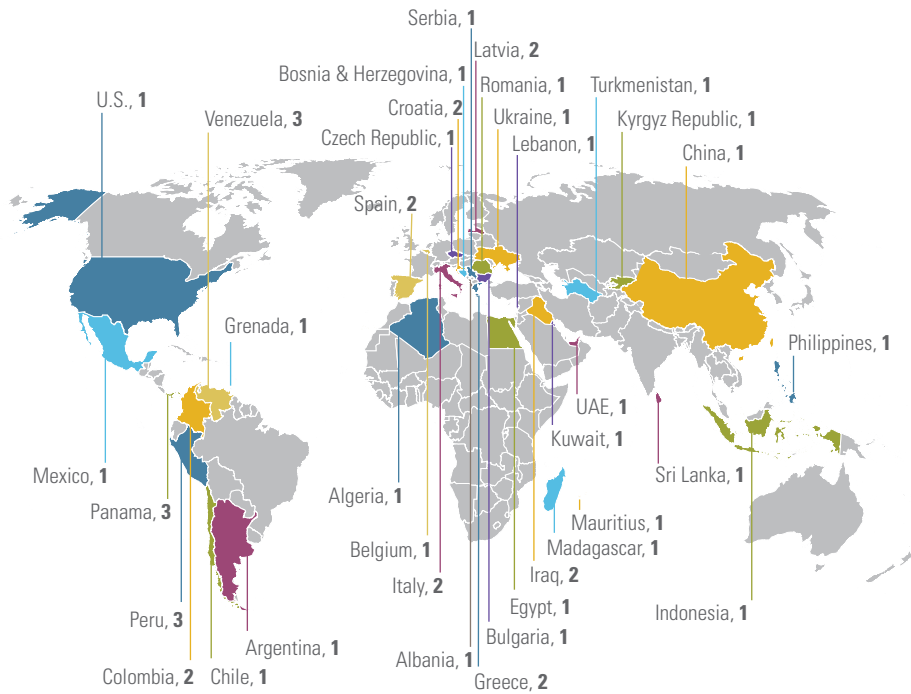
State parties involved in disputes registered at ICSID in FY2017 remained diverse. They included States from every geographic region of the world. The greatest number of newly registered cases involved States in Eastern Europe and Central Asia (27%). The number of cases brought against States in South America increased from 11% to 21%, while the number of new cases brought against States in Western Europe decreased from 34% to 14%. States in the Middle East and North Africa region were also named as respondents in 14% of newly registered cases, followed by States in the South and East Asia and the Pacific region, and in Central America and the Caribbean (8% each). States from Sub-Saharan Africa and North America were each involved in four percent of cases.

### GEOGRAPHIC DISTRIBUTION OF CASES REGISTERED IN FY2017 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY REGION



Thirteen cases were brought against eleven different States from Eastern Europe and Central Asia. Ten cases involved five States in South America, and seven cases were initiated against six different States from the Middle East and North Africa region. Four States in Western Europe were named as the respondent in seven new arbitrations. Four cases were initiated against four different States in the South and East Asia and the Pacific region, and four further cases were brought against two States in Central America and the Caribbean. Two cases were initiated against two different States from Sub-Saharan Africa, and two further cases were brought against two different States from North America.

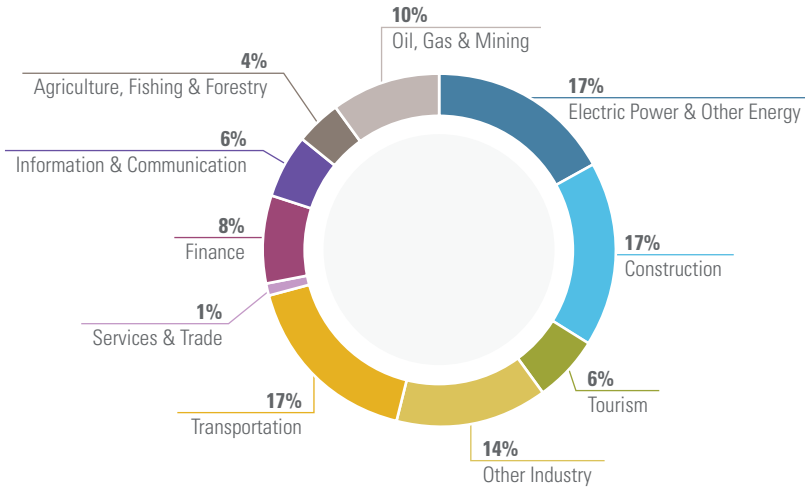
## GEOGRAPHIC DISTRIBUTION OF CASES REGISTERED IN FY2017 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES



## ECONOMIC SECTORS INVOLVED IN NEW PROCEEDINGS

The investment disputes commenced in FY2017 involved a variety of economic sectors. Unlike prior fiscal years, no industry sector was dominant. Notably, cases in the electric power and other energy sector as well as the oil, gas and mining sector decreased to 17% and ten percent, respectively. The transportation and construction sectors were each involved in 17% of ICSID cases registered in FY2017, which represents a twofold increase for these sectors compared to cases registered in FY2016. Fourteen percent of new cases involved a variety of industries, such as the gaming and textile industries. Eight percent of cases involved the financial sector. The information and communication and the tourism sectors were represented in equal parts (6% each), while four percent of cases involved the agriculture, fishing and forestry sector. The remaining one percent of cases related to disputes in the services and trade sector.

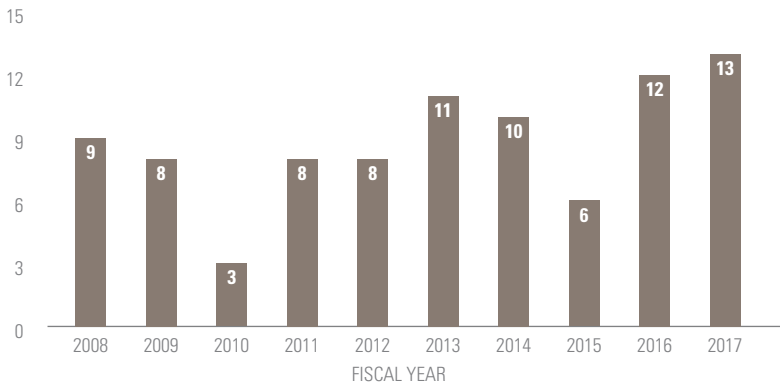
DISTRIBUTION OF CASES REGISTERED IN FY2017 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY ECONOMIC SECTOR



POST-AWARD REMEDY APPLICATIONS

In FY2017, the Centre registered 20 applications and requests for post-award remedies under the ICSID Convention and Additional Facility Rules. These proceedings included three requests for rectification of an award, two requests for a tribunal to supplement its award, one request for a tribunal to interpret an award previously rendered, and one request for the resubmission of a dispute to a new tribunal. Thirteen annulment applications were registered in the course of the year, which largely reflects the increased number of awards rendered in previous years. Seven such applications were brought by the Respondent/State and six annulment proceedings were initiated by the Claimant/investor in the underlying arbitration.

NUMBER OF ANNULMENT APPLICATIONS REGISTERED BY ICSID (FY2008-FY2017)





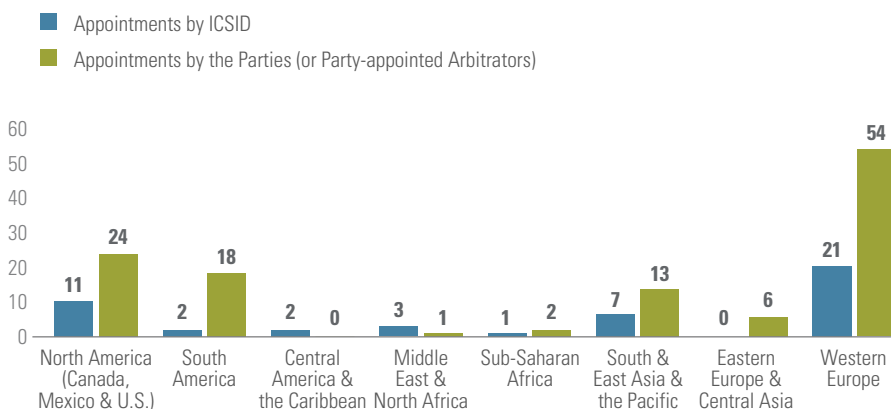
## CONSTITUTION OF TRIBUNALS AND *AD HOC* COMMITTEES IN ICSID CASES

A total of 165 appointments were made to ICSID tribunals or *ad hoc* committees in FY2017. This represents the second highest number of appointments in ICSID's history. Forty-two tribunals in original arbitrations and 11 *ad hoc* committees were constituted, one tribunal was constituted in a resubmission proceeding, and three further tribunals were reconstituted in proceedings before the Centre in the course of the fiscal year.

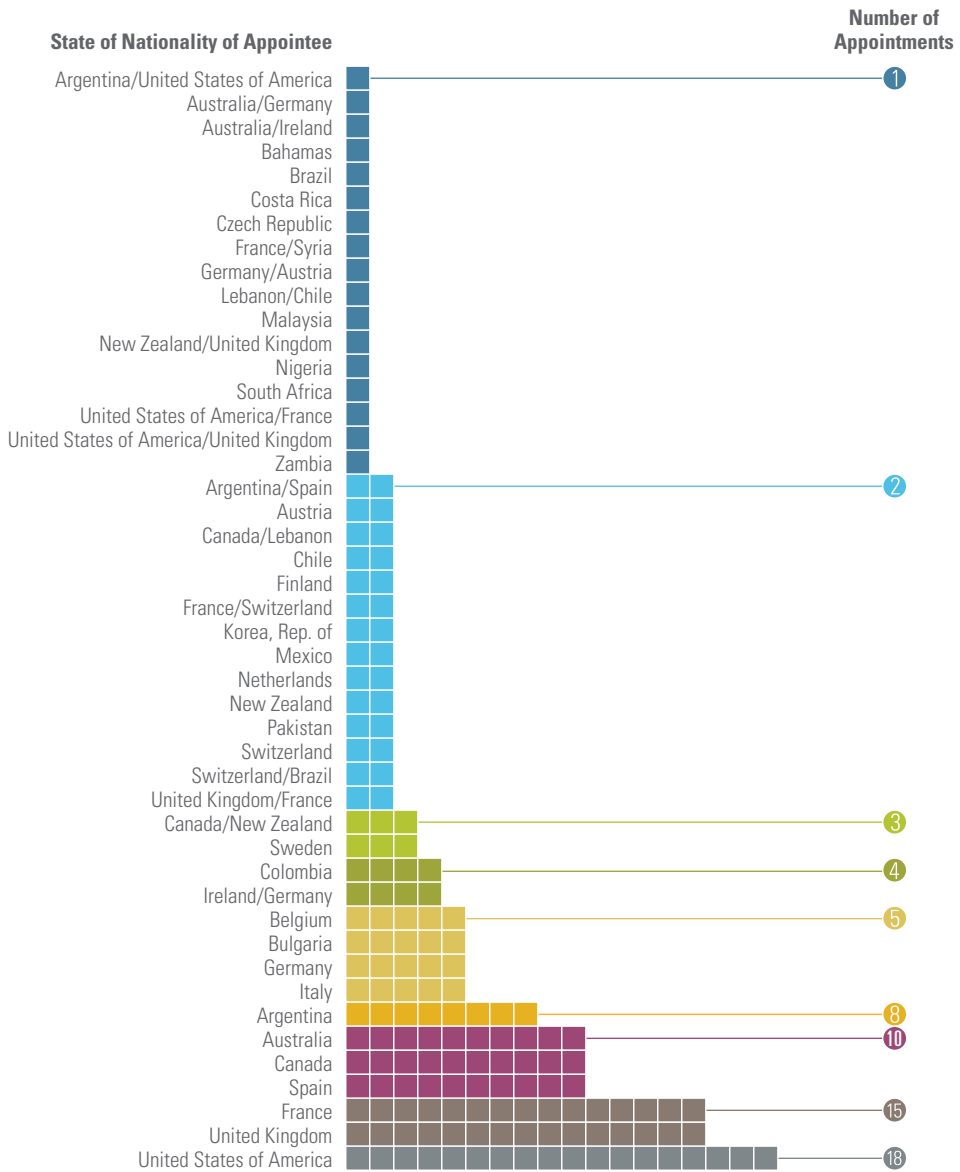
An increasingly diverse group of arbitrators, conciliators and *ad hoc* committee members were named in FY2017: thirteen percent of these appointments involved persons who served for the first time on an ICSID tribunal or *ad hoc* committee. Twenty-three percent of the first-time appointees were nationals of low or middle income economies, and 14% of the new appointees were women. Overall, 93 individuals from 33 different countries of origin were appointed to serve as arbitrators, conciliators, or *ad hoc* committee members in 57 ICSID cases in FY2017. Fourteen percent of the total number of appointments in FY2017 involved women. ICSID and the Respondent/State each appointed 43.5% of these female appointees, while 13% of female appointments were made jointly by the parties in the underlying arbitration. No female appointments were made by the Claimant/investor individually or by the co-arbitrators.

Continuing the trend from previous years, close to three-quarters (72%) of the appointments were made either by the parties or by the party-appointed arbitrators. The other 28% were made by ICSID, based on an agreement of the parties or the applicable default provisions. In total, the Centre acted as appointing authority 47 times in FY2017 and appointed 31 individuals of 25 different nationalities. About 23% of the appointments by ICSID involved nationals of low or middle income economies, and 21% of ICSID appointees were women.

### ARBITRATORS, CONCILIATORS AND *AD HOC* COMMITTEE MEMBERS APPOINTED IN FY2017 IN CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES — DISTRIBUTION OF APPOINTMENTS BY ICSID AND BY THE PARTIES (OR PARTY-APPOINTED ARBITRATORS), BY GEOGRAPHIC REGION



STATE OF NATIONALITY OF ARBITRATORS, CONCILIATORS AND AD HOC COMMITTEE MEMBERS APPOINTED IN FY2017 IN CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES



## CHALLENGES TO ARBITRATORS AND COUNSEL

Parties to ICSID proceedings proposed the disqualification of 13 arbitrators during the fiscal year, all of which were subsequently rejected. In addition, one arbitrator resigned following a disqualification proposed in the previous fiscal year. In another case, a proposal for disqualification of an arbitrator was withdrawn before a final decision was issued. Two cases are pending in which one party proposed to disqualify the other party's counsel.

## CASES CONCLUDED IN FY2017

During the fiscal year, the Centre continued to encourage practices that reduce the time and cost of arbitration. These include: (i) requiring tribunals and *ad hoc* committees to report to the parties on the timing of outstanding decisions or awards; (ii) holding tribunal consultations immediately prior to hearings and in-person deliberations immediately after hearings; and (iii) establishing a budget at the outset of a case and updating parties on costs incurred.

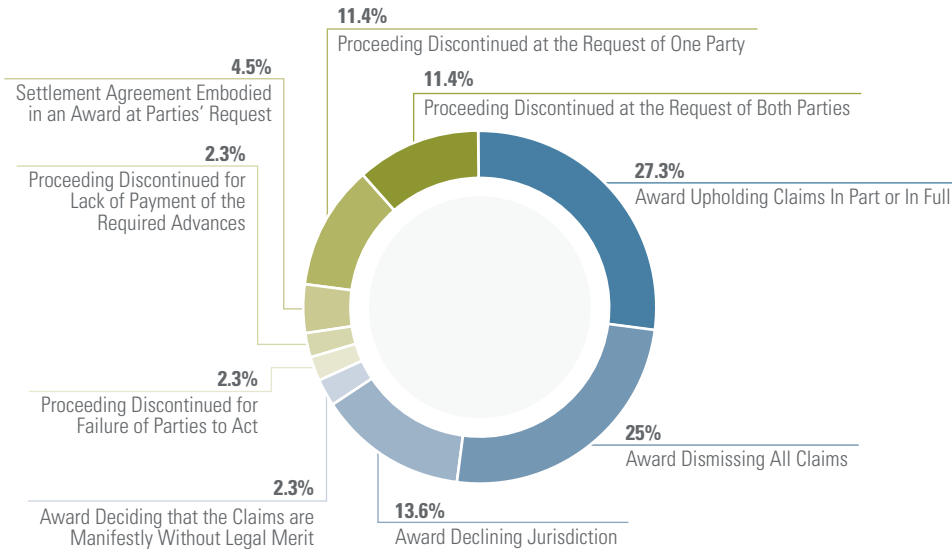
In the 44 concluded arbitrations, 30 disputes were decided by a tribunal, and 14 cases were settled or otherwise discontinued.

Of the 30 cases decided by tribunals, six awards declined jurisdiction, 11 tribunals rejected all of the investors' claims, 12 awards upheld the investors' claims in part or in full, and for the first time since FY2011 one tribunal disposed of a case for manifest lack of legal merit.

The rate of concluded proceedings in FY2017 was the highest in ICSID's history: 56 proceedings concluded during the fiscal year. Forty-four proceedings were arbitrations, 43 of which were original arbitrations and one resubmission, and 12 were post-award proceedings.



## ARBITRATION PROCEEDINGS UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2017 — TRIBUNAL RULINGS, SETTLEMENT & DISCONTINUANCES

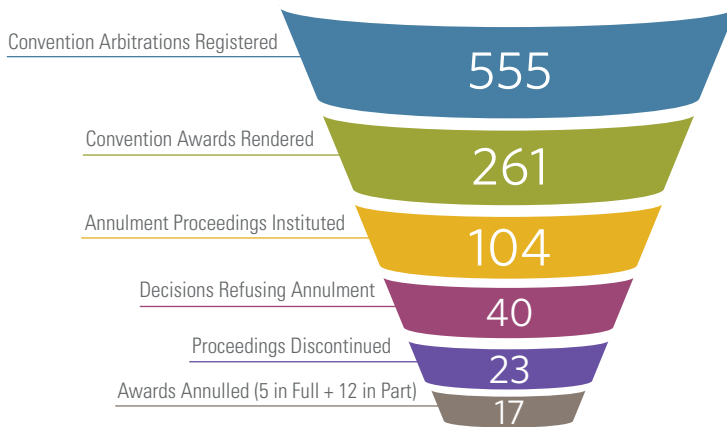


Of the 14 arbitrations that were discontinued or settled, five were discontinued following a request by both parties, five were discontinued at the request of one party, and in two further cases the parties' settlement agreements were embodied in an award. In addition, one case was discontinued for lack of payment of the required advances, and one arbitration was discontinued for failure of the parties to act.

During FY2017, twelve post-award proceedings were concluded. This includes three supplementary decision proceedings, one rectification proceeding, and one rectification and supplementary decision proceeding.

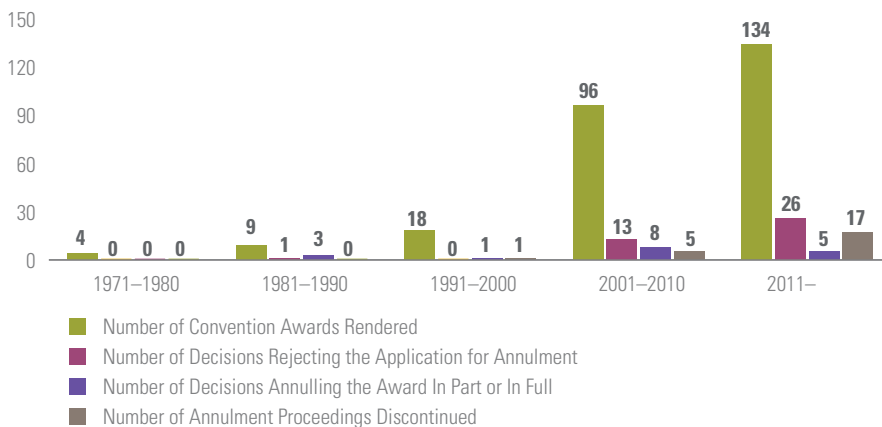
Seven annulment proceedings were also concluded in FY2017: three were rejected, one was discontinued for lack of payment of the requested advances, another was discontinued following a request by both parties, and two awards were partially annulled. To put this number in context, as at FY2017, ICSID had registered 555 Convention arbitration cases and ICSID tribunals had rendered 261 awards. Of these, five awards were annulled in full and another twelve awards have been partially annulled.

ANNULMENT PROCEEDINGS UNDER THE ICSID CONVENTION



Generally, the rate of annulment remains low. The annulment rate for the years 1971–2000 is 13%, the rate for the decade 2001–2010 is 8%, and the rate of annulment for the period since January 2011 is 4%. Since January 2011, 134 Convention awards were rendered, 63 annulment proceedings were instituted and 5 awards were partially annulled. At the same time, the number of annulment proceedings that were discontinued has increased over the past years, with a total of 17 discontinuances since 2011.

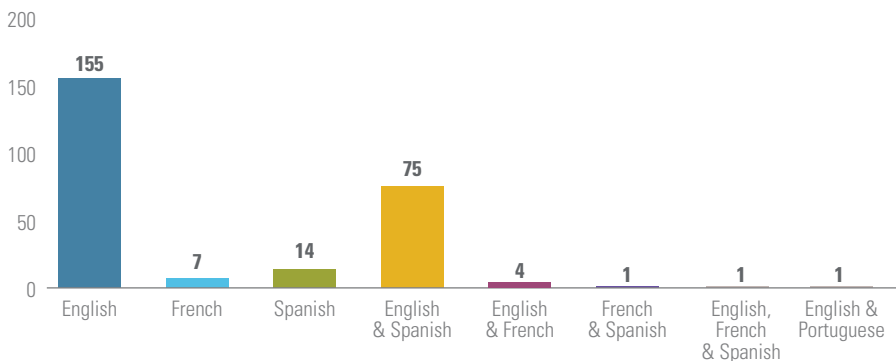
AWARDS RENDERED AND OUTCOMES IN ANNULMENT PROCEEDINGS UNDER THE ICSID CONVENTION, BY DECADE



## MATTERS OF PROCEDURE IN ICSID CASES IN FY2017

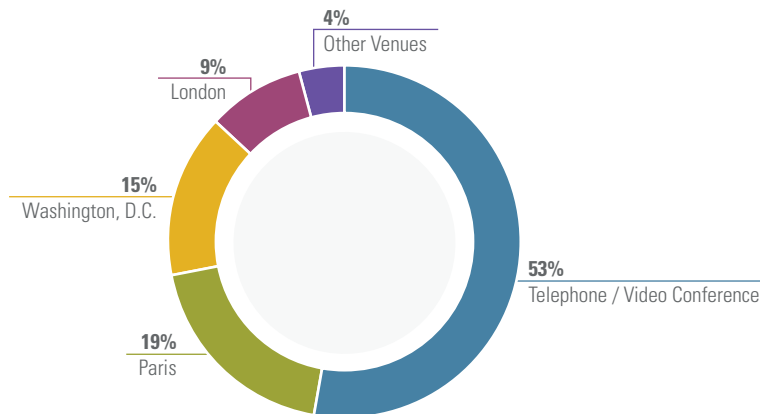
ICSID administered a record number of 258 cases in FY2017, 218 of which were pending as at June 30, 2017. This was the highest number of pending cases in ICSID's history. One hundred and fifty-five of ICSID administered cases were conducted in English (60%), 14 in Spanish (5%) and seven in French (3%), which are the three official languages of the Centre. Eighty-one proceedings were conducted simultaneously in two languages (31%), with the English-Spanish combination continuing to be the most frequent. One further case was administered in all three official languages (1%).

### CASES ADMINISTERED IN FY2017 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY PROCEDURAL LANGUAGE(S)



In the course of the year, 182 sessions or hearings were held in the cases administered by ICSID. These were held at the seat of the Centre in Washington, D.C., at the World Bank offices in Paris, or at other venues as agreed by the parties. Where suitable, hearings and sessions were conducted by telephone or video conference; more than half (53%) of all sessions and hearings in FY2017 were held in this manner.

## HEARING VENUES IN ICSID PROCEEDINGS



During the fiscal year, 32 awards and 449 decisions and procedural orders were issued by arbitral tribunals and *ad hoc* committees. This represents the highest number of awards rendered in ICSID's history, and is another noteworthy increase in jurisprudence developed under the ICSID Rules. The Centre publishes these rulings on its website, with the parties' permission. Where a party withheld permission to publish awards, the Centre published excerpts of the legal reasoning of the tribunal or *ad hoc* committee, as required by the Rules, or included bibliographic references to rulings made public by other sources on ICSID's website and in its publications.

Comprehensive and up-to-date information about the procedural steps taken in each case, the composition of the tribunal, commission, or *ad hoc* committee, the party appointing each arbitrator, counsel representing the parties, and the outcome of proceedings can be found on the ICSID website at [www.worldbank.org/icsid](http://www.worldbank.org/icsid).

## INSTITUTIONAL DEVELOPMENTS

ICSID undertook numerous projects in FY2017 to complement its primary mandate of case administration. These included providing support to the ICSID Administrative Council, offering technical assistance to ICSID Member States, and working with the public and private sector to promote greater awareness of the ICSID process. The Centre continued expanding its network of institutional cooperation agreements and collaborating with other World Bank Group institutions and international and non-governmental organizations on matters related to investment law and dispute resolution. ICSID also continued to enhance its information technology and working practices.

### MEMBERSHIP ENGAGEMENT

#### *Measures taken by Member States*

The Centre maintains and publishes a list of Member States, indicating actions taken in accordance with the ICSID Convention by each Member State. This list is an official ICSID document known as ICSID/8 which is revised and updated periodically. In FY2017, the ICSID Secretariat worked with Contracting States to update their designations of a competent court or other authority for the recognition and enforcement of ICSID Convention arbitral awards pursuant to Article 54(2) of the ICSID Convention. The full list of Measures taken by Contracting States for the purposes of the ICSID Convention is available on the ICSID website.

#### *Meetings with Member States*

In FY2017, the ICSID Secretary-General met with numerous government officials from different States at ICSID's headquarters in Washington, D.C. and abroad. The ICSID Secretary-General, Deputy Secretaries-General and Team Leaders held a series of informational meetings with representatives of more than 40 ICSID Contracting States appointed to the World Bank Executive Directors offices. They briefed the World Bank Board of Executive Directors in January 2017, and the World Bank Country Directors in April 2017 on the Centre's dispute settlement procedures.

On September 15, 2016, ICSID held its Second Annual Briefing for Members of the Diplomatic Corps in Washington, D.C. This session was again held at the World Bank headquarters and was attended by more than 50 Ambassadors, Ministers, Counsellors, First Secretaries, and Advisors from diplomatic missions based in the United States.

During the 2017 World Bank Group Spring Meetings, ICSID management met with more than 70 Member State delegations to update them on the Centre's activities and discuss the on going rule amendment process.





The Secretariat also collaborated with the other institutions that comprise the World Bank Group, including the International Bank for Reconstruction and Development (IBRD), the Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC), as well as the International Monetary Fund (IMF), in joint seminars and training sessions.

As part of its technical assistance initiative, the Secretariat organized training sessions on ICSID practice and procedure for States in several regions of the world. Further information can be found in this Annual Report in Chapter 4 on Outreach.

## INSTITUTIONAL ARRANGEMENT AGREEMENTS

ICSID offers disputing parties the option of holding hearings in any mutually agreed upon location, and has developed partnerships with other arbitration institutions to complement its ability to offer hearings in World Bank facilities around the world. In FY2017, ICSID entered into two new cooperation agreements with the Dublin Dispute Resolution Centre (DDRC) and the International Centre for Dispute Resolution (IDRC) of the American Arbitration Association (AAA) in New York, and updated an existing agreement with the Cairo Regional Centre for International Commercial Arbitration (CRCICA).

A list of the cooperation agreements is provided below:

1. Australian Commercial Disputes Centre, Sydney;
2. Australian Centre for International Commercial Arbitration, Melbourne;
3. Cairo Regional Centre for International Commercial Arbitration;
4. Center for Arbitration and Conciliation of the Bogota Chamber of Commerce;
5. China International Economic and Trade Arbitration Commission;
6. Dublin Dispute Resolution Centre;
7. German Institution of Arbitration;
8. Gulf Cooperation Council Commercial Arbitration Centre, Bahrain;
9. Hong Kong International Arbitration Centre;
10. International Centre for Dispute Resolution, New York;
11. International Chamber of Commerce, Paris;
12. Kuala Lumpur Regional Centre for Arbitration;
13. Maxwell Chambers, Singapore;
14. Permanent Court of Arbitration, The Hague;
15. Regional Centre for International Commercial Arbitration, Lagos;
16. Seoul International Dispute Resolution Center; and
17. Singapore International Arbitration Centre.

## COLLABORATION WITH OTHER INTERNATIONAL ORGANIZATIONS

ICSID continued to collaborate with other multilateral institutions on investment law and dispute settlement issues during FY2017. For instance, on July 7-8, 2016, the Secretary-General participated in the 49<sup>th</sup> annual session of the United Nations Commission on International Trade Law (UNCITRAL) in New York. From July 17-21, 2016, the Secretary-General also participated in the 14<sup>th</sup> Session of the United Nations Conference on Trade and Development (UNCTAD) World Investment Forum in Nairobi.

On March 2-3, 2017, the Secretary-General attended an UNCITRAL Expert Group meeting in Geneva on the establishment of a multilateral investment dispute settlement system. In March 8, 2017, an ICSID Deputy Secretary-General participated in a roundtable on “Evaluating and enhancing outcomes of investment treaties” organized by the Organisation for Economic Co-operation and Development (OECD) in Paris.

As part of its mandate to contribute to discourse on international investment law, ICSID collaborates with several international organizations, professional associations and educational institutions. Further information on these efforts can be found in this Annual Report in Chapter 4 on Outreach.

*Meg Kinnear, ICSID Secretary-General, with Hong Zhao, World Trade Organization Appellate Body Member and Anthony Neoh SC, SCIA Vice Chairman, Shenzhen, June 29, 2017, Photo courtesy of SCIA*



## ICSID RULE AMENDMENTS

In October 2016, the ICSID Secretariat launched its fourth amendment process by inviting ICSID Member States and the public to suggest topics or themes for consideration during the amendment process. ICSID has devoted a webpage to the rule amendment project and posted comments received from the public to date. The Secretariat grouped the feedback received into 16 key topics and is currently developing background papers on each topic. These background papers will explain the rationale for a proposed change, note relevant considerations, and suggest potential amendments. As part of this work on potential rule amendments, ICSID surveyed Member States concerning compliance with ICSID awards, with a focus on decisions on costs. The results of the survey will be published in 2018.

## MEDIATION

ICSID supports efforts by parties to resolve investment disputes through alternate mechanisms and offers its staff and facilities for such processes. In the past fiscal year, ICSID co-organized a series of events to increase knowledge about investor-State mediation.

On May 11, 2017, ICSID Legal Counsel spoke about the ICSID conciliation process during a seminar on investment mediation for government officials, hosted by the International Energy Charter in Brussels.

On June 12-14, 2017, ICSID jointly organized a three-day course with the Centre for Effective Dispute Resolution (CEDR), the International Mediation Institute (IMI) and the International Energy Charter. The goal of the training was to provide experienced mediators with the skills necessary to mediate investment disputes. The successful completion of the course led to an IMI Certification in Investor-State Mediation Competency and recognition as a CEDR Mediator (Investor-State Disputes).

On June 15, 2017, ICSID and the Center on International Commercial Arbitration, American University, Washington College of Law co-hosted an investor-State Mediation Conference on "Perspectives from States, Mediators & Practitioners."



*Frauke Nitschke, ICSID Team Leader/Legal Counsel, with Horacio Grigera Naón, Lucy Reed, Alejandro Carballo Leyda, and Anna Joubin-Bret, panelists, at Investor-State Mediation Conference, Washington, D.C., June 15, 2017, Guillermo Acevedo, World Bank*

## BEST PRACTICES

During FY2017, ICSID continued modernizing its work processes by implementing effective tools to reduce the time and cost of cases. The ICSID Secretariat has committed to a 'go-green(er)' initiative, with the aim of increasing efficiency and reducing paper waste related to excessive paper filings.

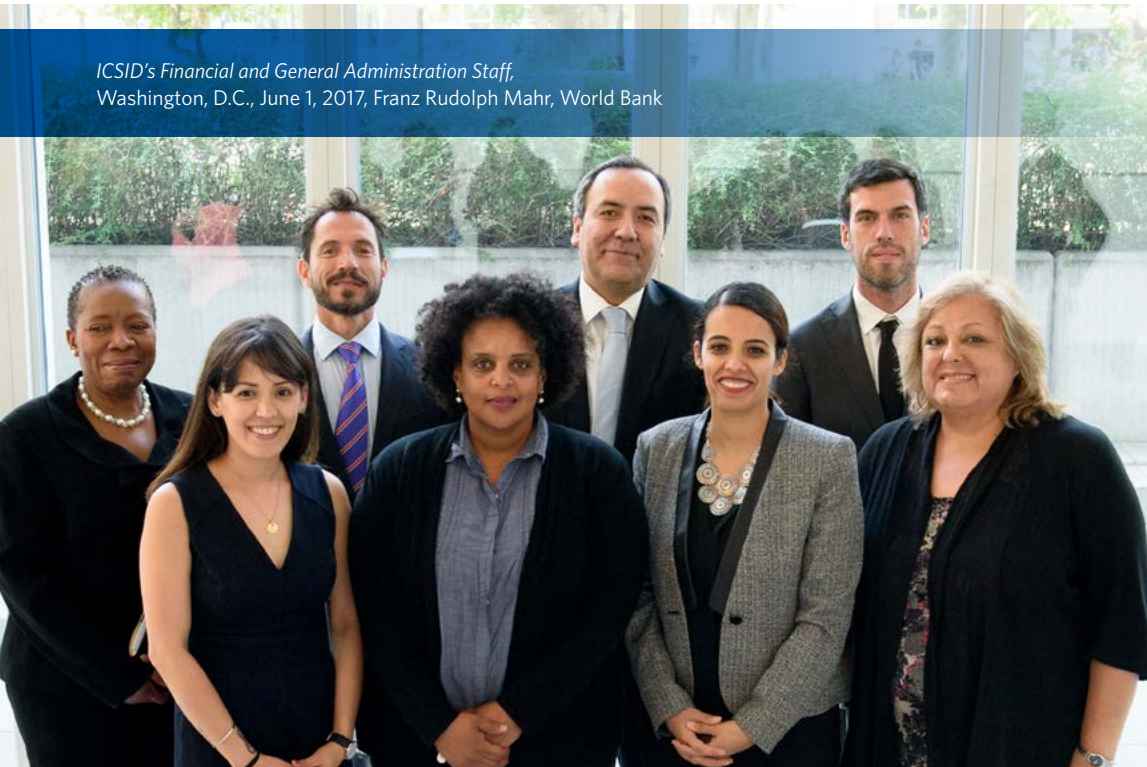
ICSID continued creating and updating templates related to various aspects of the administration of proceedings. The best practices tools and templates have been incorporated in ICSID's case management system and have significantly reduced ICSID staff time for completing various tasks in the administration of a case. The Centre has also continued to expand its internal knowledge management initiative to compile relevant case-related information (e.g., awards, decisions, and procedural orders) as well as internal research, presentations, memoranda and other data. This project has facilitated and reduced research time for ICSID staff while preserving institutional knowledge. The ICSID Secretariat continued to expedite its target timelines for the conclusion of internal steps in the administration of cases. It also adopted practices to provide parties with enhanced, real-time information about the status of a case, including case budget and the progress of a tribunal in drafting decisions and awards. Similar practices have been adopted for annulment and conciliation proceedings.

## TECHNOLOGY

ICSID launched the newly redesigned ICSID Website on December 31, 2016. For the first time, the website is available in the three official languages of the Centre—English, French and Spanish. Website visitors can now read about ICSID membership, services and dispute resolution procedures, and access other resources, including its quarterly Newsletter, in their preferred language.

Designed to provide visitors with a user-friendly experience on mobile devices and computers, the revamped website offers several enhancements, including faster content browsing and an improved trilingual global search function. The website's databases (ICSID cases, ICSID Member States, ICSID Panels of Conciliators and of Arbitrators, ICSID arbitrators' CVs, bilateral investment treaties and bibliography on investment law and procedure) have also been restructured to allow visitors to find information more efficiently using improved filter boxes. Finally, more information about the Centre and its activities has been added to the website. New features include a series of tables of decisions in ICSID cases on various procedural and substantive topics, and videos of distinguished arbitration practitioners discussing current issues in investor-State dispute settlement and international investment law. The Centre maintained real-time updates on cases and posted over 2,000 entries throughout the year.

*ICSID's Financial and General Administration Staff,  
Washington, D.C., June 1, 2017, Franz Rudolph Mahr, World Bank*



In FY2017, the World Bank Conference Centre in Paris was upgraded and is now available for ICSID hearings with new and enhanced high-tech features and a modernized interior. The main hearing room can accommodate hearings of any size and technical complexity. All ICSID hearing rooms are supported by a dedicated and experienced IT team and most of the rooms provide for public hearing broadcasts, video links and other technical services.





# ICSID 50 YEARS

## ICSID and the WBG: Sharing a Mission



"ICSID provides all of our clients, both public and private, with important reassurance that they will be treated fairly. This reassurance reduces the risk of international investors and helps bring capital flowing between countries, which is in long-term development."

— Dr. Jim Yong Kim, President of the World Bank Group and Chairman of the ICSID Administrative Council

ICSID is one of the five organizations of the World Bank Group. ICSID plays an important role in advancing the World Bank Group's mission by fostering sustainable foreign investment and boosting private sector-led growth.

# ICSID 50 YEARS

## Meet ICSID



**The ICSID Secretariat**

Today, ICSID is the world's leading facility for the resolution of disputes between States and foreign investors. We provide full administrative and legal support to the parties and to the tribunals hearing cases. We also offer technical assistance to Member States and offer subscriptions to the areas of economic, social, dispute resolution and investment law. We have unparalleled experience and expertise in the field, having administered the vast majority of all cases.

The 50th birthday ICSID never really turned 50. It was always there, serving the parties. They have extensive and legal expertise in terms of the administrative and legal aspects and, at heart, it's always been there.

# ICSID 50 YEARS

## Our Membership

With 112 Contracting States and 8 Signatory States, ICSID serves all regions.



In 1988, Tunisia Declared that it signed the ICSID Convention. It was one of ICSID's newest members joining in 2015.

"Leveraging foreign direct investment for sustainable economic growth is the signature trademark of ICSID."

— General Counsel, ICSID, World Bank Group, India

ICSID's 50<sup>th</sup> Anniversary Exhibit at World Bank atrium, Washington, D.C., October 14, 2016, Otylia Babiak, World Bank



## CHAPTER 4 OUTREACH

ICSID undertakes various activities each year to contribute to better understanding of the ICSID process and to advance knowledge of, and discussion about, current developments in international investment law and arbitration. This past year, the Secretariat organized and participated in numerous events worldwide to commemorate ICSID's 50<sup>th</sup> anniversary and to reflect on the Centre's contributions to investor-State dispute settlement and the evolution of international investment law.

### FIFTIETH ANNIVERSARY EXHIBIT

As part of ICSID's 50<sup>th</sup> anniversary celebrations, ICSID produced and displayed an exhibit from September 27 to October 17, 2016 in the atrium of the World Bank's Main Complex Building in Washington, D.C. The exhibit provided an overview of the Centre's mission. It also featured a slideshow with quotes from renowned experts on investment and trade, as well as detailed information on ICSID's history, cases and the functions of its Secretariat.



## PUBLICATIONS

### ANNIVERSARY BOOK

On October 14, 2016, ICSID hosted the final event of its 50<sup>th</sup> Anniversary celebrations. A panel of four authors discussed the chapters they contributed to the book, “Building International Investment Law: The First 50 Years of ICSID”, published by Kluwer Law International in 2015. Each author noted the key legal issues raised in ground-breaking cases, its implications for the future of investment jurisprudence, and predictions about how investment arbitration will evolve in the upcoming 50 years.

### *ICSID REVIEW—FOREIGN INVESTMENT LAW JOURNAL*

Since 1986, ICSID has published the world’s leading independent journal on international investment law and arbitration. During FY2017, the Review published its Fall 2016, Winter 2017 and Spring 2017 issues.

The Fall 2016 issue contained the final special focus theme in the 30<sup>th</sup> anniversary volume of the *ICSID Review*, which coincided with the 50<sup>th</sup> anniversary of the ICSID Convention and the establishment of the Centre. This issue was introduced by two guest editors and explored procedural matters in international investment arbitration. Contributing authors addressed trends in transparency, the regulation of parallel proceedings, developments in handling arbitrator challenges, summary dismissals, the use of emergency arbitrators, provisional measures, evidentiary privileges, the role of expert evidence, the authority of tribunals in relation to domestic court proceedings, the potential creation of an appellate body, and the development of international law by ICSID tribunals.

The Winter 2017 issue opened with the 2016 Lalive Lecture, which reflected on lessons from inter-State cases in comparing arbitration and a permanent court. The articles then addressed contemporary topics in international arbitration, including abuse of process, applicable law, and the assessment of damages. Several other contributions focused on international investment treaties, including the Indian Model BIT, investment protection under successive treaties, an empirical study on the importation of standards through most-favored nation clauses, interpretation under the Vienna Convention on the Law of Treaties, and the application of treaties to overseas territories. The issue also presented the *Centre de droit international (CEDIN)* State Insolvency Working Group’s proposal for the creation of an International Centre for the Financial Safeguard of States, including the draft international convention and procedural rules.

The Spring 2017 issue returned to a mix of case comments, articles and notes. The comments analyzed issues in cases under the ICSID Convention, including attribution of the conduct of State-owned enterprises to sovereign States in *Adel A. Hamadi Al Tamimi v. Sultanate of Oman*, and enforcing economic stability guarantees through a treaty umbrella mechanism in *Burlington Resources, Inc. v. Republic of Ecuador*. Another comment examined a domestic court’s interpretation of the United States Foreign Sovereign Immunities Act in the *Diag Human SE v. Czech Republic* case. The articles discussed the historical evolution of fair and equitable treatment, analyzed the European Union’s Investment Court Proposal for the Transatlantic Trade and Investment Partnership, and considered investor diligence requirements in investment arbitration. Two other articles looked at issues related to compensation for damages—one reappraised the the *Chorzów Factory* standard and the other looked at the issue through the lens of unlawful expropriation. The notes reflected on finality of awards under the Washington and New York Conventions, and studied regional developments in investment treaties, focusing on Brazil, China, and the Republic of Korea.

## COLLECTIONS

In FY2017, the Centre published four supplements of its two loose-leaf collections, *Investment Laws of the World* and *Investment Treaties*. The *Investment Laws of the World* release contained new or revised investment legislation from Algeria, Angola, Argentina, and Namibia (Release 2017-1). Three updated supplements to the *Investment Treaties* collection were published containing the texts of 62 bilateral investment agreements, concluded by 58 countries between 1991 and 2016 (Releases 2016-2, 2016-3 and 2017-1).



ICSID's publications display, Washington, D.C., June 15, 2017, Guillermo Acevedo, World Bank

## THE ICSID CASELOAD—STATISTICS

In FY2017, the Centre published Issues 2016-2 and 2017-1 of the *ICSID Caseload—Statistics* online in English, French and Spanish. The Centre continued its practice of profiling the ICSID caseload by reporting empirical data on the cases registered and administered by the ICSID Secretariat. Issue 2017-2, updating the information to June 30, 2017, was published in July 2017. The FY2017 data is also presented in this Annual Report in Chapter 3 on the Centre’s Operations.

During fall 2016, ICSID generated the third issue of its statistics specific to the South and East Asia and the Pacific Region, published in English. In spring 2017, ICSID released a fourth update to its statistics specific to the European Union (EU). In early summer 2017, ICSID published an update to its special issue focused on statistics specific to Africa. These issues are available online on ICSID’s website along with the comprehensive statistics.

## EVENTS AND PRESENTATIONS

ICSID participated in over 80 presentations in more than 25 countries in FY2017, including in Belgium, Canada, China, Colombia, Costa Rica, the Czech Republic, Egypt, France, Indonesia, Ireland, Italy, Kenya, the Republic of Korea, Mexico, Myanmar, Singapore, Spain, Sweden, Switzerland, Thailand, Turkmenistan, the United Kingdom, the United States of America, and Vietnam. Many of the presentations reflected on ICSID’s 50-year history and how ICSID and investment dispute settlement will continue to meet the needs of investors and States in the next half century.

*Meg Kinnear, ICSID Secretary-General, with participants of the joint conference with the Nairobi Centre for International Arbitration, Nairobi, July 22, 2016, Photo courtesy of NCIA*



## INTERNATIONAL & REGIONAL CONFERENCES

ICSID staff served as panelists and speakers at international investment arbitration conferences organized by the American Arbitration Association (AAA), the American Bar Association (ABA), the American Society of International Law (ASIL), the Australia-Myanmar Chamber of Commerce (AMCC), the Cairo Regional Center for International Commercial Arbitration (CRCICA), the China International Economic and Trade Arbitration Commission (CIETAC), the Dublin Dispute Resolution Centre (DDRC), the Energy Charter Treaty (ECT) Secretariat, the Institut Afrique Monde (IAM), the Institute for Transnational Arbitration (ITA), the International Bar Association (IBA), the International Chamber of Commerce (ICC), the International Council for Commercial Arbitration (ICCA), the Nairobi Centre for International Arbitration (NCIA), the Permanent Court of Arbitration (PCA), and the Seoul International Dispute Resolution Centre (Seoul IDRC). In several instances, ICSID served as co-organizer of the conference.

Highlights included:

- July 22, 2016: ICSID and the Nairobi Centre for International Arbitration co-organized a half-day conference celebrating ICSID's 50<sup>th</sup> Anniversary and providing a comprehensive training on ICSID arbitral practice.
- September 9, 2016: ICSID and the London School of International Arbitration at Queen Mary University of London (QMUL) co-organized a Joint Arbitration Symposium featuring experts in international investment law and focused on current trends in investor-State arbitration. Following the symposium, the ICSID Secretary-General and ICSID Legal Counsel led a training session on ICSID arbitral practice.
- September 12, 2016: the ICSID Secretary-General and ICSID Legal Counsel gave an overview of the ICSID arbitration process at the Dublin Dispute Resolution Centre.
- September 16, 2016: ICSID Legal Counsel moderated a panel on the divergence between law and finance in investment arbitration awards during the Fifth Annual Damages in International Arbitration Conference held in Washington, D.C.
- September 20, 2016: ICSID Legal Counsel spoke about the process of appointing arbitrators in investment arbitration during the IBA's Annual Conference in Washington, D.C.
- September 22, 2016: ICSID held the IBA Host Committee reception at the World Bank headquarters as part of its 50<sup>th</sup> anniversary commemorative activities. More than 2,500 people attended the event.



*Guests at the IBA Host Committee Reception in the atrium of the World Bank headquarters, Washington, D.C., September 22, 2016, Otylia Babiak, World Bank*

- In late September 2016, the ICSID Secretary-General and ICSID Legal Counsel participated in multiple events held in Cairo.
  - September 26, 2016: ICSID Secretary-General, Meg Kinnear met with H.E. Dr. Sahar Nasr, Minister of International Cooperation of Egypt to discuss the role of ICSID and the ongoing evolution in investment dispute resolution.
  - September 27, 2016: ICSID offered a full-day introductory course on ICSID arbitration, held at the Cairo Regional Center for International Commercial Arbitration (CRCICA), and tailored especially for government representatives.
  - September 28, 2016: ICSID and the CRCICA held their first joint conference on International Investment Arbitration.

*Meg Kinnear, ICSID Secretary-General, Anneliese Fleckenstein and Randi Ayman, ICSID Legal Counsel, with H.E. Dr. Sahar Nasr, Minister of International Cooperation of Egypt, Cairo, September 26, 2016, Photo courtesy of the Ministry*



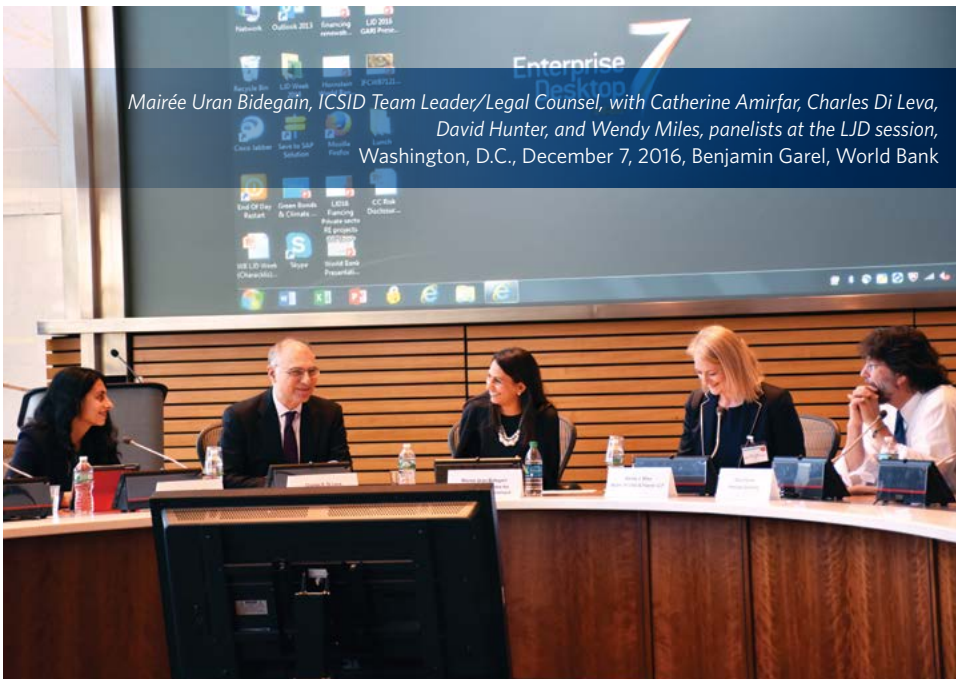
*Participants at an ICSID arbitration introductory course held at the Cairo Regional Center for International Commercial Arbitration (CRCICA), Cairo, September 27, 2016, Photo courtesy of CRCICA*



- October 11-12, 2016: ICSID Deputy Secretary-General, Martina Polasek, led two practice workshops on initiating and defending an ICSID arbitration and on review of investment awards at the 6<sup>th</sup> Investment Treaty Arbitration (ITA) Conference in Prague, organized by the Ministry of Finance of the Czech Republic.
- October 14, 2016: ICSID co-sponsored the Fordham International Arbitration and Mediation Conference on “New Developments, New Challenges and New Ideas in International Dispute Resolution” in New York.
- October 17-18, 2016: ICSID Deputy Secretary-General, Martina Polasek, led a workshop for government officials in Turkmenistan. The two-part workshop first led participants through initiating and defending an ICSID arbitration using a hypothetical scenario and then discussed options for the review of investment awards, including the ICSID annulment procedure.
- October 18, 2016: ICSID Deputy Secretary-General, Gonzalo Flores, spoke on a panel about institutional developments at the 5<sup>th</sup> Arbitration and Mediation Conference co-organized by the International Centre for Dispute Resolution (ICDR) and the Center for Arbitration and Conciliation of the Chamber of Commerce of Bogotá in Colombia.
- From late October through late November, 2016, the ICSID Secretary-General, Meg Kinnear, and Deputy Secretary-General, Martina Polasek, traveled to China, Indonesia, the Republic of Korea, Myanmar, Singapore, Thailand and Vietnam to participate in conferences and provide training on the ICSID process. During this tour, they met with government officials, private sector representatives, and academic audiences, gave several introductory training courses on ICSID arbitration and spoke about developments in investor-State arbitration at regional dispute resolution centers, universities, and chambers of commerce.
  - October 27, 2016: the ICSID Secretary-General spoke about current trends in international investment dispute settlement at a conference hosted by the Seoul International Dispute Resolution Centre in Seoul.
  - November 1, 2016: the ICSID Secretary-General gave the keynote speech on ICSID and the evolution of investor-State dispute settlement and moderated a panel on China and international investment law during the 10<sup>th</sup> Anniversary Conference at Silk Road Institute for International and Comparative Law (SRIICL) at Xi’an Jiaotong University in Xi’an.
  - November 21, 2016: the ICSID Secretary-General provided an overview of ICSID arbitration at a public lecture hosted by Universitas Pelita Harapan in Jakarta.
  - November 23, 2016: the ICSID Secretary-General gave a presentation on the ICSID process during an event organized by the Australia-Myanmar Chamber of Commerce on Myanmar’s new investment law in Yangon.



- December 7, 2016: ICSID sponsored a session on “Enforcing the States’ Environmental Obligations for all Stakeholders: An International Court for the Environment, International Arbitration and Other Legal Avenues” during the institutional focus day of the Law, Justice and Development (LJD) Week at the World Bank. The four panelists explored the history of international legal efforts aimed at regulating climate change, and concluded that ICSID and other international institutions could be useful venues to enforce environmental obligations.



- December 9, 2016: ICSID partnered with the American Arbitration Association/International Centre for Dispute Resolution (AAA/ICDR) and the International Chamber of Commerce (ICC) for the 33<sup>rd</sup> Joint Colloquium on International Arbitration. The annual event was hosted by the ICC in Paris. The Colloquium provided a forum for discussion on the theme of “Commercial and Investor-State Arbitration: Towards Convergence?”.

- December 14-15, 2016: ICSID Deputy Secretary-General, Gonzalo Flores, and ICSID Legal Counsel led a workshop on ICSID process in Guatemala.



- March 24–April 6, 2017: ICSID’s two Deputy Secretaries-General provided additional training in Myanmar, Thailand and Vietnam on ICSID membership and dispute resolution procedures.



- March 27, 2017: the ICSID Secretary-General and Legal Counsel provided an institutional perspective at an event in Paris organized by the *Institut Afrique Monde* commemorating ICSID’s half-century of existence and providing retrospective and prospective views on the experience of African States in international investment arbitration.

- April 11, 2017: ICSID hosted a meeting of the ICCA-ASIL Task Force on Damages in International Arbitration and co-organized a seminar on how to promote consistency and rigor in the approach to quantification of damages.
- April 15, 2017: the ICSID Secretary-General spoke on a panel on “Valuing Women in International Adjudication” during the Spring Meeting of the American Bar Association’s Section of International Law, held in Washington, D.C., highlighting the role of ICSID in contributing to diversity in arbitration, including gender diversity.
- April 19-20, 2017: ICSID Legal Counsel spoke on a panel about Colombia as a place for international investment arbitration during the annual “Congreso de Arbitraje Nacional e Internacional” in Bogotá.
- May 1, 2017: the ICSID Secretary-General gave a keynote speech on the future of investor-State dispute settlement as part of the Second Annual Judith S. Kaye Arbitration Lecture during the NYIAC Grand Central Forum in New York.
- May 12, 2017: ICSID Legal Counsel delivered opening remarks about ICSID’s caseload involving disputes in the energy sector at the Brussels International Energy Charter Forum. The Forum was devoted to the topic of mobilizing investments for sustainable energy.
- June 22, 2017: the ICSID Secretary-General gave opening remarks and an introduction at the HK45 seminar on investment arbitration in Asia, hosted by the Hong Kong International Arbitration Centre (HKIAC).
- June 29, 2017: the ICSID Secretary-General gave a presentation on global investment arbitration at the 7<sup>th</sup> South China In-house Counsel Forum in Shenzhen, organized around the theme of “Belt & Road: Chinese Companies and Investment Arbitration.”

## LECTURES AND ACADEMIC EVENTS

The Secretary-General and ICSID Legal Counsel delivered numerous lectures and participated in various panels at universities around the world, either in person or through video-conference, to academic audiences and legal practitioners interested in developing their awareness of investment arbitration.

On July 20 and 21, 2016, ICSID Legal Counsel presented on ICSID arbitration practice at the International Academy for Arbitration Law in Paris, France. This year’s presentations focused on preliminary objections under ICSID Arbitration Rule 41(5) and on denial of benefits.

On November 3, 2016, the ICSID Secretary-General gave an introduction to ICSID and its arbitration process lecture during the Singapore International Arbitration Academy.



On June 26, 2017, the ICSID Secretary-General gave a presentation on ICSID arbitration to the Asian Academy of International Law (AAIL) in Hong Kong.

ICSID Legal Counsel also gave lectures to a variety of student groups at the Aix-Marseille University (France), American University Washington College of Law (U.S.), Athabasca University (Canada), Bocconi University (Italy), Cairo University Faculty of Law (Egypt), the Central European University (Hungary), Columbia University Law School (U.S.), Escola Superior d'Administració i Direcció d'Empreses (ESADE) Law School (Spain), Georgetown University Law Center (U.S.), Fordham University School of Law (U.S.), Fudan University Law School (China), the Geneva Masters in Dispute Settlement (MIDS) (Switzerland), the George Washington University Law School (U.S.), Howard University Law School (U.S.), Instituto Universitario de Estudios Europeos (Spain), Lead University (Costa Rica), the National University of Singapore, Queen Mary University of London (QMUL) (United Kingdom), Universitas Pelita Harapan (Indonesia), University of Melbourne (Australia), University of Missouri School of Law (U.S.), Universidad Nacional de Colombia, University of Ottawa (Canada), the University of Pennsylvania Law School (U.S.), University of Richmond (U.S.), University of Rome Tre Law School (Italy), Seoul National University (Republic of Korea), Singapore Management University, Tsinghua University School of Law (China), Uppsala University (Sweden), and Xi'an Jiaotong University (China).

## YOUNG ICSID

Young ICSID continues to encourage professional development among international investment dispute resolution practitioners under the age of 45. As at June 30, 2017, Young ICSID had over 700 members.

During FY2017, Young ICSID co-hosted and organized a number of events:

- July 28-29, 2016: A seminar on International Investment Arbitration introducing participants to the ICSID arbitration process, at the Lead University in San José, Costa Rica.
- December 8, 2016: A panel of experts discussed “hot topics” which may impact the future of arbitration, on the eve of the AAA/ICC/ICSID Colloquium.
- February 2, 2017: A Works-in-Progress Conference on Issues in International Dispute Resolution at the University of Missouri, School of Law.
- June 12 & 14, 2017: A workshop on ICSID arbitration and a networking event during a course co-organized by International Arbitration Seminars & Courses (IASC) and the Mexico national committee of the ICC, held in Mexico City.
- June 19-24, 2017: Young ICSID provided institutional support to an introductory international arbitration course organized by IASC and Corte de Arbitraje de Madrid, held in Madrid.



## TECHNOLOGY AND ONLINE RESOURCES

### TRANSPARENCY INITIATIVE

The Centre continued to publish procedural details, awards, decisions and orders in ICSID cases on the ICSID website. The Centre also publishes excerpts of the legal reasoning in an award where a party does not consent to publishing the full award. During FY2017, ICSID published over 159 awards, decisions, and orders in cases concluded in 2016 and early 2017. This ongoing initiative enhances public understanding of ICSID proceedings and investment law, and offers free access to ICSID case law.

### DATABASE OF ARBITRATORS, CONCILIATORS AND AD HOC COMMITTEE MEMBERS

The ICSID website now provides a standardized web-based *curriculum vitae* form for arbitrators, conciliators and annulment committee members who have served in ICSID cases. The information can be filtered to help users identify arbitrators with particular language skills or nationalities, and identify cases in which an arbitrator has participated, among other things. By the end of FY2017, the profiles of more than 500 arbitrators were updated or added to this database and additional members continue to be added on a rolling basis.

### DATABASE OF BILATERAL INVESTMENT TREATIES

In FY2017, ICSID updated and enhanced its database of Bilateral Investment Treaties. The database provides information on over 3,000 treaties and is searchable by Signatory State, treaty and year of signature. It also indicates the date of entry into force of the treaty and whether it contains a reference to the ICSID Convention, or Additional Facility arbitration and conciliation rules. The database is non-exhaustive and is based on information provided by governments or found on governmental websites. ICSID makes every effort to verify the information but cannot warrant its accuracy.

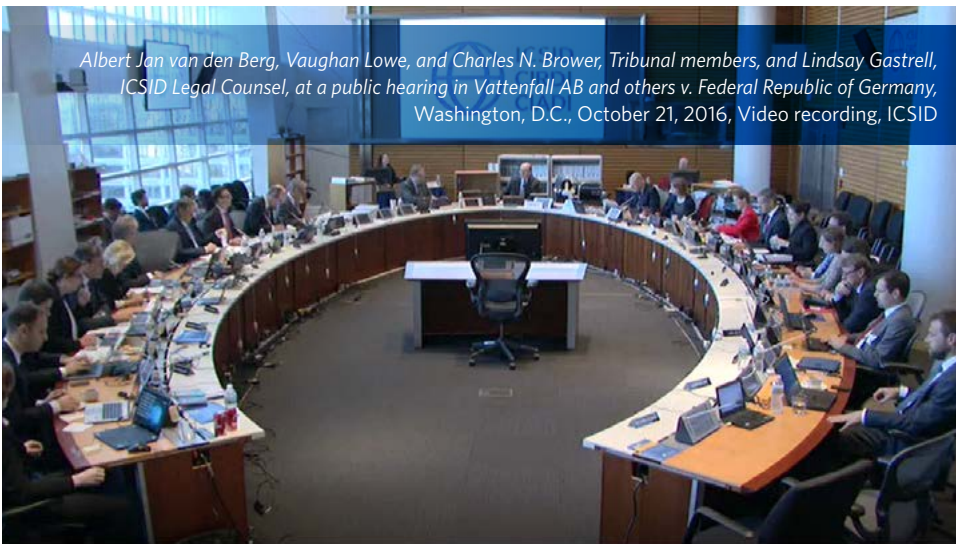
### BIBLIOGRAPHY

As part of ICSID's new website, the Centre has updated and enhanced its bibliographical content and search capacity. This extensive bibliography lists known articles, books, research and working papers on ICSID, investment law and treaties and international investment dispute resolution. At the end of FY2017, the bibliography contained nearly 4,500 entries.

## PUBLIC HEARING BROADCASTS

The Centre continued to offer parties the option to webcast proceedings in cases administered by ICSID. In FY2017, ICSID broadcast hearings in:

- *Bear Creek Mining Corporation v. Republic of Peru* (ICSID Case No. ARB/14/21), held on September 7-14, 2016;
- *EuroGas Inc. and Belmont Resources Inc. v. Slovak Republic* (ICSID Case No. ARB/14/14), held on September 12-16, 2016;
- *Gabriel Resources Ltd. and Gabriel Resources (Jersey) Ltd. v. Romania* (ICSID Case No. ARB/15/31), held on September 23, 2016;
- *Vattenfall AB and others v. Federal Republic of Germany* (ICSID Case No. ARB/12/12), held on October 10-21, 2016;
- *United Utilities (Tallinn) B.V. and Aktsiaselts Tallinna Vesi v. Republic of Estonia* (ICSID Case No. ARB/14/24), held on November 7-15, 2016;
- *David Aven et al. v. Republic of Costa Rica* (UNCITRAL Case No. UNCT/15/3), held on December 5-12, 2016 and on February 7, 2017; and
- *BSG Resources Limited, BSG Resources (Guinea) Limited and BSG Resources (Guinea) SARL v. Republic of Guinea* (ICSID Case No. ARB/14/22), held on May 22-June 2, 2017.



## ICSID OFFICIAL DOCUMENTS

*Available from the Centre free of charge unless otherwise indicated*

*List of Contracting States and Other Signatories of the Convention, Doc. ICSID/3* (periodic updates) (English, French and Spanish)

*Contracting States and Measures Taken by Them for the Purpose of the Convention, Doc. ICSID/8* (periodic updates) (English)

*Members of the Panels of Arbitrators and of Conciliators, Doc. ICSID/10* (periodic updates) (English)

*ICSID Regulations and Rules, Doc. ICSID/4/Rev. 1 (May 1975)* (contains the texts of the Centre's Regulations and Rules in effect from January 1, 1968 to September 25, 1984) (English, French and Spanish)

*ICSID Basic Documents, Doc. ICSID/15 (January 1985)* (contains the texts of the Centre's Regulations and Rules in effect from September 26, 1984 to December 31, 2002 and the text of the ICSID Convention) (English, French and Spanish)

*ICSID Convention, Regulations and Rules, Doc. ICSID/15/Rev. 1 (January 2003)* (contains the texts of the Centre's Regulations and Rules in effect from January 1, 2003 to April 9, 2006 and the text of the ICSID Convention) (English, French and Spanish)

*ICSID Convention, Regulations and Rules, Doc. ICSID/15 (April 2006)* (contains the texts of the Centre's Regulations and Rules in effect from April 10, 2006 and the text of the ICSID Convention) (English, French and Spanish)

*ICSID Additional Facility for the Administration of Conciliation, Arbitration and Fact-Finding Proceedings, Doc. ICSID/11 (June 1979)* (contains the texts of the Additional Facility Rules in effect from September 27, 1978 until December 31, 2002) (English, French and Spanish)

*ICSID Additional Facility Rules, Doc. ICSID/11/Rev. 1 (January 2003)* (contains the texts of the Additional Facility Rules in effect from January 1, 2003 to April 9, 2006) (English, French and Spanish)

*ICSID Additional Facility Rules, Doc. ICSID/11 (April 2006)* (contains the texts of the Additional Facility Rules in effect from April 10, 2006) (English, French and Spanish)

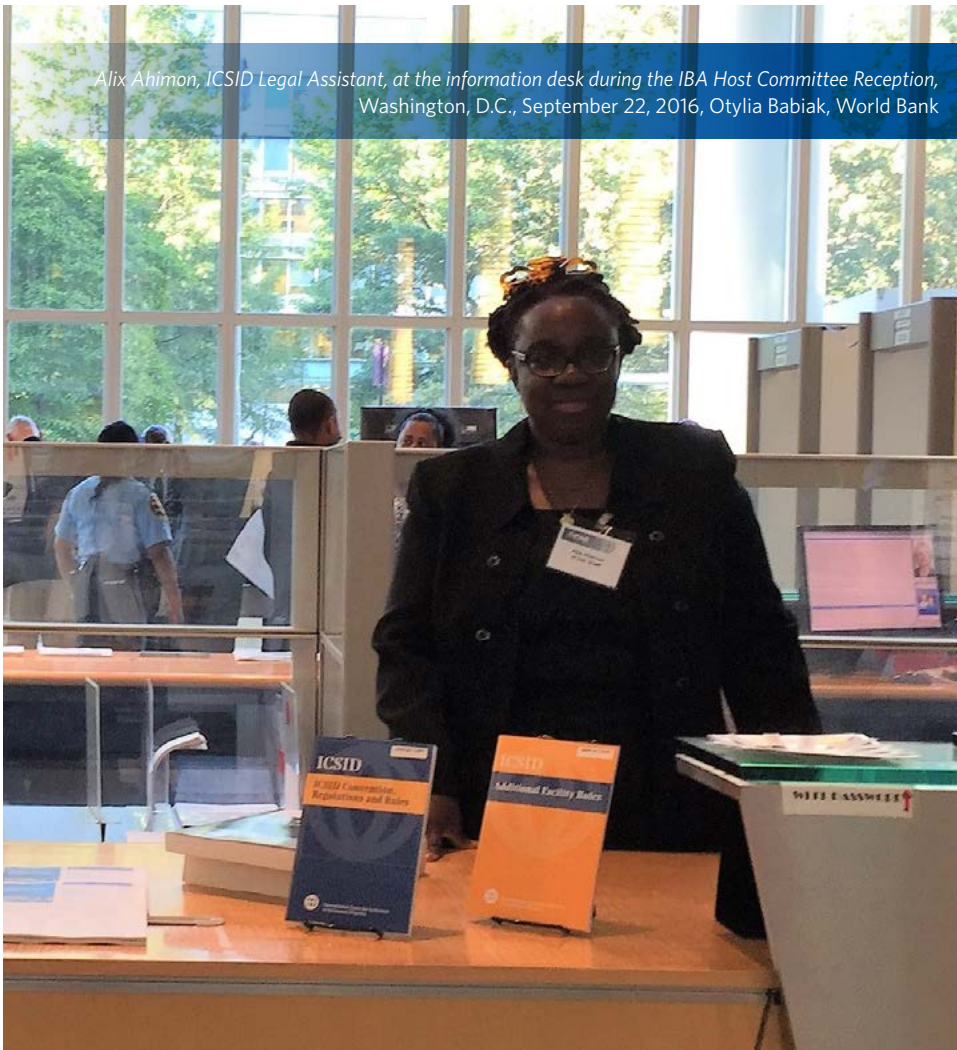


*List of Pending and Concluding Cases, ICSID/16* (Internet edition only)

*Memorandum on the Fees and Expenses of ICSID Arbitrators (July 6, 2005)* (English, French and Spanish)

*ICSID Schedule of Fees (July 1, 2017)* (English, French and Spanish)

*ICSID Annual Report (1967–2016)* (English, French and Spanish)



*Alix Ahimon, ICSID Legal Assistant, at the information desk during the IBA Host Committee Reception, Washington, D.C., September 22, 2016, Otylia Babiak, World Bank*

## OTHER ICSID PUBLICATIONS

*ICSID Review—Foreign Investment Law Journal* (three issues per year) (available from Oxford University Press, Journals Customer Service Department, 2001 Evans Road, Cary, N.C. 27513, U.S.; Tel.: 800-852-7323; Fax: 919-677-1714; URL: <http://icsidreview.oxfordjournals.org>; Email: [jnls.cust.serv@oup.com](mailto:jnls.cust.serv@oup.com) at US\$92 for individuals (print and online combined) and US\$243, US\$286, or US\$310 for institutions for online, print, or print and online combined subscriptions)

*Documents Concerning the Origin and Formulation of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States* (1967; 2001; 2006) (English, French and Spanish) (Available online in text searchable PDF format at no cost. Hard copies are available for purchase from the Centre at US\$250)

*Investment Laws of the World* (ten loose-leaf volumes) and *Investment Treaties* (fifteen loose-leaf volumes) (available from Oxford University Press, Customer Service Department, North Kettering Business Park, Hipwell Road, Kettering, Northamptonshire, NN14 1UA, UK; Tel.: +44 (0) 01536 452660; Email: [lawssubscriptions.uk@oup.com](mailto:lawssubscriptions.uk@oup.com) at US\$255 per release, US\$2,690 for both sets, US\$1,345 for the *Investment Laws of the World* volumes only and US\$1,345 for the *Investment Treaties* volumes only)

*The ICSID Caseload—Statistics*, Issues 2010-1, 2010-2, 2011-1, 2011-2, 2012-1, 2012-2, 2013-1, 2013-2, 2014-1, 2014-2, 2015-1, 2015-2, 2016-1, 2016-2, 2017-1, 2017-2 (contains a profile of the ICSID caseload; semi-annual updates) (English, French and Spanish) (Internet edition only)

*The ICSID Caseload—Statistics* (Special Focus - European Union) (contains statistics on ICSID cases involving European Union States and investors as of March 2014, April 2015, April 2016, and April 2017) (English, French and Spanish) (Internet edition only)

*The ICSID Caseload—Statistics (Special Focus - Africa)* (contains statistics on ICSID cases involving African States and investors as of April 2016 and May 2017) (English, French and Spanish) (Internet edition only)

*The ICSID Caseload—Statistics (Special Focus - South & East Asia & the Pacific Region)* (contains statistics on ICSID cases involving South & East Asia & the Pacific States and investors as of October 2014, October 2015, and October 2016) (English) (Internet edition only)

*Practice Notes for Respondents in ICSID Arbitration* (address practical aspects of responding to an investment claim brought under the ICSID Convention or the ICSID Additional Facility Rules) (December 10, 2015) (English, French and Spanish)

*Bilateral Investment Treaties 1959–1996: Chronological Country Data and Bibliography* (May 30, 1997) (English)

## ICSID STAFF PUBLICATIONS

Meg Kinnear and Aurélia Antonietti, *Introduction aux procédures du CIRDI*, in *L'arbitrage en matière commerciale et des investissements en Afrique* (Gaston Kenfack Douajni ed., PUPPA, April 2017)

Alex B. Kaplan and Andrew R. Sommer, *Discovery in Aid of Foreign Patent Proceedings*, 29(4) *Intellectual Property & Technology Law Journal* 19 (April 2017)



**2016**  
ANNUAL MEETINGS  
International Monetary Fund  
World Bank Group  
Washington, D.C.

## CHAPTER 5 FIFTIETH ANNUAL MEETING OF THE ADMINISTRATIVE COUNCIL

The ICSID Administrative Council is the governing body of ICSID. Its composition, functions and decision-making procedure are provided for in the ICSID Convention (Articles 4 to 8).

Pursuant to Article 4 of the ICSID Convention, the ICSID Administrative Council is composed of one representative of each Contracting State. In the absence of a contrary designation, the governor for the World Bank appointed by that State serves *ex officio* as its representative on the Council. Each member has one vote on the Administrative Council. By the end of FY2017, 153 Contracting States were represented on the ICSID Administrative Council.

On October 7, 2016, the Chairman of the Administrative Council, Dr. Jim Yong Kim, presided over 50<sup>th</sup> Annual Meeting of the Administrative Council, which took place in Washington, D.C., on the occasion of the Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund.

At its 50<sup>th</sup> Annual Meeting, the Administrative Council approved the Centre's 2016 Annual Report and its administrative budget for FY2017. The Administrative Council also elected Mr. Gonzalo Flores and Ms. Martina Polasek as ICSID's Deputy Secretaries-General.

The Resolutions adopted at the Meeting are reproduced below.



2016 ICSID Administrative Council Meeting at Plenary Session of World Bank Group Annual Meetings, Washington, D.C., October 7, 2016, Grant Ellis, World Bank

#### **AC(50)/RES/130—Approval of the Annual Report**

The Administrative Council RESOLVES

To approve the 2016 Annual Report on the operation of the Centre.

#### **AC(50)/RES/131—Adoption of Budget for Fiscal Year 2017**

The Administrative Council RESOLVES

To adopt, for the period July 1, 2016 to June 30, 2017, the budget set forth in paragraph 2 of the Report and Proposal of the Secretary-General on the Budget for Fiscal Year 2017, dated June 30, 2016.

#### **AC(50)/RES/132— Election of a Deputy Secretary-General**

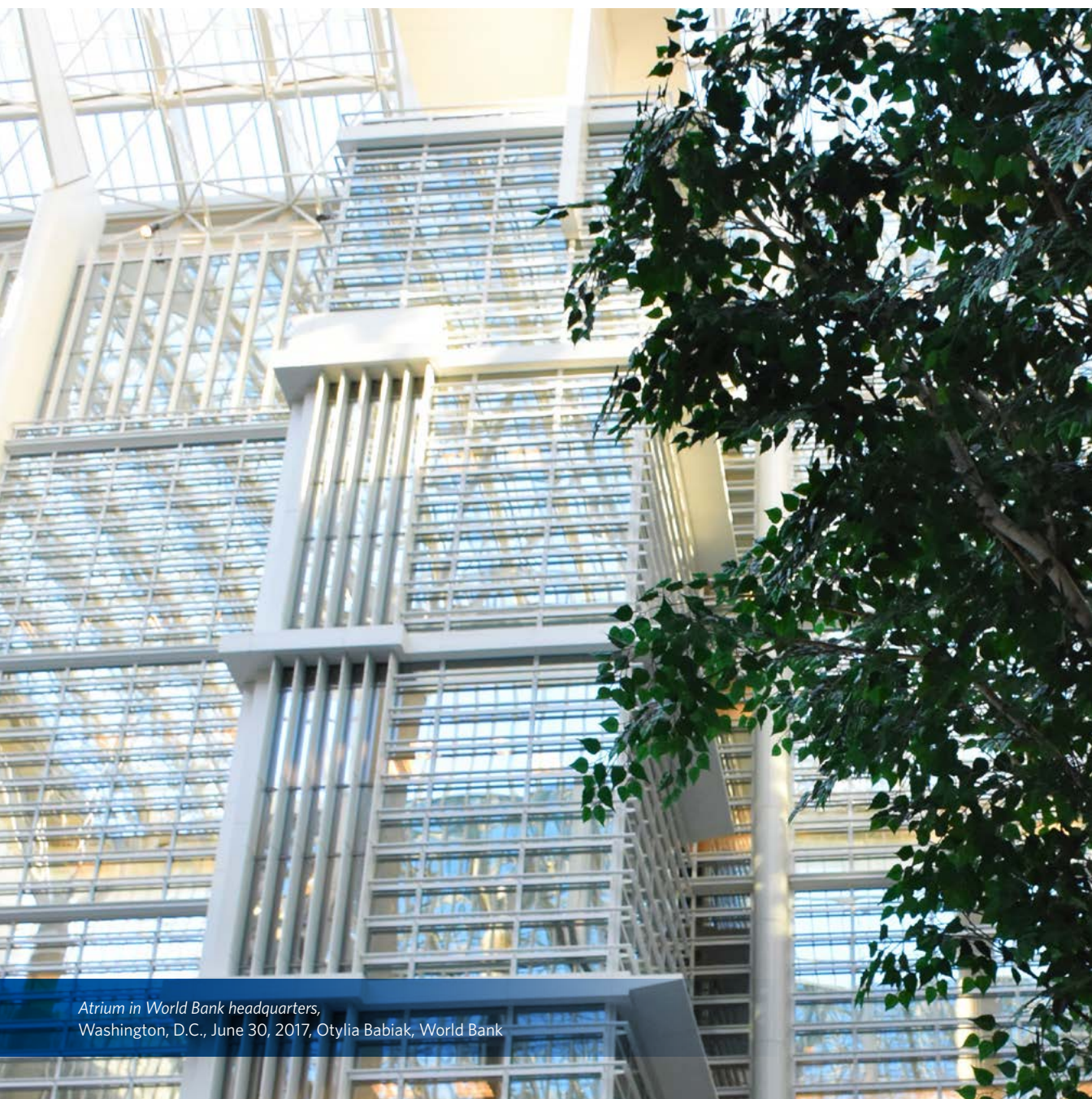
The Administrative Council RESOLVES

That Mr. Gonzalo Flores be elected to the post of Deputy Secretary-General for a term of six years from the date of the adoption of this Resolution.

#### **AC(50)/RES/133— Election of a Deputy Secretary-General**

The Administrative Council RESOLVES

That Ms. Martina Polasek be elected to the post of Deputy Secretary-General for a term of six years from the date of the adoption of this Resolution.



*Atrium in World Bank headquarters,  
Washington, D.C., June 30, 2017, Otylia Babiak, World Bank*



## CHAPTER 6 FINANCE

ICSID's administrative expenditures in FY2017 were covered by fee income and by the International Bank for Reconstruction and Development (IBRD) pursuant to the Memorandum of Administrative Arrangements concluded between the IBRD and ICSID. It is therefore not necessary to assess any excess expenditures on Contracting States pursuant to Article 17 of the Convention.

Expenditures relating to pending arbitration proceedings are borne by the parties in accordance with ICSID's Administrative and Financial Regulations.

The Financial Statements of the Centre for FY2017 are set forth in the following pages.

# FINANCIAL STATEMENTS

ALL AMOUNTS EXPRESSED IN U.S. DOLLARS UNLESS OTHERWISE NOTED

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017 AND JUNE 30, 2016

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
Cash (Note 2)	\$ 467,846	\$ 4,551,807
Share of cash and investments in the Pool (Notes 2 and 3)	46,391,967	46,961,645
Due from parties to arbitration/conciliation proceedings (Note 2)	340,012	619,937
Other receivables	—	8,119
Other assets, net (Notes 2 and 4)	161,785	267,861
<b>Total assets</b>	<b><u>\$ 50,361,610</u></b>	<b><u>\$ 52,409,369</u></b>
<b>Liabilities and net assets:</b>		
<b>Liabilities:</b>		
Payable to International Bank for Reconstruction and Development (Note 2)	\$ 2,336,875	\$ 1,966,862
Advance received for miscellaneous services	5,018	50,750
Deferred revenue (Note 2)	2,160,000	2,357,333
Accrued expenses related to arbitration/conciliation proceedings (Note 2)	7,097,252	7,373,084
Advances from parties to arbitration/conciliation proceedings (Note 2)	33,554,100	34,012,519
<b>Total liabilities</b>	<b><u>45,153,245</u></b>	<b><u>45,760,548</u></b>
<b>Net assets, unrestricted (Note 5)</b>	<b><u>5,208,365</u></b>	<b><u>6,648,821</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 50,361,610</u></b>	<b><u>\$ 52,409,369</u></b>

The notes to the financial statements are an integral part of these statements.



## STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	<b>2017</b>	<b>2016</b>
<b>Support and revenues:</b>		
Revenues/fees from arbitration/conciliation proceedings (Notes 2 and 7)	\$ 45,000,076	\$ 39,846,784
In-kind contributions (Notes 2 and 9)	935,582	2,934,801
Net investment income (Notes 2 and 3)	330,036	145,705
Sales of publications	66,042	48,092
<b>Total support and revenues</b>	<b>\$ 46,331,736</b>	<b>\$ 42,975,382</b>
<b>Expenses:</b>		
Expenses related to arbitration/conciliation proceedings (Notes 2 and 8)	\$ 36,327,875	\$ 32,125,329
Administrative expenses (Note 9)	11,008,205	9,673,096
Amortization expenses (Notes 2 and 4)	106,076	106,077
Net investment income applied to arbitration/ conciliation proceedings (Notes 2 and 3)	330,036	145,705
<b>Total expenses</b>	<b>47,772,192</b>	<b>42,050,207</b>
<b>Change in net assets</b>	<b>(1,440,456)</b>	<b>925,175</b>
<b>Net assets, beginning of the year</b>	<b>6,648,821</b>	<b>5,723,646</b>
<b>Net assets, end of the year</b>	<b>\$ 5,208,365</b>	<b>\$ 6,648,821</b>

The notes to the financial statements are an integral part of these statements.

## STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2017 AND JUNE 30, 2016

	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	(\$ 1,440,456)	\$ 925,175
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization	106,076	106,077
Decrease/(Increase) in due from parties to arbitration/ conciliation proceedings	279,925	(108,343)
Decrease in other receivables	8,119	61,535
Increase in payable to International Bank for Reconstruction and Development	370,013	292,282
(Decrease)/Increase in advance received for miscellaneous services	(45,732)	50,750
(Decrease)/Increase in deferred revenue	(197,333)	165,333
(Decrease)/Increase in accrued expenses related to arbitration/conciliation proceedings	(275,832)	744,424
(Decrease)/Increase in advances from parties to arbitration/conciliation proceedings	(458,419)	5,318,192
<b>Net cash (used in) provided by operating activities</b>	<b>(1,653,639)</b>	<b>7,555,425</b>
<b>Cash flows from investing activities:</b>		
Increase in share of pooled investments	(2,430,322)	(12,150,252)
<b>Net cash used in investing activities</b>	<b>(2,430,322)</b>	<b>(12,150,252)</b>
<b>Net decrease in cash</b>	<b>(4,083,961)</b>	<b>(4,594,827)</b>
<b>Cash at beginning of the year</b>	<b>4,551,807</b>	<b>9,146,634</b>
<b>Cash at end of the year</b>	<b>\$ 467,846</b>	<b>\$ 4,551,807</b>

The notes to the financial statements are an integral part of these statements.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017 AND JUNE 30, 2016

## NOTE 1 — ORGANIZATION

The International Centre for Settlement of Investment Disputes (ICSID or the Centre) was established on October 14, 1966 by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention). ICSID is a member of the World Bank Group (WBG), which also includes the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the International Development Association (IDA) and the Multilateral Investment Guarantee Agency (MIGA). Under the ICSID Convention, the Centre provides facilities for the conciliation and arbitration of investment disputes between Member States (countries which have ratified the ICSID Convention) and nationals of other Member States. Pursuant to Additional Rules adopted in 1978, ICSID also administers certain types of proceedings between governments and foreign nationals that fall outside the scope of the ICSID Convention. These include conciliation and arbitration proceedings for the settlement of investment disputes where either the home or the host country of the investor concerned is not a Member State. ICSID also administers investor-State proceedings under other sets of rules, such as the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). Finally, the Centre also acts as appointing authority under various arbitral rules and international treaties. In order to process the cases, the Centre constitutes arbitral tribunals, conciliation commissions and *ad hoc* committees, as necessary. On February 13, 1967, IBRD and the Centre entered into Administrative Arrangements, which were effective as of the date of the establishment of the Centre. The Memorandum of Administrative Arrangements (the Memorandum) provides that, except to the extent that ICSID, pursuant to its Administrative and Financial Regulations (the Regulations), collects funds from the parties to proceedings to cover its administrative expenses, IBRD shall provide reasonable facilities and services to ICSID without charge, as described in Notes 2 and 9.

Effective February 2012, pursuant to Operational Guidelines for the Funding of the Operations of the Centre entered into by IBRD and the Centre, if at the end of each fiscal year the Centre's total expenditure less the IBRD's in-kind contribution is less than the revenues collected by the Centre, then the accumulated surplus amount will be retained by the Centre and may be carried forward indefinitely. In the event the Centre's total expenditure, less the IBRD's in-kind contribution, is greater than the revenues collected by the Centre during the year, the excess expenditure will be charged against the balance of any accumulated surpluses retained by the Centre before the Centre requests supplementary funding from IBRD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting and Financial Statement Presentation:*** The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

***Use of Estimates:*** The preparation of financial statements in conformity with U.S. GAAP and IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, together with the related disclosures as at the date of the financial statements. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the amount of accrued expenses and related revenues for ongoing cases at each year end; the fair value of the share of cash and investments in the pool; and the useful lives of other assets.

***Cash:*** Cash consists of cash held in a bank account.

***Share of the cash and investments in the Pool:*** Investments in the Pool are held for trading and are reported at fair value. Resulting gains or losses are reported as an increase or a reduction in Net investment income in the Statements of Activities. All income earned is required to be used by the parties to arbitration/conciliation proceedings to offset the costs of the proceedings.

***Due from parties to arbitration/conciliation proceedings:*** Direct expenses incurred by arbitrators, conciliators and committee members in excess of advance payments made by the parties to ongoing proceedings are recognized as due from parties and are payable in accordance with the Centre's Regulations.

***Other assets and amortization:*** The Centre's other assets comprise computer systems software costs, which are capitalized at cost and amortized using the straight line method over a range of four to ten years. Amortization is charged from commencement of the use of the software.

The Centre evaluates the carrying value of software annually, and whenever events or changes in circumstances indicate that impairment has occurred. Impairment is considered to have occurred if the carrying amount exceeds its recoverable amount, at which time, a write-down would be recorded.

***Payable to IBRD:*** These amounts represent the balance of outstanding expenses incurred in the normal course of business, which are paid by IBRD on behalf of ICSID.

**Accrued expenses related to arbitration/conciliation proceedings:** Accrued expenses are recorded when it is probable that the expense has been incurred and the amount can be reasonably estimated. Management estimates the amount of unbilled expenses incurred by arbitrators, conciliators, committee members and other service providers, and related revenues, for ongoing cases at each year end. The nature of the cases handled by the Centre requires the use of external arbitrators, conciliators and committee members, who charge fees for their services based on time spent on the cases. The estimation process uses information received from those individuals about unbilled time spent and expenses incurred on the cases through the end of the fiscal year. In some instances the determination of fees and expenses incurred in ongoing cases is based on estimated time spent by them in relation to the progress of the case and the number of hearings and sessions held during the year. Actual results of case-related fees earned and expenses incurred but unbilled during the year may differ materially from management's estimates.

**Advances from parties to arbitration/conciliation proceedings:** In accordance with its Regulations, the Centre periodically requests parties to proceedings to make advance payments to cover case administrative charges and the fees and expenses of Tribunal, Commission and Committee members. These advances are recorded as liabilities.

**Revenues/fees from arbitration/conciliation proceedings:** The Centre's direct expenses attributable to proceedings are borne by the parties in accordance with the Centre's Regulations. These direct expenses, which include fees and expenses of arbitrators, conciliators and Committee members, as well as costs associated with meeting rooms and support services for conducting proceedings, are paid from advances from the parties (see Note 8). Accordingly, the Centre recognizes revenues from these transactions to the extent expenses related to arbitration/conciliation proceedings are incurred during the period.

In addition, revenues from proceedings also include the following (see Note 7):

**Registration fees:** The Centre charges a non-refundable fee of \$25,000 to parties requesting the institution of arbitration/conciliation proceedings under the ICSID Convention and the ICSID Additional Facility Rules; applying for annulment of an arbitral award rendered pursuant to the ICSID Convention; or requesting the institution of fact-finding proceedings under the ICSID Additional Facility Rules. The Centre charges a non-refundable fee of \$10,000 to parties requesting a supplementary decision to, or the rectification, interpretation or revision of, an arbitral award rendered pursuant to the ICSID Convention; requesting a supplementary decision to, or the correction or interpretation of an arbitral award rendered pursuant to the ICSID Additional Facility Rules; or requesting the resubmission of a dispute to a new tribunal after the annulment of an arbitral award rendered pursuant to the ICSID Convention. The revenues are recognized upon receipt of payment.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Administration fees:** The Centre charges an administration fee of \$32,000. For proceedings registered on or after July 1, 2016, the fee is due on the registration of the request for arbitration, conciliation or post award proceeding an annually thereafter. For proceedings registered before July 1, 2016, the fee is due on the date of constitution of the Tribunal, Commission or Committee concerned and annually thereafter. The same annual fee is charged in proceedings administered by the Centre under rules other than the ICSID Convention and the ICSID Additional Facility Rules.

The Centre collects administration fees from advance deposits from the parties to arbitration/conciliation proceedings. Revenues are recognized on a straight-line basis, over the twelve-month period during which services are performed. The unearned revenue at year end is recorded as Deferred revenue in the Statements of Financial Position and recognized in the subsequent fiscal year.

**Investment of undisbursed advances from parties and refund of surplus advance to parties:** Net investment income earned on funds advanced from parties is recorded as revenue and expense in the Statements of Activities, and applied to advances from parties to arbitration/conciliation proceedings, which can be used for expenses related to the parties' respective arbitration/conciliation proceedings. After the completion of the proceedings, if there is an excess of advances and investment income over expenditures for the proceedings, then the surplus is refunded to the parties in proportion to the amounts advanced by them to the Centre.

**Value of services provided by IBRD and in-kind contributions:**

IBRD provides support services and facilities to the Centre including the following:

- 1) The services of staff members and consultants; and
- 2) Other administrative services and facilities, such as travel, communications, office accommodations, furniture, equipment, supplies and printing.

The Centre recognizes expenses, as incurred, for the value of services provided by IBRD, which is determined by the estimated fair value of such services. Cost approximates fair value for these services. Services by IBRD for which the Centre provides no compensation are similarly recognized and measured, and are recorded as in-kind contribution revenue in the Statements of Activities.

**Relevant accounting and reporting developments:**

**Financial Accounting Standards Board (FASB):**

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)*, which supersedes most of the existing revenue recognition guidance in U.S. GAAP. The core principle of the guidance is that an entity recognizes revenue when it transfers control of promised goods and services to customers in an amount that reflects consideration to which the

entity expects to be entitled. The standards also require additional quantitative and qualitative disclosures to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The ASU will be effective for nonpublic entities for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. ICSID is currently evaluating the impact of this ASU on its financial statements.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which will significantly change the income statement impact of equity investments, and the recognition of changes in fair value of financial liabilities when the fair value option is elected. The ASU is effective for non-public business entities for interim and annual periods in fiscal years beginning after December 15, 2018. ICSID is currently evaluating the impact of this ASU on its financial statements.

**International Accounting Standards Board (IASB):**

In May 2014, IASB issued IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 establishes a single comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in that framework is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. IFRS 15 will be effective for annual periods beginning on or after January 1, 2018, with early application permitted. ICSID is currently evaluating the impact of this IFRS on its financial statements.

In July 2014, IASB issued IFRS 9 *Financial Instruments*. IFRS 9 is built on a logical, single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. The standard also includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. IFRS 9 will be effective for annual periods beginning on or after January 1, 2018, with early application permitted. ICSID is currently evaluating the impact of this IFRS on its financial statements.

### **NOTE 3 — SHARE OF CASH AND INVESTMENTS IN THE POOL AND FAIR VALUE MEASUREMENT**

Amounts paid to the Centre, but not yet disbursed, are managed by IBRD, which maintains an investment portfolio (the Pool) for all the trust funds administered by the WBG. IBRD, on behalf of the WBG, maintains the Pool's assets separate and apart from the funds of the WBG.

*NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*

The Pool is divided into sub-portfolios to which allocations are made based on fund specific investment horizons, risk tolerances, and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD. Generally, the Pool includes cash and financial instruments such as government and agency obligations, time deposits, money market securities, and asset-backed securities. Additionally, the Pool includes equity securities, derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool. The Pool may also include securities pledged as collateral under repurchase agreements, receivables from resale agreements, and derivatives for which it has accepted collateral.

The Centre's funds are invested in a sub-portfolio of the Pool, which invests primarily in cash and money market instruments, such as overnight time deposits, time term deposits, certificate of deposits, and commercial paper with terms of three months or less recorded at par value which approximates fair value. The sub-portfolio also includes government and agency obligations.

The share in pooled cash and investments represents the Centre's share of the Pool's fair value at the end of each reporting period. Net investment income consists of the Centre's allocated share of interest income earned by the Pool, realized gains/losses from sales of securities, and unrealized gains/losses resulting from recording the assets held by the Pool at fair value. As explained in Note 2, net investment income is recorded as revenue and expense in the Statements of Activities and it is applied to advances from parties to arbitration/conciliation proceedings, which can be used for expenses related to such proceedings.

IBRD, on behalf of the WBG, has an established and documented process to determine fair values. Fair value is based upon quoted market prices for the same or similar instruments, where available. Financial instruments for which quoted market prices are not readily available are valued based on discounted cash flow models. These models primarily use market-based or independently-sourced market parameters such as yield curves, interest rates, volatilities, foreign exchange rates and credit curves, and may incorporate unobservable inputs. Selection of these inputs involves judgment.

The Pool's financial instruments are categorized based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to observable market-based inputs or inputs that are corroborated by market data (Level 2), and the lowest priority to unobservable inputs that are not corroborated by market data (Level 3). When the inputs used to measure fair



value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement of the instrument in its entirety. IBRD categorizes overnight time deposits and certain government obligations as Level 1 and the other money market instruments, government and agency obligations as Level 2.

<b>Hierarchy level</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Level 1	\$ 2,232,338	\$ 6,585,393
Level 2	47,159,629	40,376,252
<b>Total</b>	<b>\$ 49,391,967</b>	<b>\$ 46,961,645</b>

As of June 30, 2017 and June 30, 2016, ICSID's share of cash and investments in the Pool does not include any financial instruments measured at fair value on a non-recurring basis.

All other financial assets and financial liabilities are carried at cost. Their carrying values are considered to be a reasonable estimate of fair value because these instruments tend to be very short-term in nature and none are considered to be impaired.

## NOTE 4 — OTHER ASSETS

Other assets comprise computer systems software. Amortization charges amounted to \$106,076 for the year ended June 30, 2017 (2016: \$106,077). None of these assets are considered impaired.

## NOTE 5 — NET ASSETS, UNRESTRICTED

Net assets, unrestricted represents accumulated surplus in the amount of \$5,208,365 (2016: \$6,648,821). The amount may be carried forward indefinitely.

## NOTE 6 — RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Centre's financial assets consist of its share of cash and investments in the Pool, cash and other receivables. The Centre holds the cash in a depository bank account.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Pool is actively managed and invested in accordance with the investment strategy established by IBRD for all trust funds administered by the WBG. The objectives of the investment strategy are foremost to maintain adequate liquidity to meet foreseeable cash flow needs and preserve capital and then to maximize investment returns.

The Centre is exposed to credit and liquidity risks. There has been no significant change during the fiscal year to the types of financial risks faced by the Centre or its general approach to the management of those risks. The exposure and the risk management policies employed to manage these risks are discussed below:

*Credit risk* — The risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Of the Centre’s financial assets, cash held in the depository bank account which is subject to U.S. Federal Deposit Insurance Corporation (FDIC) insurance limits of \$250,000 is not subject to credit risk. Therefore, the Centre’s maximum credit exposure as at June 30, 2017 is equivalent to the gross value of the remaining assets amounting to \$49,609,813 (2016: \$51,271,571). The Centre does not hold credit enhancements or collateral to mitigate credit risk, and believes the pool is adequately managed.

IBRD invests the Centre’s share of pooled investments primarily in money market securities. The Centre’s share of the cash and investments in the Pool is not traded in any market. However, the assets within the Pool are traded in the market and are reported at fair value. IBRD’s policy is to only invest in money market instruments issued or guaranteed by financial institutions whose senior debt securities are rated at least A- in the U.S. markets or equivalent.

The following table presents investment holdings in terms of the counterparty credit risk exposure categories as of June 30, 2017 and June 30, 2016.

<b>Counterparty credit ratings</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
AA- or greater	67%	73%
A- or greater	100%	100%

IBRD defines the concentration of credit risk as the extent to which the pooled investments are held by an individual counterparty. The concentration of credit risk with respect to the Pool of investments is mitigated because IBRD has investment policies that limit the amount of credit exposure to any individual issuer.

Other receivables and amounts due from parties to arbitration/conciliation proceedings result from the ordinary course of business. The amounts are neither past due nor impaired.

*Liquidity risk* — The risk that an entity will encounter difficulty in raising liquid funds to meet its commitments. ICSID Regulations require parties to arbitration/conciliation proceedings to make advance deposits with the Centre to meet anticipated expenses of such proceedings. The Centre's share of cash and investments in the Pool are substantially invested in highly liquid money market instruments and liabilities carried generally have no stated maturity.

## NOTE 7 — REVENUES/FEES FROM ARBITRATION/ CONCILIATION PROCEEDINGS

Revenues/fees from arbitration/conciliation proceedings comprise:

	<b>2017</b>	<b>2016</b>
Drawdown of advances from parties*	\$ 36,327,875	\$ 32,125,329
Administration fees	6,519,890	5,980,895
Case lodging and other fees	2,152,311	1,740,560
<b>Total</b>	<b>\$ 45,000,076</b>	<b>\$ 39,846,784</b>

\*The Centre recognizes revenue to the extent expenses related to arbitration/conciliation proceedings are incurred. The details of such expenses are provided in Note 8.

## NOTE 8 — EXPENSES RELATED TO ARBITRATION/ CONCILIATION PROCEEDINGS

Direct expenses related to arbitration/conciliation proceedings are paid out of advances made by parties to the proceedings. These expenses comprise:

	<b>2017</b>	<b>2016</b>
Arbitrators' fees and expenses	\$ 29,837,480	\$ 26,979,275
Arbitration/conciliation meeting costs	5,923,068	4,668,255
Travel expenses	446,016	363,968
Other costs	121,311	113,831
<b>Total</b>	<b>\$ 36,327,875</b>	<b>\$ 32,125,329</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**NOTE 9 — IN-KIND CONTRIBUTIONS**

As described in Note 1, the Memorandum provides that, except to the extent that the Centre may collect funds from the parties to proceedings to cover its administrative expenses, IBRD will provide facilities and services to the Centre. Therefore, in-kind contributions represent the value of services provided by IBRD, less amounts reimbursed by ICSID to IBRD using proceeds from non-refundable fees and the sale of publications.

A summary is provided below:

	<b>2017</b>	<b>2016</b>
<b>Recorded value of services provided by IBRD</b>		
Staff services	\$ 8,606,205	\$ 7,883,730
Administrative services and facilities:		
Contractual services	233,158	171,309
Administrative services	585,897	329,610
Communications and information technology	859,924	638,918
Office accommodations	605,521	520,843
Travel	117,500	128,686
<b>Total recorded value of services provided by IBRD</b>	<b>11,008,205</b>	<b>9,673,096</b>
Plus: Amortization expenses	106,076	106,077
<b>Total administrative and amortization expenses</b>	<b>11,114,281</b>	<b>9,779,173</b>
Less: Proceeds from fees and sale of publications	8,738,243	6,844,372
Drawdown from Surplus Account	1,440,456	—
In-kind contributions	<b>\$ 935,582</b>	<b>\$ 2,934,801</b>

**NOTE 10 — AUTHORIZATION OF FINANCIAL STATEMENTS**

ICSID's management has evaluated subsequent events through August 31, 2017, the date the financial statements were approved and authorized for issue.



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## **Independent Auditors' Report**

Chairman of the Administrative Council and Secretary General of the  
International Centre for Settlement of Investment Disputes:

We have audited the accompanying financial statements of the International Centre for Settlement of Investment Disputes, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles and International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Centre for Settlement of Investment Disputes as of June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles and International Financial Reporting Standards as issued by the International Accounting Standards Board.

**KPMG LLP**

August 31, 2017





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