

2018 Annual Report



ICSID

**International Centre for
Settlement of Investment Disputes**
WORLD BANK GROUP



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ICSID and the World Bank Group

ICSID is one of the five organizations of the World Bank Group, along with the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA).

ICSID is unique within the World Bank Group—it is the only non-financial institution—and offers a distinct set of tools to support achieving the Bank’s goals. By offering impartial and effective dispute settlement services, ICSID helps to strengthen investment climates and make international investment more secure. This contributes to the World Bank’s efforts to maximize finance for development by encouraging private investment and stable investment climates.

				
<p>The International Centre for Settlement of Investment Disputes facilitates foreign investment by providing a multilaterally-agreed system for dispute settlement.</p>	<p>The International Bank for Reconstruction and Development lends to governments of middle-income and creditworthy low-income countries.</p>	<p>The International Development Association provides interest-free loans — called credits — and grants to governments of the poorest countries.</p>	<p>The International Finance Corporation helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments.</p>	<p>The Multilateral Investment Guarantee Agency promotes foreign direct investment into developing countries by offering political risk insurance (guarantees) to investors and lenders.</p>

ICSID collaborates with the other World Bank Group institutions in a number of ways, including the organization of joint conferences, input on investment-related documents, and briefings on trends and developments at the Centre. In 2018, ICSID updated the World Bank Executive Directors on its rules amendment process, and also coordinated with World Bank country offices to ensure staff across the institution are aware of ICSID’s dispute resolution services.

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

September 6, 2018

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, 2017 to June 30, 2018.

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

Yours sincerely,



Meg Kinnear
Secretary-General

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

MESSAGE FROM THE SECRETARY-GENERAL




MEG KINNEAR
ICSID Secretary-General

The World Bank Group leads the global effort to end extreme poverty and boost shared prosperity. Central to meeting these goals is Maximizing Finance for Development, an approach that seeks to systematically leverage all sources of finance, expertise, and innovation to support sustainable growth. ICSID plays a unique role in implementing this strategy by offering a forum for impartial and effective resolution of disputes between foreign investors and the host States in which they invest. Indeed, creating an environment that is conducive to foreign investment was the primary motivation for the formation of ICSID in 1966, and that role remains as vital as ever today.

Over more than five decades, ICSID has firmly established itself as the facility of choice for investor-State dispute settlement, having administered more than 70% of all known cases. Demand for the Centre's services continues to increase, demonstrating the importance of its role. In FY2018 ICSID registered 57 new cases, the highest number in ICSID's history. A full analysis of the cases is published in the *ICSID Caseload — Statistics* every six months and is summarized in Chapter 3 of this report.

Another indicator of the important role played by ICSID is the continuing growth in membership. In January 2018, the United Mexican States signed the ICSID Convention, making it the 162nd State to do so.

Member States serve a number of functions that are vital to the success of ICSID. One of these is designating individuals to the ICSID Panels of Arbitrators and of Conciliators, ensuring that there is an expert and diverse group of candidates to serve on tribunals, commissions and committees. In FY2018, Member States designated 102 individuals from 22 countries to the ICSID Panels. These designations complement the work of the Secretariat in promoting a diverse and highly qualified pool of available arbitrators and conciliators. The results of these efforts are evident in the substantial progress that has been made in diversifying the appointees to tribunals, annulment committees and conciliation commissions, and in particular the number of female appointees and



appointees from different regions. The steps taken by ICSID to improve gender diversity are profiled on pages 48–49 of this report.

ICSID has offered its Member States and the public substantial technical assistance and training in dispute prevention, dispute readiness, and arbitration in the last decade. In 2018, courses were given in more than 10 countries, including in China, Israel, Haiti and Guyana. ICSID also increased mediation training to meet the growing interest of States and investors in alternative dispute resolution mechanisms. We held a 3-day training course for mediators in investor-State disputes in May 2018, as well as a series of events to raise awareness of mediation as an option for international investment dispute settlement at ICSID.

In the past year ICSID has also been an active participant in discussions on the evolution of investment dispute settlement mechanisms. This dialogue is taking place in various States, in intergovernmental institutions such as UNCTAD, UNCITRAL, and the OECD, and in a range of public fora. We share the goal of ensuring that the international system of investment dispute settlement continues to enhance investment promotion and sustainable development. One concrete example of these efforts is the selection of ICSID as an administrative registry in investment chapters of recent free trade agreements. We are very pleased that ICSID has been named as the Secretariat for the investment dispute settlement mechanisms in the recent agreements between the European Union, and Canada, Mexico and Singapore, respectively, and look forward to supporting other States in such endeavors. ICSID has also increasingly been named as the appointing authority in investment treaties, reflecting the confidence that States have in the Centre to name qualified, diverse and impartial adjudicators for international disputes.

The most extensive work on reform of investor-State dispute settlement has been ongoing within ICSID over the past year. In 2017–18, ICSID held wide-ranging consultations on potential amendments to its rules of procedure for conciliation, arbitration and fact-finding in investment disputes. ICSID released a working paper in August 2018 with comprehensive rule amendment proposals. The working paper is

We **share the goal** of ensuring that the international system of investment dispute settlement continues **to enhance investment promotion and sustainable development.**

available on the ICSID website and comments are encouraged from all interested persons and organizations. We are consulting with stakeholders on these proposals over the fall of 2018, with the goal of submitting a package of reforms to the ICSID Administrative Council in October 2019 or 2020. The enthusiasm, participation and collaboration of Member States, counsel, arbitrators, academics and the public in this project has been heartening, and we believe these proposals will be an important contribution to the future of our discipline.

Finally, I would like to acknowledge the hard work, collegiality, and skill of the staff at the ICSID Secretariat. I am honoured to work with such a wonderful group of people, and their spirit and dedication allows us to achieve new goals every year. I am grateful as well to the Chairman of the Administrative Council, Dr. Jim Yong Kim, for his support in the past year.

I would also like to thank Member States for their continued confidence in ICSID. We know that dispute settlement is a key pillar in the rules-based system that has underpinned the remarkable growth in foreign investment in recent decades, and we will continue our work as the premier institution administering these important cases in the decades ahead.



Meg Kinnear
Secretary-General



ICSID serves a critical role in mobilizing private finance for development. As the **world's most trusted venue** for settling investment disputes, **ICSID gives investors more confidence** to venture into markets and bring the capital, technology, and ideas necessary to ensure sustainable and inclusive growth. Along with IBRD, IDA, IFC, and MIGA, **ICSID enables the World Bank Group to support our client countries to achieve our mission of ending extreme poverty and promoting shared prosperity.**

—Jim Yong Kim, President, World Bank Group



Staff of the ICSID Secretariat, Washington, D.C.
© Franz Rudolph Mahr, 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 an administration and financial management team.



As at June 30, 2018, the Secretariat consisted of 67 staff members from 29 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, Czech, Finnish, German, Hebrew, Hungarian, Italian, Japanese, Kinyarwanda, Kirundi, Mandarin, Polish, Russian, Swedish, Tagalog, Wolof and Yoruba.

Since 2016, ICSID has welcomed more than two dozen interns from Algeria, Canada, Chile, China, Croatia, Cuba, France, Hong Kong, India, Ireland, Republic of Korea, Lebanon, Morocco, Nigeria, Pakistan, Peru, Singapore, Switzerland, the United States of America, and Venezuela. ICSID is proud to announce that the 2018 summer semester has produced the largest intern class to date with eight interns assisting on dispute settlement cases and institutional projects.

SECRETARIAT STAFF AS OF JUNE 30, 2018

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 J. Grob D.
Anna Holloway

Alex B. Kaplan
Catherine Kettlewell
Alicia Martín Blanco
Sara Margal
Jara Mínguez Almeida
Marco Tulio Montañés-Rumayor
Marisa Planells-Valero
Ella Rosenberg
Celeste Salinas Quero
Luisa Fernanda Torres

**Legal Counsel—
Institutional Matters** Daniela Argüello
Randi Ayman

Otylia Babiak

PARALEGAL, ADMINISTRATIVE AND CLIENT SUPPORT STAFF

Paralegal Geraldine Alonso Gheri
Jacqueline Argueta
Joy Berry
Anna Devine
Colleen Ferguson
Ivania Fernández
Ayling Kocchiu

Ekaterina Minina
Phoebe Ngan
Céline Pommier
Federico Salon Kajganich
Francisco Sanchez
Elizabeth Starkey

Legal Assistant Alix Ahimon
Paula Carazo
Dante Herrera Guzman
Lanny Isimbi
Jennifer Ann Melendez

Drake Palmer Starling
Mayra A. Román
Stuti Sood
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

Financial Officer Azeb Debebe Mengistu

Financial Analyst Walter Meza-Cuadra

Cynthia Nyaoro

Hearings & Events Organizer Lamiss Al-Tashi

**Hearings & Events
Organizer Assistant** Diana Magalona

Communications Officer Damon Vis Dunbar

**Sr. Information
Technology Assistant** Patricia V. Romero

Program Assistant Sherri Akanni

Receptionist Adjoa Apete

Records Assistant Sebastian Martinel

YEAR-IN-REVIEW



In FY2018, ICSID concluded facilities cooperation agreements with the British Virgin Islands International Arbitration Centre and the Shenzhen Court of International Arbitration.

ICSID has
19 such agreements
with arbitral institutions
around the world.



The *ICSID Review*—
the Centre’s flagship
journal—
**published 33
articles by
50 authors**
in FY2018.



143 individuals
from
42 nationalities
were appointed to serve as
arbitrators, conciliators or
ad hoc committee
members in ICSID cases.



ICSID administered
279 cases
in FY2018,
the greatest number
of cases ever administered
in a single year.



In FY2018,
ICSID registered
57 new cases and
concluded
46 cases.
ICSID Tribunals
rendered **25 awards.**



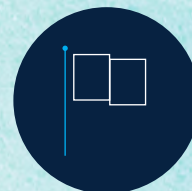
By the fiscal
year-end, a total of
676 cases
had been registered
at ICSID since its
establishment.



22 ICSID contracting States made
102 designations or re-designations
to the ICSID Panels of Arbitrators and of Conciliators by
fiscal year-end. Overall, **664 individuals** have been
appointed to the ICSID Panels.



The ICSID Secretariat
gave more than
50 presentations
and **training courses**
around the world.



In January 2018,
Mexico became the
162nd State to sign
the ICSID Convention.

A total of
153 States
had ratified the
ICSID Convention as of
June 30, 2018.



The United Mexican States' Secretary of the Economy, Ildefonso Guajardo Villarreal, signs the ICSID Convention.
© ICSID

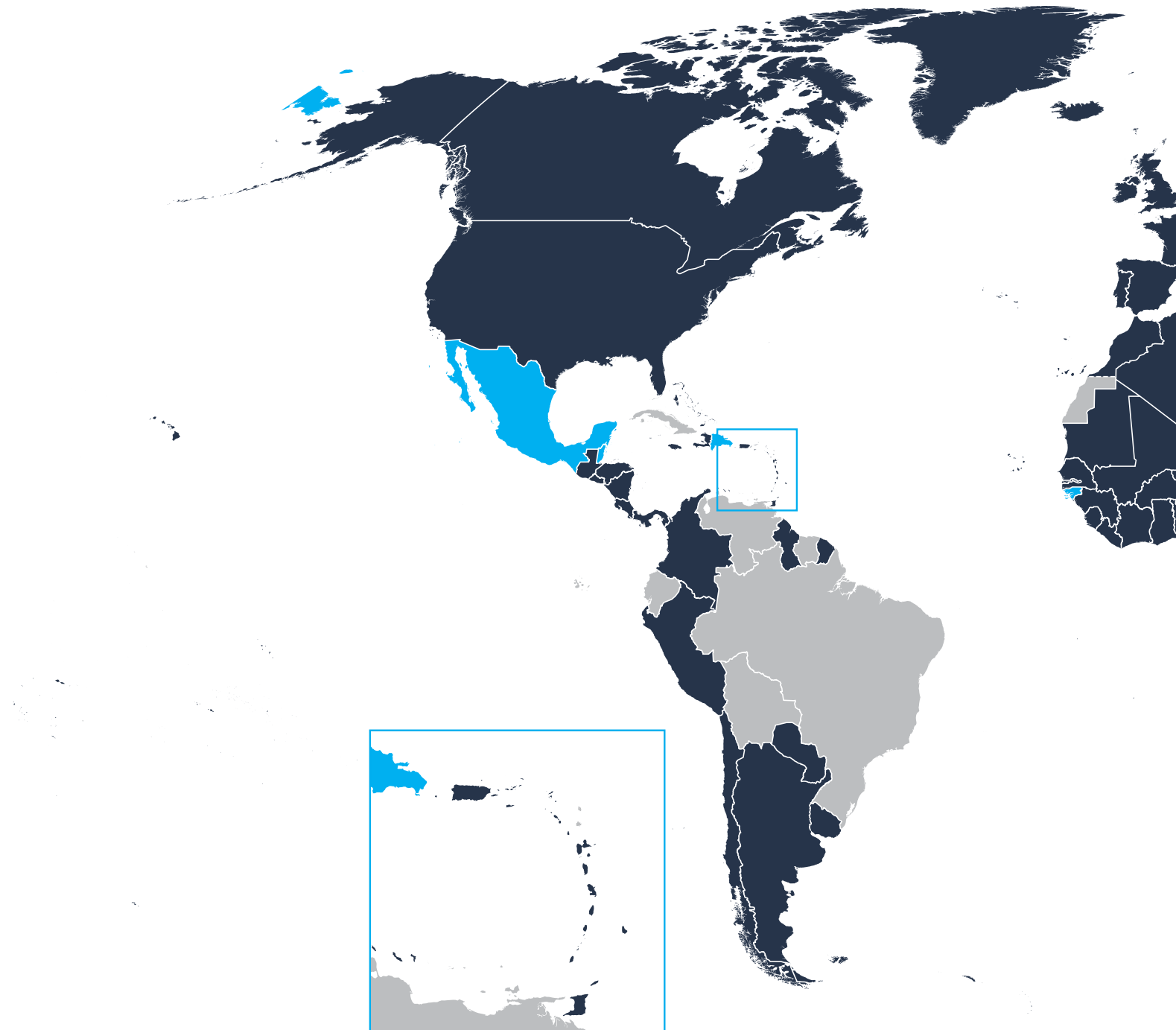
MEMBERSHIP

ICSID is an intergovernmental organization established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. By the end of FY2018, ICSID counted 162 signatories to the ICSID Convention, of which 153 are Contracting States to the Convention. On January 11, 2018, Mexico became the most recent country to sign the Convention, and upon its ratification, ICSID will have 154 Contracting States.

Joining ICSID signals
a State's intent to
encourage foreign
direct investment and
foster a stable
investment climate.

Membership in ICSID matters for a number of reasons. Member States:

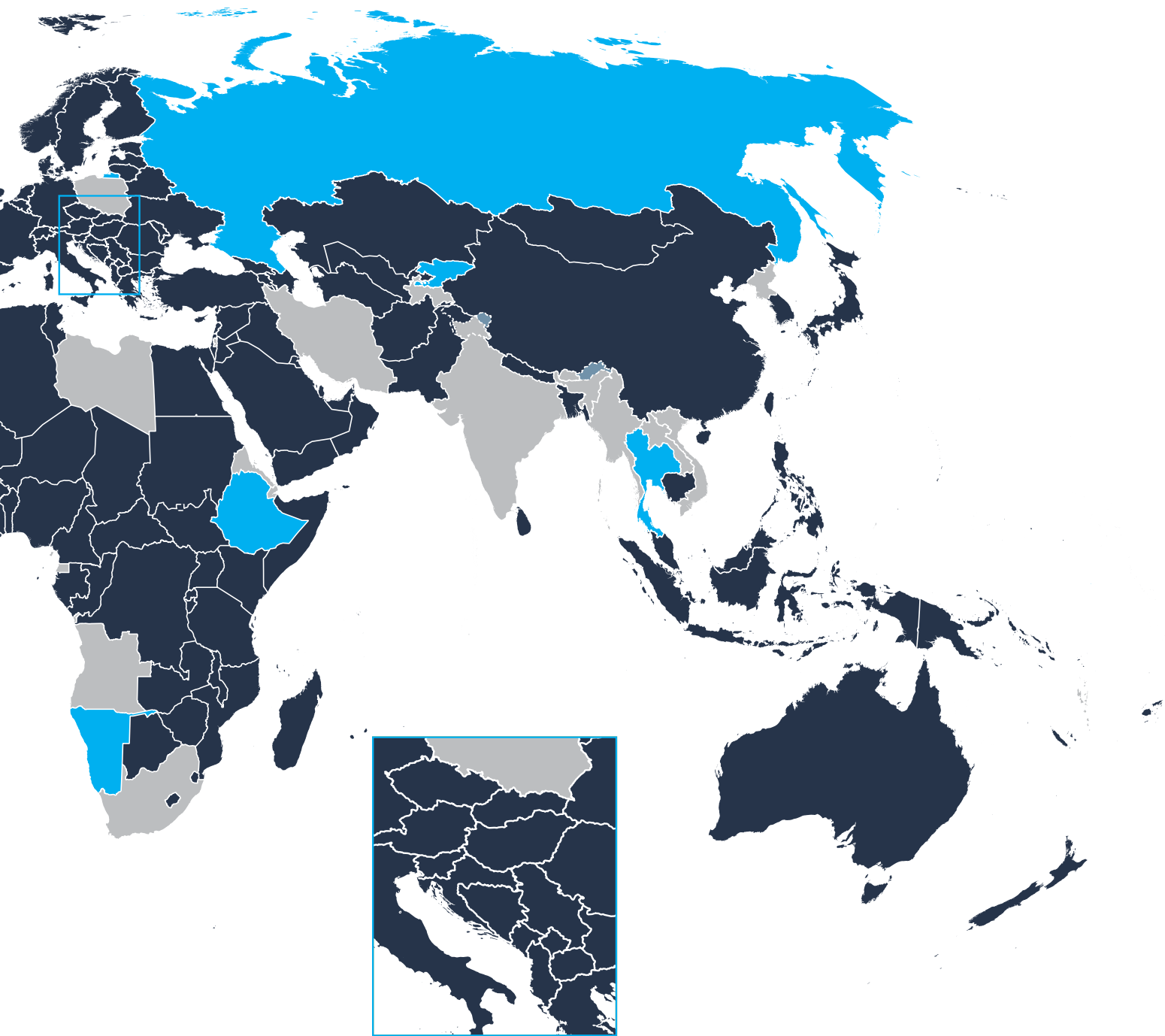
- Contribute to the Centre's governance through equal representation on the Administrative Council. The Administrative Council adopts ICSID's annual budget, elects the Secretary-General and Deputy Secretaries-General, and approves the annual report.
- Have the right to propose and vote on amendments to the ICSID Convention and rules. This is important not only for the conduct of ICSID arbitrations and conciliations—as the global leader in investment dispute settlement, the ICSID rules also influence those of regional and domestic arbitration institutions.
- Designate the members of the ICSID Panels of Arbitrators and of Conciliators from which adjudicators can be drawn in ICSID cases. This gives States a vital role in ensuring the quality and diversity of these panels.
- Create a world-wide network of courts for enforcement of ICSID Convention awards through designations pursuant to Article 54 of the Convention. This ensures a very high level of compliance with ICSID awards, giving States and investors confidence in the system.
- Develop expertise in international investment dispute settlement through participation in presentations and training courses for government officials provided around the world by the ICSID Secretariat.



Contracting States to the ICSID Convention

Signatory 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.



IBRD 39525
JUNE 30, 2018



LIST OF CONTRACTING STATES AND OTHER SIGNATORIES OF THE CONVENTION AS OF JUNE 30, 2018

The 162 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 of deposit and the entry into force of the Convention for each of them.

STATE	SIGNATURE	DEPOSIT OF RATIFICATION	ENTRY INTO FORCE OF CONVENTION
Afghanistan	Sep. 30, 1966	June 25, 1968	July 25, 1968
Albania	Oct. 15, 1991	Oct. 15, 1991	Nov. 14, 1991
Algeria	Apr. 17, 1995	Feb. 21, 1996	Mar. 22, 1996
Argentina	May 21, 1991	Oct. 19, 1994	Nov. 18, 1994
Armenia	Sep. 16, 1992	Sep. 16, 1992	Oct. 16, 1992
Australia	Mar. 24, 1975	May 2, 1991	June 1, 1991
Austria	May 17, 1966	May 25, 1971	June 24, 1971
Azerbaijan	Sep. 18, 1992	Sep. 18, 1992	Oct. 18, 1992
Bahamas, The	Oct. 19, 1995	Oct. 19, 1995	Nov. 18, 1995
Bahrain	Sep. 22, 1995	Feb. 14, 1996	Mar. 15, 1996
Bangladesh	Nov. 20, 1979	Mar. 27, 1980	Apr. 26, 1980
Barbados	May 13, 1981	Nov. 1, 1983	Dec. 1, 1983
Belarus	July 10, 1992	July 10, 1992	Aug. 9, 1992
Belgium	Dec. 15, 1965	Aug. 27, 1970	Sep. 26, 1970
Belize	Dec. 19, 1986		
Benin	Sep. 10, 1965	Sep. 6, 1966	Oct. 14, 1966
Bosnia and Herzegovina	Apr. 25, 1997	May 14, 1997	June 13, 1997
Botswana	Jan. 15, 1970	Jan. 15, 1970	Feb. 14, 1970
Brunei Darussalam	Sep. 16, 2002	Sep. 16, 2002	Oct. 16, 2002
Bulgaria	Mar. 21, 2000	Apr. 13, 2001	May 13, 2001
Burkina Faso	Sep. 16, 1965	Aug. 29, 1966	Oct. 14, 1966
Burundi	Feb. 17, 1967	Nov. 5, 1969	Dec. 5, 1969
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

STATE	SIGNATURE	DEPOSIT OF RATIFICATION	ENTRY INTO FORCE OF CONVENTION
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
Greece	Mar. 16, 1966	Apr. 21, 1969	May 21, 1969
Grenada	May 24, 1991	May 24, 1991	June 23, 1991

STATE	SIGNATURE	DEPOSIT OF RATIFICATION	ENTRY INTO FORCE OF CONVENTION
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
Mexico	Jan. 11, 2018		
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	April 12, 2016	April 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

STATE	SIGNATURE	DEPOSIT OF RATIFICATION	ENTRY INTO FORCE OF CONVENTION
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
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

STATE	SIGNATURE	DEPOSIT OF RATIFICATION	ENTRY INTO FORCE OF CONVENTION
Sudan	Mar. 15, 1967	Apr. 9, 1973	May 9, 1973
Swaziland	Nov. 3, 1970	June 14, 1971	July 14, 1971
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

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 10 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. In addition, parties often look to the list when making appointments. With a growing ICSID caseload, it has become increasingly important for States to make designations to the ICSID Panels.

During FY2018, 22 ICSID Contracting States made 102 designations to the ICSID Panels: Albania, Benin, Chile, China, Colombia, Croatia, Egypt, Ghana, Guyana, Haiti, Jordan, Lebanon, Luxembourg, Mauritania, Oman, Pakistan, Paraguay, Peru, Syria, Timor-Leste, Turkey, and the United Arab Emirates.

Dr. Jim Yong Kim, Chairman of the Administrative Council, also designated 10 persons to the Panel of Arbitrators and 10 persons to the Panel of Conciliators, effective September 16, 2017.

By the end of FY2018, there were 664 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.

The names of designees to the ICSID Panels made in FY2018 are provided below.



102
designations to
ICSID Panels

by
22
States

664
panel
nominees

DESIGNATIONS BY THE CHAIRMAN

Panel of Arbitrators

Designations effective September 16, 2017:
Olufunke Adekoya, Stanimir A. Alexandrov, Yas Banifatemi,
Gabriel Bottini, Zachary Douglas, Lucinda A. Low,
Vaughan Lowe, Loretta Malintoppi, Ricardo Ramírez
Hernández, Yuejiao Zhang

Panel of Conciliators

Designations effective September 16, 2017:
Mohamed Abdel Raouf, Phillip Bliss Alike, Mariana H. C.
Gonstead, Tomoko Ishikawa, Barton Legum, Marie-
Andrée Ngwe, Rashda Rana, Glenn Sigurdson, Joseph
Tirado, Hannah Tümpel

DESIGNATIONS BY ICSID CONTRACTING STATES

ALBANIA

Panels of Arbitrators and of Conciliators

Designations effective August 18, 2017:
Yves Derains, George Kahale III,
Cherie Blair, Toby Landau

BENIN

Panel of Arbitrators

Designations effective April 11, 2018:
Désiré Aïhou, Rufino d'Almeida,
Raymond Dossa, Luciano Hounkponou

Panel of Conciliators

Designations effective April 11, 2018:
Ražacki Amouda*, Flavien Bachabi,
Arthur Ballé, Abdoulaye Bio Tchane*

CHILE

Panel of Arbitrators

Re-designations effective
September 4, 2017:
Andrés Jana Linetzky, Ricardo
Vásquez Urra, Felipe Bulnes Serrano,
Enrique Barros Bourie

Panel of Conciliators

Designations effective
September 4, 2017:
Jorge Carey Tagle, Carlos Eugenio
Jorquiera Malschafky, Alejandro Jara
Puga, Gonzalo Biggs

CHINA

Panel of Arbitrators

Designations effective August 22, 2017:
Hu Li, Yuqing Zhang, Xuehua Wang,
Teresa Cheng

Panel of Conciliators

Designations effective August 22, 2017:
Huaqun Zeng, Song Lu, Wenhua
Shan, Jingxia Shi

COLOMBIA

Panel of Arbitrators

Re-designation effective
March 26, 2018:
Carlos Urrutia Valenzuela

Panel of Arbitrators

Designations effective March 26, 2018:
Martín Carrigosa Calle, Juan Carlos
Henao, Eduardo Zuleta Jaramillo

Panel of Conciliators

Re-designation effective
March 26, 2018:
José Antonio Rivas

Panel of Conciliators

Designations effective March 26, 2018:
Jorge Pinzón Sánchez, Margarita
Sánchez

CROATIA

Panel of Arbitrators

Designations effective August 2, 2017:
Petar Miladin, Đuro Sessa,
Hrvoje Sikirić, Zoran Vukić

Panel of Conciliators

Designations effective August 2, 2017:
Damir Kontrec, Dubravka Akšamović,
Mladen Vukmir, Srdan Šimac

ARAB REPUBLIC OF EGYPT

Panel of Conciliators

Designations effective May 3, 2018:
Tarek Riad, Mohamed S. Amr,
Mahmoud Fawzy

GHANA*Panel of Arbitrators*

Designations effective July 28, 2017:
Ace Anan Ankomah, Francis Botchway,
Emmanuel Amofa

Panel of Conciliators

Designations effective July 28, 2017:
Mangowa A. Ghanney, Mercy Louise
Ohene, Vincent Kigito Beyuo,
Kow Essuman

GUYANA*Panels of Arbitrators and of Conciliators*

Designations effective
November 10, 2017:
Payam Akhavan, Duke E. Pollard

HAITI*Panel of Arbitrators*

Designations effective June 29, 2018:
Bernard H. Gousse, Daniel Jean,
David Lafortune, Nancy Thevenin

Panel of Conciliators

Designations effective June 29, 2018:
Aline Nathalie W. Akam Cyprien,
Rose-Berthe Augustin, Patrice
Laventure, Ketty Luzincourt

JORDAN*Panel of Arbitrators*

Designations effective
November 1, 2017:
Salaheddin Al-Bashir*, Hisham Al-Tal*,
Sharif Ali Zu'bi*, Ayman Odeh*

Panel of Conciliators

Designations effective
November 1, 2017:
Omar Al Jaḡi*, Tariq Hamouri*,
Mahasen Jaghoub*, Ahmad Ziadat*

LEBANON*Panels of Arbitrators and of Conciliators*

Designation effective February 2, 2018:
Nayla Comair-Obeid

LUXEMBOURG*Panels of Arbitrators and of Conciliators*

Re-designations effective
November 13, 2017:
Philippe Dupont, Steve Jacoby,
Marc Seimetḡ, Alex Schmitt

MAURITANIA*Panels of Arbitrators and of Conciliators*

Designation effective
November 28, 2017:
Jemal Ould Agatt

OMAN*Panel of Arbitrators*

Designations effective October 16, 2017:
Ahmed Ali Al Ajmi, Moosa Salim Al Agri

Panel of Conciliators

Designations effective October 16, 2017:
Hamed Sulaiman Al Wahaibi,
Salim Humaid Al Khusaibi

PAKISTAN*Panel of Arbitrators*

Designations effective
December 6, 2017:
Abid Hassan Minto, Makhdoom Ali
Khan, Nasir-ul-Mulk*, Nudrat Piracha

Panel of Conciliators

Designations effective
December 6, 2017:
Farrukh Karim Qureshi, Khilji Arif
Hussain*, Shakil Hadi*, Tassadiq
Hussain Jilani*

PARAGUAY*Panel of Arbitrators*

Designation effective February 28, 2018:
Fernando Filártiga

PERU*Panels of Arbitrators and of Conciliators*

Designations effective
November 1, 2017:
Fernando Cantuarias Salaverry,
Carlos Cárdenas Quirós, Fernando
Piérola Castro, Elvira Martínez Coco

SYRIAN ARAB REPUBLIC*Panels of Arbitrators and of Conciliators*

Designations effective May 23, 2018:
Georges Affaki, Mohammad
Tareq Alkhen

TIMOR-LESTE*Panel of Arbitrators*

Designation effective October 19, 2017:
Timothy J. Feighery

TURKEY*Panels of Arbitrators and of Conciliators*

Designations effective January 10, 2018:
Ziya Akıncı, Fatma Aslı Başḡḡ,
Arslan Kaya, Cemal Şanlı

UNITED ARAB EMIRATES*Panel of Arbitrators*

Designation effective March 12, 2018:
Habib Al Mulla

*Pending acceptance

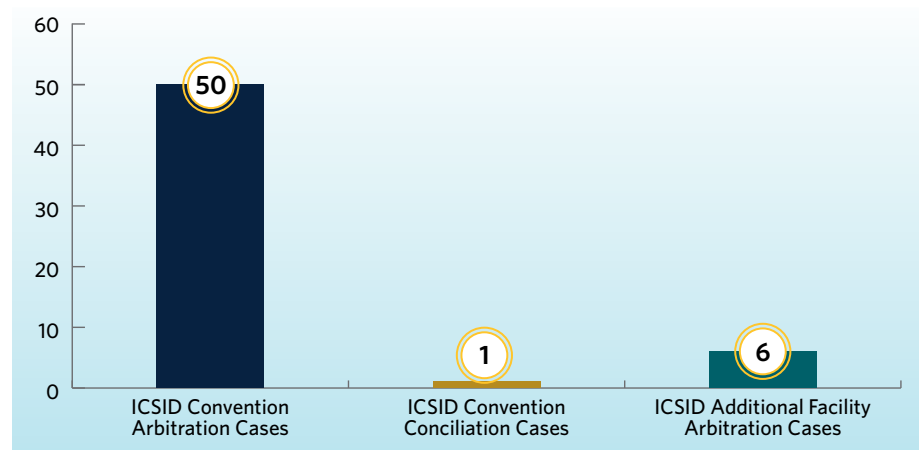
CASELOAD TRENDS

The primary mandate of ICSID is to provide facilities and services to support the resolution of international investment disputes. ICSID 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 an appointing authority, naming consolidation tribunals under certain treaties, deciding party challenges of arbitrators or conciliators, administering State-State disputes, and acting as the registry for dispute settlement under treaties. In addition, ICSID helps parties to resolve investment disputes through mediation.

New ICSID Cases Registered

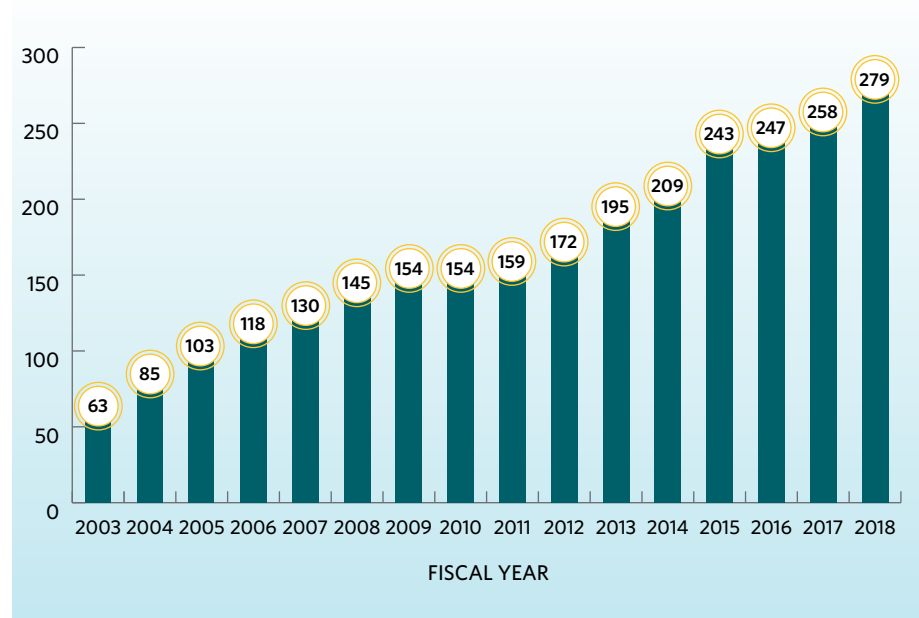
Fifty-seven new ICSID cases were registered in FY2018. This is a 16% increase over the number of cases registered last year (49), and constitutes the highest number of cases ever registered at ICSID in a single fiscal year. Fifty-six of the new cases were arbitration proceedings and one was a conciliation case. The majority of these new cases were instituted under the ICSID Convention (51 cases), and six arbitrations were instituted under the Additional Facility Rules.

CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2018



The Centre administered a record of 279 ICSID cases over the past fiscal year. This is equal to 41% of ICSID's lifelong caseload, which stands at 676 cases as of June 30, 2018. Two-hundred-and-forty-nine cases were pending as at June 30, 2018. This is more than double the number of cases pending compared to June 2010 (123 cases pending).

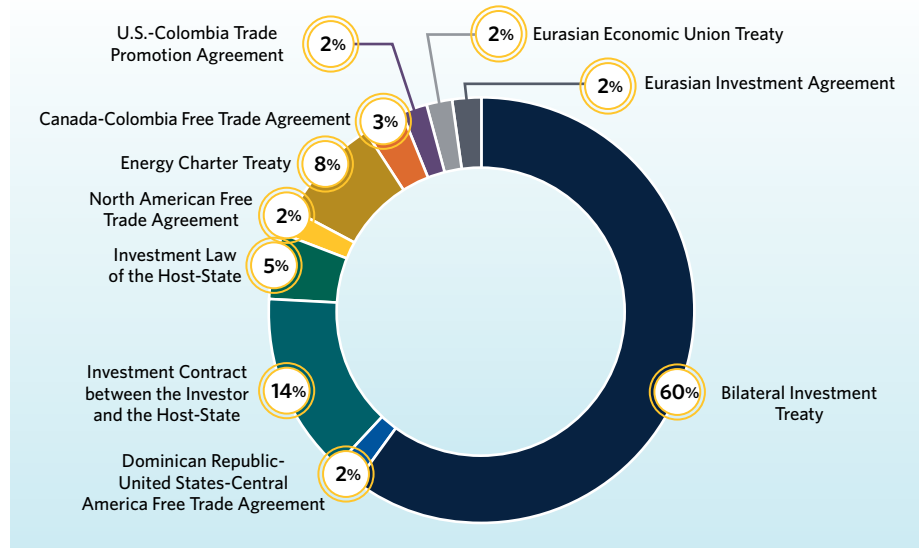
ICSID CASES ADMINISTERED BY THE SECRETARIAT (FY2003–FY2018)



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, and bilateral or multilateral treaties.

BASIS OF CONSENT INVOKED TO ESTABLISH JURISDICTION IN CASES REGISTERED IN FY2018 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES



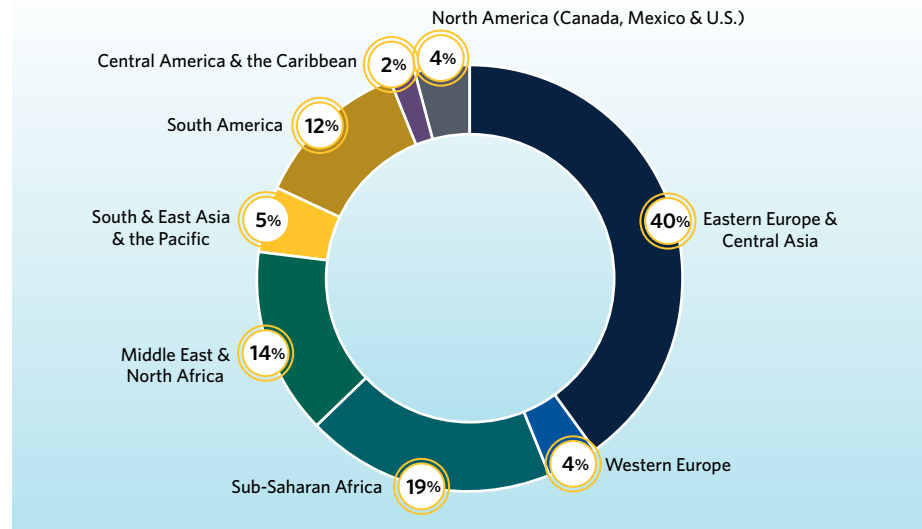
The chart above identifies the instruments invoked by the requesting parties in ICSID cases registered in the past fiscal year. There is an increasing variety of treaties invoked in these cases. The majority (38 cases) asserted ICSID jurisdiction on the basis of a bilateral investment treaty. Five cases were brought on the basis of the Energy Charter Treaty. Nine cases relied on investment contracts between the investor and the host-State, and four cases were based on investment laws. In two cases, ICSID jurisdiction was asserted on the basis of the Canada-Colombia Free Trade Agreement. In one case, the investor sought to establish ICSID jurisdiction on the basis of the North American Free Trade Agreement and in another, the investor relied on the Dominican Republic-Central America-Free Trade Agreement.

For the first time, investors invoked ICSID dispute settlement proceedings under the U.S.-Colombia Trade Promotion Agreement (one case); the Eurasian Investment Agreement (one case); and the Eurasian Economic Union Treaty (one case). Six cases relied on two bases for jurisdiction.

State Parties to ICSID Proceedings Registered in FY2018

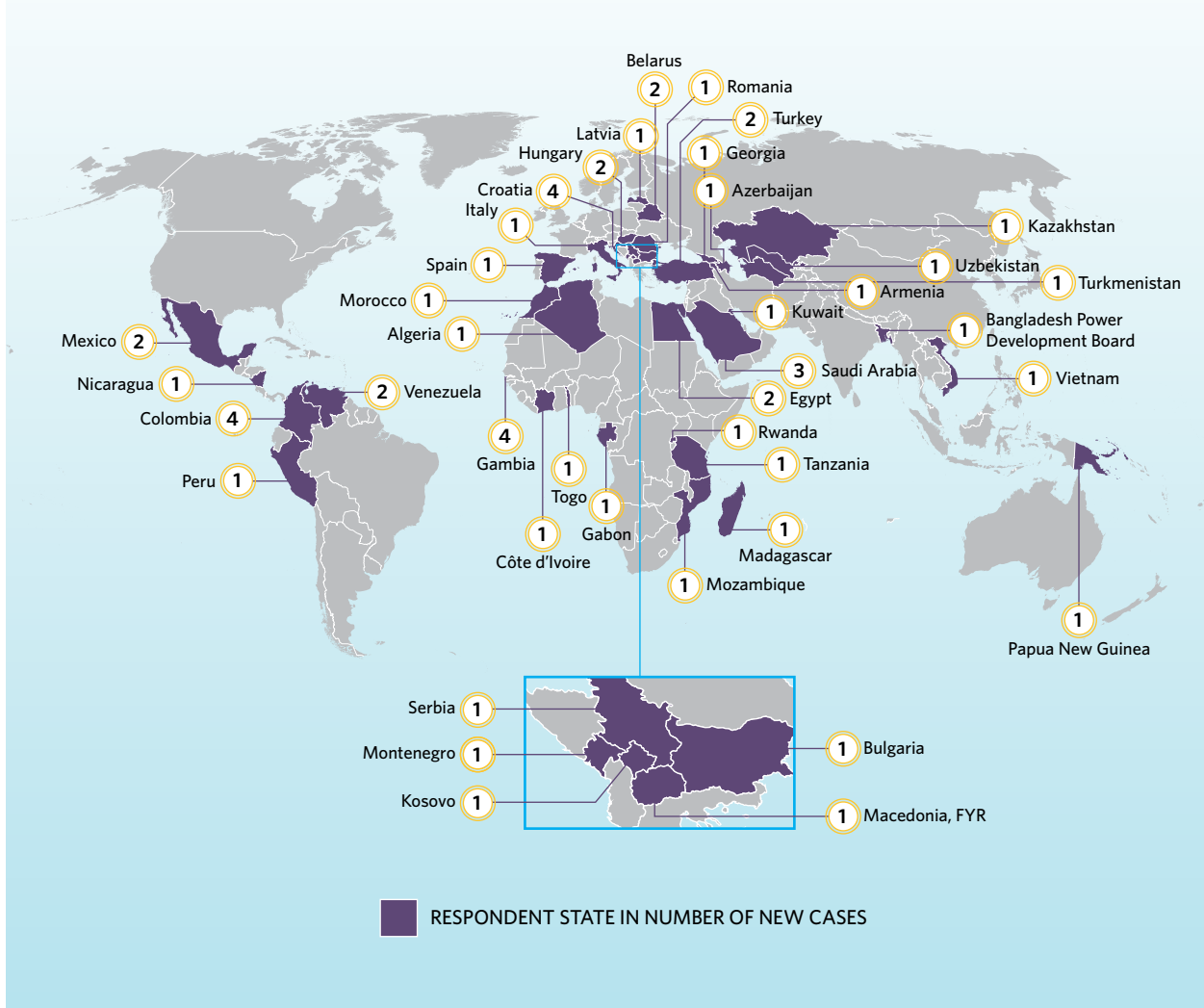
State parties involved in disputes registered at ICSID in FY2018 remained diverse. They included States from every geographic region of the world. The greatest number of newly registered cases involved States in Eastern Europe and Central Asia (40%). The number of cases brought against States in South America decreased from 21% to 12%. The number of new cases brought against States in Western Europe also decreased from 14% to 4%. The number of States named as Respondents from the Middle East and North Africa region remained steady at 14% of newly registered cases. States in the South and East Asia and the Pacific region represented 5% of States named in cases in FY2018. One State from the Central America and Caribbean region was involved in a new case in FY2018. Participation of States from Sub-Saharan Africa increased from 4% in FY2017 to 19% in FY2018. North American State parties were involved in 4% of new cases, as in the previous year.

GEOGRAPHIC DISTRIBUTION OF NEW CASES REGISTERED IN FY2018 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY REGION



Twenty-three cases were brought against 17 different States from Eastern Europe and Central Asia. Eleven cases were initiated against eight different States from Sub-Saharan Africa. Eight cases were initiated against five different States from the Middle East and North Africa region and seven cases involved three States in South America. Three cases were initiated against three different States in the South and East Asia and the Pacific region. Two States in Western Europe were named as the respondent in two new arbitrations, and two cases were brought against one State in North America. One further case involved a State in Central America and the Caribbean.

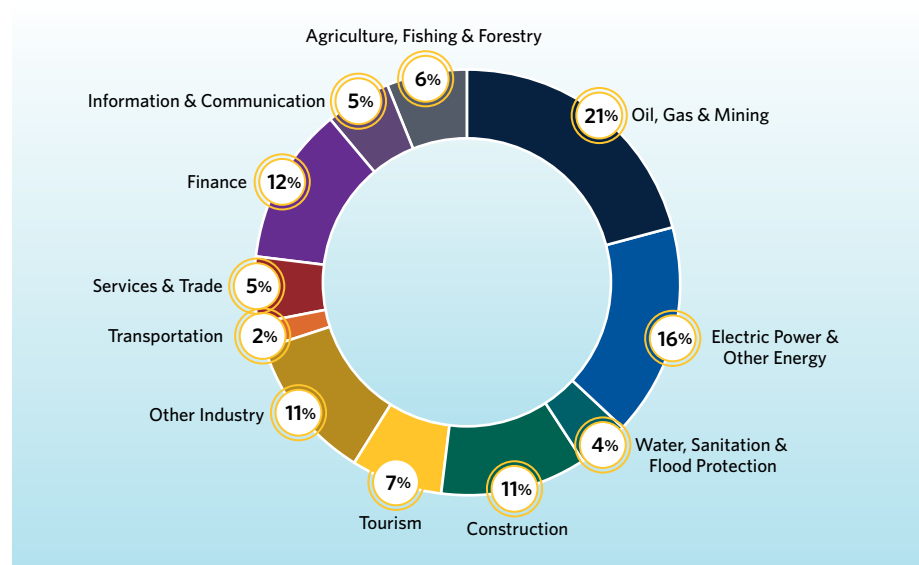
GEOGRAPHIC DISTRIBUTION OF CASES REGISTERED IN FY2018 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES



Economic Sectors Involved in New Cases

The investment dispute settlement proceedings registered in FY2018 involved a variety of economic sectors. Cases in the oil, gas and mining sector increased from 10% in FY2017 to 21% in FY2018; however, they remain under the 37% all-time high mark in FY2010. The electric power and other energy sector remained steady at 16%. The finance sector was involved in 12% of the cases registered in FY2018, followed by cases in the construction sector (11% of newly registered cases). Another 11% of new cases involved a variety of industries, such as textile, metal and railcar manufacturing. Seven-percent of cases involved the tourism sector. The information and communication, and the services and trade sectors were represented in equal parts (5% each). The agriculture, fishing and forestry sector was involved in 6% of cases, and 4% of cases related to water, sanitation and flood protection. Two-percent of cases related to the transportation sector.

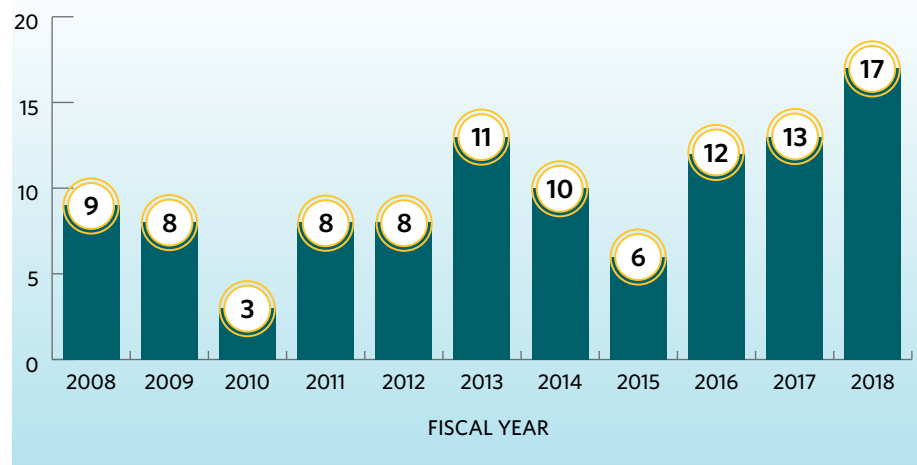
DISTRIBUTION OF CASES REGISTERED IN FY2018 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY ECONOMIC SECTOR



Post-Award Remedy Applications

In FY2018, the Centre registered 22 applications and requests for post-award remedies under the ICSID Convention and Additional Facility Rules. These proceedings included two requests for rectification of an award, two requests for revision of an award and one request for a tribunal to supplement its award. Seventeen annulment applications were registered during the fiscal year, which largely reflects the increased number of awards rendered in previous years. Ten such applications were brought by the Respondent/State and seven annulment proceedings were initiated by the Claimant/investor in the underlying arbitration.

NUMBER OF ANNULMENT APPLICATIONS REGISTERED BY ICSID (FY2008–FY2018)



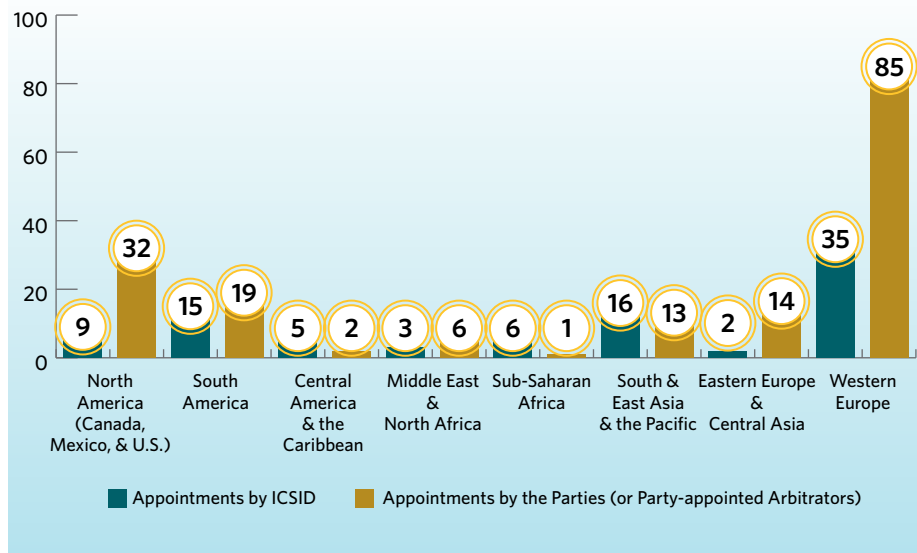
Constitution of Commissions, Tribunals and Ad Hoc Committees in ICSID Cases

In FY2018, a record 263 appointments were made to ICSID commissions, tribunals or *ad hoc* committees, more than double the number of appointments made in ICSID cases 10 years ago. Fifty-eight tribunals in original arbitrations, one conciliation commission and 18 *ad hoc* committees were constituted. In addition, two tribunals were constituted in two revision proceedings. Eighteen further tribunals and eight *ad hoc* Committees were reconstituted in proceedings before the Centre during the fiscal year.

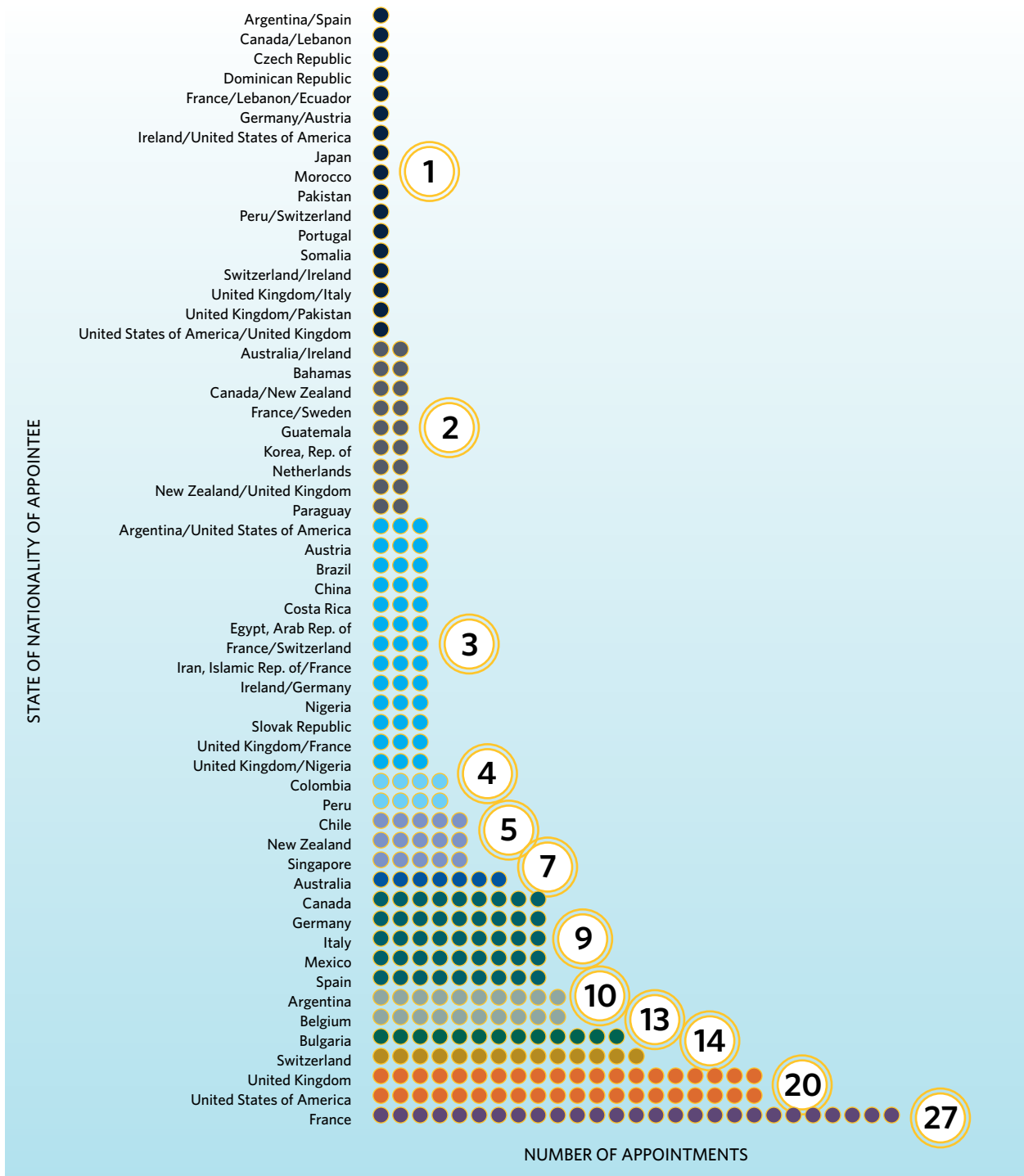
An increasingly diverse group of arbitrators, conciliators and *ad hoc* committee members were appointed in FY2018: 143 different individuals were named in 91 cases to serve on ICSID tribunals, commissions and committees. Forty-two different nationalities were represented. Seventeen-percent of the appointments in FY2018 involved persons who served for the first time on an ICSID tribunal, commission or *ad hoc* committee. Forty-percent of the first-time appointees were nationals from low or middle-income economies. Twenty-four percent of the appointments in FY2018 were women, up from 14% in FY2017.

In FY2018, two-thirds of appointments were made either by the parties or by the party-appointed arbitrators (65%), and one-third (35%) were made by ICSID, based on an agreement of the parties or the applicable default provisions. In total, the Centre acted as appointing authority 91 times in FY2018, almost double the number of times as in FY2017, and appointed 63 individuals of 33 different nationalities. About 37% of the appointments by ICSID involved nationals of low or middle-income economies, a 60% increase over the prior year, and 30% of ICSID appointees were women.

ARBITRATORS, CONCILIATORS AND *AD HOC* COMMITTEE MEMBERS APPOINTED IN FY2018 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 FY2018 IN CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES



Challenges to Arbitrators, Experts and Counsel

Parties to ICSID proceedings filed 18 proposals for disqualification of arbitrators during the fiscal year, all of which were subsequently resolved. One arbitrator resigned following the filing of the proposed disqualification. Sixteen proposals were rejected and one challenge was upheld. In one case, a party filed a proposal for disqualification of the other party's expert which was subsequently rejected by the Tribunal. The proposed disqualification of an expert appointed by a tribunal was also rejected. In a further case, a party sought to disqualify the other party's counsel, which was also rejected by the presiding *ad hoc* Committee.

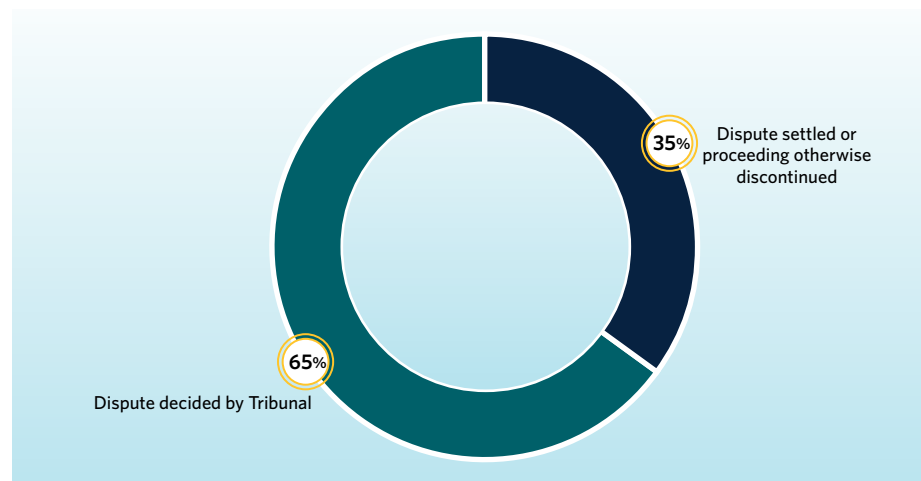
Cases Concluded in FY2018

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.

Forty-six proceedings concluded during the fiscal year. Thirty-seven proceedings were arbitrations, and nine were post-award proceedings.

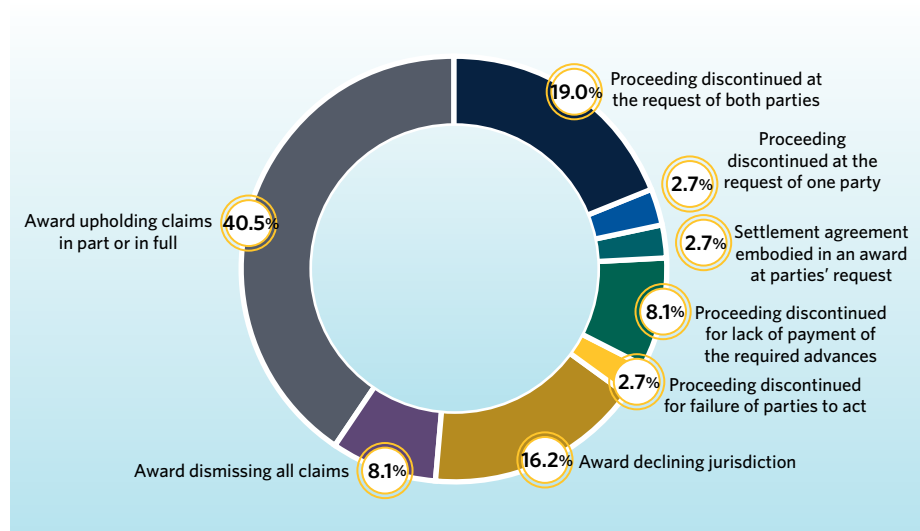
In the 37 concluded arbitrations, 24 disputes were decided by a tribunal, and 13 cases were settled or otherwise discontinued.

ARBITRATION PROCEEDINGS UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES CONCLUDED IN FY2018 — OUTCOMES



Of the 24 cases decided by tribunals, six awards declined jurisdiction, three tribunals rejected all of the investors' claims, and 15 awards upheld the investors' claims in part or in full.

ARBITRATION PROCEEDINGS UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2018 — TRIBUNAL RULINGS, SETTLEMENT & DISCONTINUANCES



Of the 13 arbitrations that were discontinued, seven cases were discontinued following a request by both parties, three cases were discontinued for lack of payment of the required advances, one was discontinued at the request of one party, one arbitration was discontinued for failure of the parties to act, and in one further case the parties' settlement agreement was embodied in an award.

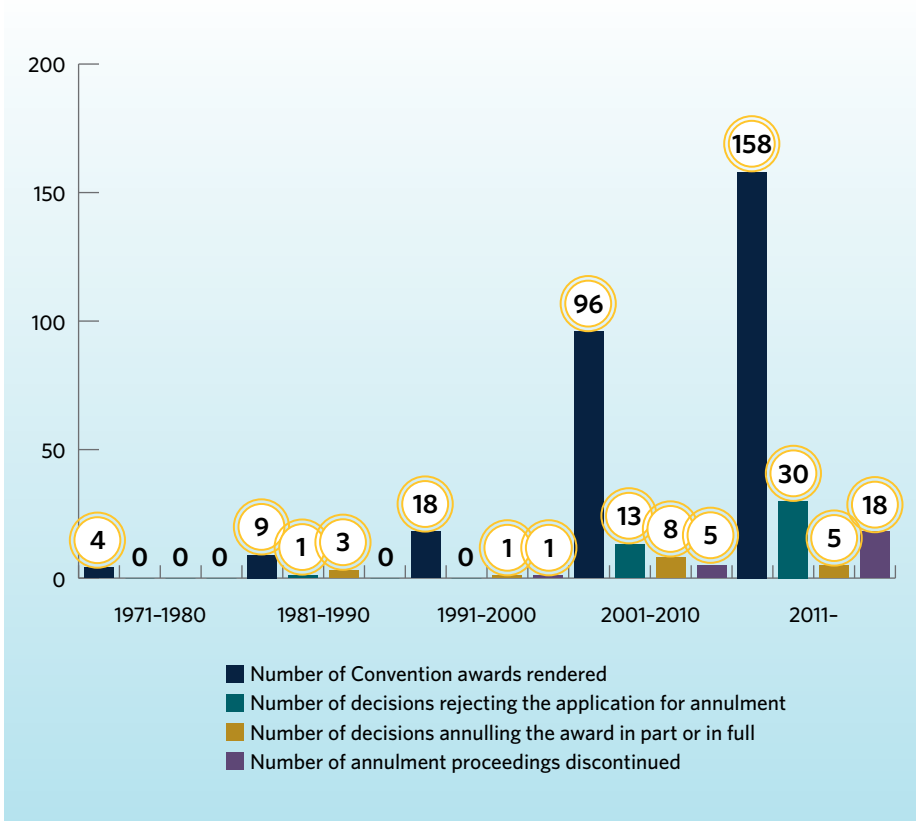
During FY2018, nine post-award proceedings were concluded. This includes four rectification proceedings and five annulments. Four *ad hoc* Committees rejected the application for annulment and one annulment proceeding was discontinued at the request of both parties.

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 3%. Since January 2011, 158 Convention awards were rendered, 80 annulment proceedings were instituted and five awards were partially annulled. At the same time, the number of discontinued annulment proceedings has increased over the past years, with a total of 18 discontinuances since 2011.

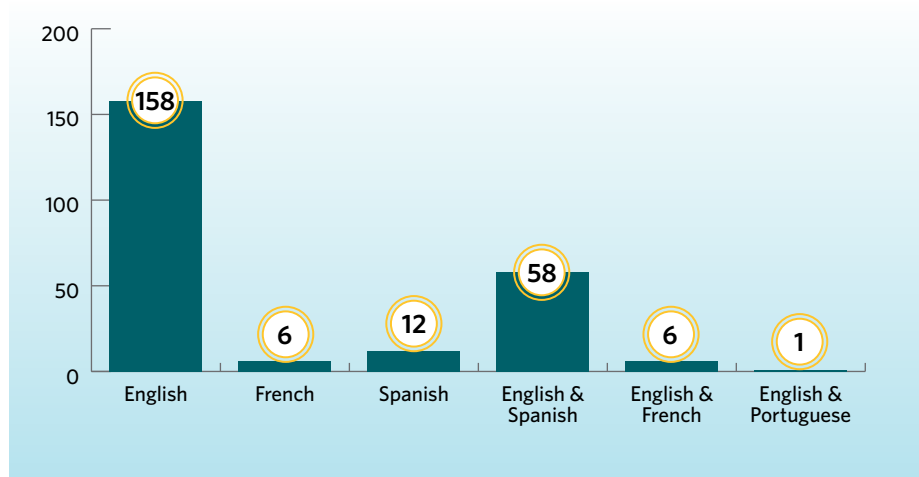
AWARDS RENDERED AND OUTCOMES IN ANNULMENT PROCEEDINGS UNDER THE ICSID CONVENTION, BY DECADE



Matters of Procedure in ICSID Cases in FY2018

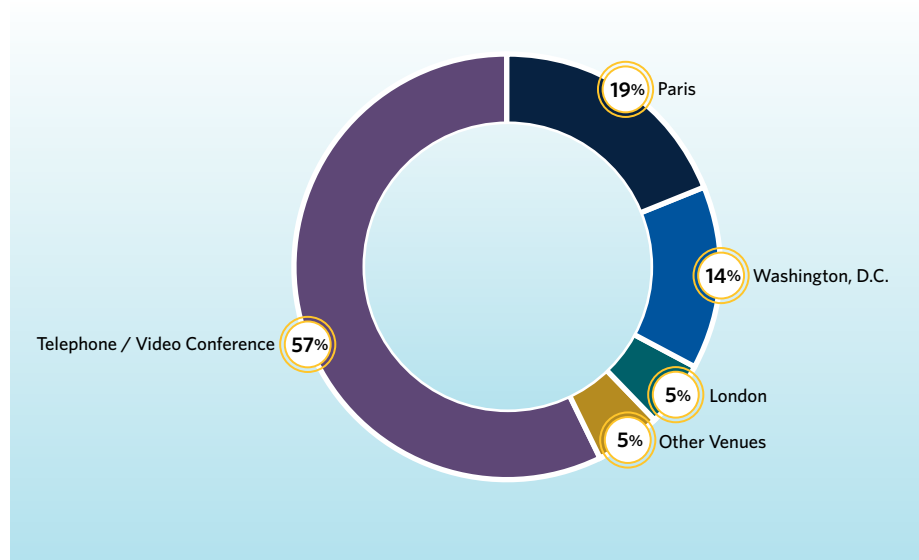
ICSID administered a record number of 279 cases in FY2018. As at June 30, 2018, 249 cases were pending, which is the highest number of pending cases in ICSID’s history, with a noticeable increase over FY2017. One-hundred and fifty-eight of ICSID administered cases were conducted in English (66%), 12 in Spanish (5%) and six in French (2%), which are the three official languages of the Centre. Sixty-five proceedings were conducted simultaneously in two languages (27%), with the English-Spanish combination continuing to be the most common.

CASES ADMINISTERED IN FY2018 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY PROCEDURAL LANGUAGE(S)



In the course of the fiscal year, 169 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 (57%) of all sessions and hearings in FY2018 were held in this manner.

HEARING VENUES IN ICSID PROCEEDINGS



During the fiscal year, 25 awards and 454 decisions and procedural orders were issued by tribunals and *ad hoc* committees. 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.

Spotlight on the ICSID Rules Amendment Process

ICSID is amending the ICSID Convention Rules and Regulations, the Additional Facility Rules, the Administrative and Financial Regulations, and the Institution Rules. These are the most widely used procedural rules in investor-State dispute settlement.

This is the fourth update to the ICSID rules, and is expected to result in the most comprehensive changes to date.

A **working paper** published in August 2018 proposes changes to the rules, and forms the basis for further discussion. The proposed rules have been re-drafted in plain, gender-neutral language, and numerous measures are suggested to reduce the time and cost of proceedings. For example, all filing would be electronic and new timelines are introduced. In addition, parties would have the option to elect an expedited arbitration process.

Changes are also being proposed to the rules on the appointment and disqualification of arbitrators; third-party funding; security for costs; consolidation of cases; transparency and non-disputing party participation. An entirely new set of rules for mediation are also proposed. The process has involved extensive consultation with ICSID's Member States and the public. As of June 30, 2018, ICSID had received input from over **30 States** and **20 organizations and individuals**.

Ultimately, a package of amendments will be presented to the ICSID Administrative Council—the Centre's governing body—in 2019 or 2020.



Chapter 4

INSTITUTIONAL DEVELOPMENTS

ICSID's primary mandate is to provide first-class services and facilities to support the resolution of international investment disputes. To complement this function, ICSID provides capacity building to Member States, shares information with the public and private sector to promote greater awareness of investor-State dispute settlement (ISDS), and collaborates with a range of organizations.

In FY2018, ICSID engaged widely with Member States, intergovernmental and non-governmental organizations, investment law professionals, academics and journalists. The Secretariat also partnered with the other institutions that comprise the World Bank Group on events, training and public outreach.

The Centre continued to expand its network of institutional cooperation agreements, ensuring that ICSID users have access to facilities around the world.



Members of the ICSID Secretariat.
© ICSID

Membership of ICSID

The ICSID Secretariat maintains an ongoing dialogue with Member States on a variety of institutional matters. Through periodic training and meetings with State delegations, ICSID keeps Member States informed of developments at the Centre, and ensures that representatives on the Administrative Council have the information needed to make governance decisions.

In FY2018, the ICSID Secretary-General met with numerous government officials at ICSID's headquarters in Washington, D.C. On September 29, 2017, ICSID held its third annual briefing for members of the Washington, D.C.-based diplomatic corps, which was attended by more than 40 ambassadors, ministers, counsellors, first secretaries, and advisors. ICSID staff also travelled extensively to meet with Member State officials. In FY2018, meetings and events were held with State officials in South Korea (November 2017), Haiti (January 2018), Australia (April 2018), Guyana (April 2018), and Israel (May 2018).

Two important functions played by Member States include designating qualified candidates to the ICSID Panels of Arbitrators and of Conciliators, and designating competent courts or authorities for recognition and enforcement of ICSID Convention awards.

ICSID encourages Member States to designate their full complement of four arbitrators and four conciliators and to fill vacancies as they arise. To assist in that effort, the Secretariat published a guidance note in February 2018 on "Considerations for States in Designating Arbitrators and Conciliators to the ICSID Panels". The note addresses the types of qualifications that Member States may look for in potential candidates, and how States can expand diversity on the lists. Earlier guidance notes have focused on dispute avoidance and management, including the steps Member States can take to prepare for ICSID cases. The Centre also maintains and publishes a list that indicates 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. As of FY2018, 93 Contracting States have made such designations. The full list of Measures taken by Contracting States for the purposes of the ICSID Convention is available on the ICSID website.

Cooperation with Other Intergovernmental Organizations

A number of intergovernmental processes have been established to facilitate dialogue on ISDS. These fora provide States and other stakeholders an opportunity to discuss the effectiveness of dispute settlement mechanisms. ICSID contributes to these discussions in important ways; for example, sharing its knowledge and extensive experience.

UNCITRAL WORKING GROUP III

ICSID participated in the first two meetings of UNCITRAL Working Group III and began joint work with the UNCITRAL Secretariat to prepare a background paper overviewing arbitrator codes of conduct.

In July 2017, the United Nations Commission on International Trade Law (UNCITRAL) tasked Working Group III to work on the possible reform of ISDS. Specifically, UNCITRAL asked the Working Group to identify and consider concerns regarding ISDS; consider whether reform was desirable in light of any identified concerns; and if the Working Group were to conclude that reform was desirable, develop any relevant solutions to be recommended to the Commission. ICSID participated in the first session of the Working Group III, held on November 27–December 1, 2017 in Vienna, as well as in the subsequent session in New York on April 23-27, 2018.

UNCTAD

ICSID briefed participants on its rules amendment project at a high-level conference organized by UNCTAD.

The United Nations Conference on Trade and Development (UNCTAD) provides a forum for a multi-stakeholder dialogue on international investment law and policy. UNCTAD's "Reform Package for the International Investment Regime" draws on global expertise to propose systematic, sustainable development-oriented reforms to international investment agreements (IIAs). In October 2017, ICSID participated in UNCTAD's High-Level IIA Conference, updating participants on the ICSID rules amendment project.

List of Cooperation Agreements

- Australian Commercial Disputes Centre;
- Australian Centre for International Commercial Arbitration;
- British Virgin Islands International Arbitration Centre;
- Cairo Regional Centre for International Commercial Arbitration;
- Center for Arbitration and Conciliation of the Bogota Chamber of Commerce;
- China International Economic and Trade Arbitration Commission;
- Dublin Dispute Resolution Centre;
- German Institution of Arbitration;
- Gulf Cooperation Council Commercial Arbitration Centre;
- Hong Kong International Arbitration Centre;
- International Centre for Dispute Resolution;
- International Chamber of Commerce;
- Kuala Lumpur Regional Centre for Arbitration;
- Maxwell Chambers, Singapore;
- Permanent Court of Arbitration;
- Regional Centre for International Commercial Arbitration, Lagos;
- Seoul International Dispute Resolution Center;
- Shenzhen Court of International Arbitration; and
- Singapore International Arbitration Centre.

OECD

ICSID contributed to an OECD consultation on appointing authorities in investment arbitration.

Governments and other stakeholders convened for the Organisation for Economic Co-operation and Development (OECD) Freedom of investment Roundtable, an intergovernmental forum hosted by the OECD Investment Committee. The Roundtable has focused on ISDS reform since 2011, and ICSID has contributed to the discussions. ICSID participated in the October 2017 meeting at OECD headquarters in Paris, and also provided written comments for the OECD's consultation paper on appointing authorities in investor-State disputes.

Institutional Cooperation Agreements



ICSID Secretary-General Meg Kinnear and SCIA President Xiaochun Liu sign a cooperation agreement. © ICSID

ICSID offers disputing parties the option of holding hearings in any mutually agreed—upon location, and has developed partnerships with numerous arbitration institutions to complement its ability to offer hearings in World Bank facilities around the world.

In FY2018, ICSID entered into cooperation agreements with the British Virgin Islands International Arbitration Centre and the Shenzhen Court of International Arbitration. As of June 30, 2018, ICSID had 19 cooperation agreements with other arbitration institutions.

Training and Capacity Building

Over the last ten years ICSID has developed a variety of training courses to build capacity in and awareness of investment dispute settlement. These demand-driven services are tailored to the needs of the participants. Options include introductory courses on ICSID practice and procedure, as well as more targeted training in areas such as dispute avoidance or mediation.

In FY2018, ICSID '101' courses were held in Rome, Italy; Beijing, China; Singapore; Lisbon, Portugal; Georgetown, Guyana; Jerusalem, Israel; and Washington, D.C., United States of America. ICSID also provided training on ICSID jurisdiction in Santiago, Chile, and on investor-State mediation in Washington, D.C., and Paris, France.

Following a recent mediation training course, ICSID interviewed the trainers and asked them to outline some of the techniques used in mediation and the considerations parties should bear in mind when considering mediation. These interviews were published on ICSID's website and are freely available for viewing online.



Instructors and participants of a training course for mediators in investor-State disputes. Paris, France. © ICSID



Conferences and Events

ICSID organized or participated in over 50 conferences and events in more than 20 countries in FY2018. Increasingly, ICSID is holding events online, allowing a greater number of participants from around the world to participate free-of-charge.

DIALOGUE ON DISPUTE SETTLEMENT PROCEDURE

The evolution of international investment law generally, and dispute settlement procedures in particular, is an ongoing topic of discussion. A variety of reforms are underway, including to institutional rules of procedure. Chief among these is ICSID's process of amending its rules. ICSID staff spoke at a wide variety of events and fora to inform States and other interested stakeholders of the amendment process and encourage their input.

At the 2018 ASIL Annual Meeting, ICSID Secretary-General Meg Kinnear delivered the Charles N. Brower Lecture on International Dispute Resolution. The Secretary-General's lecture emphasized the importance of fostering engagement and building consensus in the process of amending the ICSID rules. She previewed the types of changes to the rules that were under consideration, and noted that these provide an opportunity for tangible improvements to dispute settlement procedures in the very near-term. Updates on the ICSID rules amendment process were given in other locations throughout FY2018, including in South Africa, Mauritius, Canada, Australia, Spain and Chile.

DISCUSSING DIVERSITY

Improving diversity and gender balance in international investment dispute settlement is a priority that ICSID staff spoke about on a number of occasions. The American Society of International Law (ASIL) Women in International Law Interest Group held a panel discussion on improving the representation of women in arbitration on January 10, 2018. In his role as a conference commentator, ICSID Deputy Secretary-General Gonzalo Flores highlighted the steps that ICSID is taking to promote balanced representation of women and men on ICSID tribunals and committees. Secretary-General Meg Kinnear addressed the topic of women's participation in investment arbitration at an event organized by Women in Leadership and Australia's Department of Foreign Affairs and Trade Lawyers Network, held in Canberra in April 2018. ICSID counsel Lindsay Gastrell also contributed to a panel on gender and racial diversity at the American Bar Association's Annual Conference of the Section of International Law in New York in April 2018.

EVENT HIGHLIGHTS FROM FY2018



Panelists discuss proportionality in investor-State arbitration in Paris on September 18, 2017. © ICSID



Meg Kinnear joins a panel at iLaw2017 in Miami on February 16, 2018. © ICSID

- October 24–26, 2017: ICSID held a workshop at the 7th Investment Treaty Arbitration Conference in Prague, updating participants on the latest developments at ICSID and the rules amendment process.
- October 27, 2017: ICSID participated in the 1st Mauritius Conference on International Investment Law and International Arbitration, introducing ICSID and highlighting recent caseload trends.
- November 10–13, 2017: As part of the Seoul Alternative Dispute Resolution Festival, ICSID organized a workshop on investor-State dispute settlement.
- December 1, 2017: Each year ICSID holds a colloquium with the International Chamber of Commerce’s International Court of Arbitration and the American Arbitration Association’s International Center for Dispute Resolution. The 34th Annual Joint Colloquium on International Arbitration, held in New York, focused on the advances made and challenges ahead in the field of international arbitration.
- April 12, 2018: At a public event organized by Australia’s Department of Foreign Affairs and International Trade, Secretary-General Meg Kinnear spoke about ICSID’s role in international investment dispute settlement and the factors behind the Centre’s expanding membership and caseload.
- April 16, 2018: Meg Kinnear joined a panel on reforming substantive obligations in treaties and conditions of access to investment arbitration at the International Council for Commercial Arbitration’s 2018 Congress in Sydney.
- May 3–4, 2018: The 1st ITA-ALARB Joint Conference on International Arbitration, held in Santiago, Chile, focused on arbitrating disputes in the natural resources sector. ICSID Team Leader Mairée Urain-Bidegain gave a presentation on the issues at stake in investment cases involving natural resources.

Spotlight on Diversity

The individuals appointed to decide cases at ICSID increasingly reflect the diversity of the participants in ISDS.

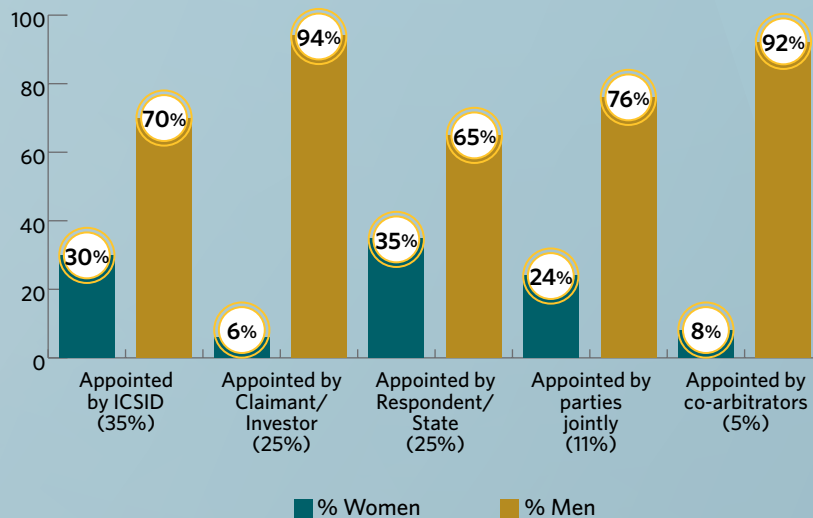
As a global leader in ISDS, ICSID plays a key role in advancing diversity and inclusion in the field.

—Meg Kinnear,
ICSID Secretary-General

In FY18, **263 appointments** were made to Commissions, Tribunals and *ad hoc* Committees in **91 cases**. These appointments were the most diverse to date in terms of nationality, gender, and first-time appointees.

The conciliators and arbitrators appointed had **42 different nationalities**, up from **33 in FY17**.

APPOINTMENTS OF CONCILIATORS AND ARBITRATORS



62 of the appointments involved **women (24%)**, up from **14% in FY17**. These appointments involved **29 individuals**.

ICSID contributes to diversity through different practices, including by:

- Proposing qualified nominees from different States, first-time nominees and female nominees when parties ask the Secretary-General or Chairman to make an appointment;
- Encouraging Member States to appoint qualified conciliators and arbitrators to Panels with diversity in mind; and
- Publishing submissions by a variety of authors, with a focus on expanding the field and showcasing new contributors in ICSID’s flagship journal—the *ICSID Review*.

ICSID SECRETARIAT

75%

women across all levels and roles

ICSID REVIEW — 50 authors published in FY18 issues, of which

34%

were women

PANELS OF ARBITRATORS & OF CONCILIATORS

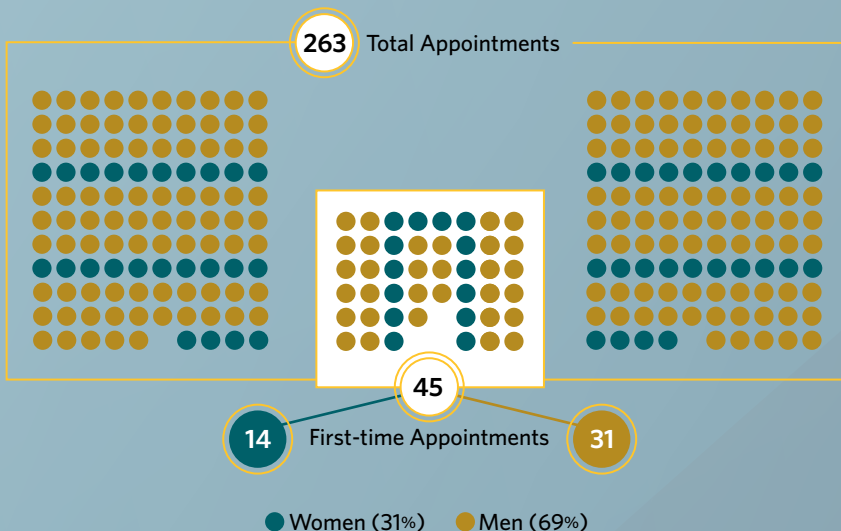
19%

women on Panels named by Member States

50%

Gender parity in 20 new designations by Chairman

GENDER DIVERSITY IN FIRST-TIME APPOINTMENTS



45 of the appointments involved first-time appointees **(17%)**, up from **13% in FY17**.

Transparency Initiative

ICSID 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 FY2018, ICSID published over 172 awards, decisions, and orders in cases concluded in 2017 and early 2018. This ongoing initiative enhances public understanding of ICSID proceedings and investment law, and offers free access to ICSID case law.



ICSID's YouTube channel.

PUBLIC HEARING BROADCASTS

The Centre continued to offer parties the option to webcast proceedings in cases administered by ICSID. In FY2018, ICSID broadcasted hearings in:

- *Mobil Investments Canada Inc. v. Canada* (ICSID Case No. ARB/15/5), held on July 24 and 28, 2017
- *Bridgestone Licensing Services, Inc. and Bridgestone Americas, Inc. v. Republic of Panama* (ICSID Case No. ARB/16/34), held on September 3–6, 2017
- *Italba Corporation v. Oriental Republic of Uruguay* (ICSID Case No. ARB/16/9), held on November 13–21, 2017
- *Lone Pine Resources Inc. v. Canada* (ICSID Case No. UNCT/15/2), held on October 2–13, 2017 and November 24, 2017
- *BSG Resources Limited, BSG Resources (Guinea) Limited and BSG Resources (Guinea) SARL v. Republic of Guinea* (ICSID Case No. ARB/14/22), held on March 26–27, 2018

Connecting With ICSID



In FY2018 ICSID grew its social media following by launching accounts on Twitter, LinkedIn and YouTube. These channels provide a means to share information on trends and developments at ICSID and engage with the public. On Twitter, ICSID shares procedural updates on cases, links to public awards and decisions, and posts highlights from events and training courses. LinkedIn is also a platform for sharing information on ICSID events, publications and caseload trends. Also in FY2018, ICSID moved its extensive video archive to YouTube. ICSID videos include interviews with leading experts in the field of investment dispute settlement, recordings of events, and broadcasts of public hearings. ICSID also offers daily email updates on case developments, news and events, along with a periodic newsletter.

Publications

ICSID publications build knowledge and awareness of international investment law and dispute settlement across a range of audiences.



The *ICSID Review*.
© ICSID

ICSID REVIEW

The *ICSID Review* is a specialized legal periodical devoted exclusively to foreign investment law and international investment dispute settlement. It offers legal and business professionals an up-to-date review of the field and includes articles, case comments, documents, and book reviews on the law and practice relating to foreign investments as well as the procedural and substantive law governing investment dispute resolution.

In FY2018, the *ICSID Review* published three issues, covering a range of topics, developments in cases, and newly released books from prominent authors. Two issues examined current themes of interest in depth. Volume 32(3) showcased a collection of articles on an appellate body in ISDS, prepared with the National University of Singapore Centre for International Law. Volume 33(1) featured a special focus section on evaluating and enhancing outcomes of investment treaties resulting from a recent OECD Conference on the topic. Vol. 33(2) included case comments and articles on various contemporary topics. Future issues will continue to provide quality analysis for professionals in the field, making the journal an essential component of any library on international investment law and dispute settlement.

ICSID CASELOAD – STATISTICS

The *ICSID Caseload – Statistics* contains a profile of the ICSID caseload since the first case was registered in 1972. ICSID has hosted the majority of all known international investment cases and the *ICSID Caseload – Statistics* is a valuable empirical reference about trends in international investment dispute settlement generally. The issues are available in English, French and Spanish, and are updated every six months. Two issues were published in FY2018:

- The *ICSID Caseload – Statistics* (Issue 2017-2) — covering trends in cases registered and administered by ICSID in fiscal year 2017, spanning July 1, 2016 to June 30, 2017.
- The *ICSID Caseload – Statistics* (Issue 2018-1) — covering trends in cases registered and administered by ICSID in the 2017 calendar year (January – December).

COLLECTIONS

In FY2018, 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 Kosovo, Myanmar, Serbia, Seychelles and Tunisia (Release 2018-1).

Three updated supplements to the *Investment Treaties* collection were published containing the texts of 58 bilateral investment agreements, concluded by 52 countries between 1974 and 2016 (Releases 2017-2, 2017-3 and 2018-1).

ICSID PRIMER

Newly published in 2018, the *ICSID Primer* offers a brief introduction to ICSID. Intended for those who are new to the Centre, it explains what ICSID does, how it is structured, and highlights recent trends. Available in English, French and Spanish, the *ICSID Primer* aids a broader public audience in understanding this unique institution and its role as the global leader in international investment dispute settlement.

ICSID STAFF PUBLICATIONS

- Meg Kinnear, *Foreword*, in *Evidence in International Investment Arbitration* (Frédéric G. Sourgens, Kabir Duggal and Ian A. Laird, Oxford University Press, May 2018)
- Meg Kinnear, *Foreword*, in *Procedural Issues in International Investment Arbitration* (Jeffery Commission and Rahim Molloo, Oxford University Press, May 2018)
- Meg Kinnear and Otylia Babiak, *International Investment Arbitration Needs Equal Representation*, in *Reshaping Trade Through Women's Economic Empowerment*, CIGI Essay Series (Centre for International Governance Innovation, April 9, 2018)
- Meg Kinnear and Chrysoula Mavromati, *Consolidation of Cases at ICSID*, in *Jurisdiction, Admissibility and Choice of Law in International Arbitration: Liber Amicorum Michael Pryles* (Neil Kaplan and Michael Moser eds., Kluwer Law International, March 2018)
- Meg Kinnear and Christine Sim, "NUS Centre for International Law Collection of Articles on an Appellate Body in ISDS: Introduction to the Collection", 32(3) *ICSID Review-FILJ* 457 (Fall 2017)



The *ICSID Primer* introduces the Centre to new audiences.
© ICSID

ICSID OFFICIAL DOCUMENTS

- *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)
- *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 (1967–2017)* (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)

ICSID's Online Databases

The ICSID website offers a number of databases that allow visitors to find information efficiently using filter boxes.

- The cases database provides entries for cases registered with ICSID, along with up-to-date procedural information and case-related materials.
- The Member States database features information relating to signatures, ratifications and entry into force of the ICSID Convention; designations and notifications made by ICSID Member States to implement and apply the Convention; and designations made to the ICSID Panels of Arbitrators and of Conciliators.
- The database of arbitrators, conciliators and *ad-hoc* committee members includes a standardized web-based curriculum vitae form, with biographical information on arbitrators and conciliators on the ICSID Panels of Arbitrators and of Conciliators, as well as arbitrators, conciliators and annulment committee members who have served in ICSID cases.
- The database of bilateral investment treaties allows users to locate treaties by Signatory States, by particular treaty and by year of signature.
- The ICSID bibliography on investment law and procedure offers an extensive list of articles, books, research, and working papers on ICSID, investment law and treaties, and international investment dispute resolution.

Spotlight on Young ICSID

Young ICSID is a network designed to encourage professional development for young lawyers, and to provide a forum to discuss ideas and meet other professionals. As of June 30, 2018, **Young ICSID had grown to over 1,000 members.**

Each year Young ICSID holds events in different countries, and, increasingly, online. Young ICSID initiated a book launch series in 2017 to facilitate discussion on international law and ISDS. Each of the events invites members of Young ICSID to join in person or online, ensuring that physical distance from the place of the event is not a barrier to participation. Overall, four Young ICSID events were held in FY2018:

- September 18, 2017: Launch of “Proportionality in Investor-State Arbitration”, authored by Gebhard Bücheler.
- November 30, 2017: A panel of experts reflected on how young lawyers can advance their careers and face diverse challenges in the arbitration community, on the eve of the AAA/ICC/ICSID Colloquium.
- May 10, 2018: Launch of “Procedural Issues in International Investment Arbitration”, authored by Jeffery Commission and Rahim Moloo.
- June 5, 2018: Launch of “The Rise of Investor-State Arbitration: Politics, Law, and Unintended Consequences”, authored by Taylor St John.





2017 ICSID Administrative Council Meeting at Plenary Session of World Bank Group Annual Meetings, Washington, D.C., October 13, 2017.
© Grant Ellis, World Bank



Chapter 5

FIFTY-FIRST 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 FY2018, 153 Contracting States were represented on the ICSID Administrative Council. An up-to-date list of members of the Administrative Council is available on the ICSID website.

On October 13, 2017, the Chairman of the Administrative Council, Dr. Jim Yong Kim, presided over the 51st 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 51st Annual Meeting, the Administrative Council approved the Centre's 2017 Annual Report and its administrative budget for FY2018.

The Resolutions adopted at the Meeting are reproduced below.

AC(51)/RES/134—Approval of the Annual Report

The Administrative Council RESOLVES

To approve the 2017 Annual Report on the operation of the Centre.

AC(51)/RES/135—Adoption of Budget for Fiscal Year 2018

The Administrative Council RESOLVES

To adopt, for the period July 1, 2017 to June 30, 2018, the budget set forth in paragraph 2 of the Report and Proposal of the Secretary-General on the Budget for Fiscal Year 2018, dated June 30, 2017.

Chapter 6

FINANCE

ICSID's administrative expenditures in FY2018 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 FY2018 are presented in the following pages.

FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018 AND JUNE 30, 2017

	2018	2017
Assets:		
Cash (Note 2)	\$ 481,479	\$ 467,846
Share of cash and investments in the Pool (Notes 2 and 3)	61,238,016	49,391,967
Due from parties to arbitration/conciliation proceedings (Note 2)	389,437	340,012
Other assets, net (Notes 2 and 4)	92,017	161,785
Total assets	\$ 62,200,949	\$ 50,361,610
Liabilities and net assets:		
Liabilities:		
Payable to International Bank for Reconstruction and Development (Note 2)	\$ 2,749,493	\$ 2,336,875
Advance received for miscellaneous services	6,760	5,018
Deferred revenue (Note 2)	3,447,264	2,160,000
Accrued expenses related to arbitration/conciliation proceedings (Note 2)	10,343,763	7,097,252
Advances from parties to arbitration/conciliation proceedings (Note 2)	40,537,027	33,554,100
Total liabilities	57,084,307	45,153,245
Net assets, unrestricted (Note 5)	5,116,642	5,208,365
Total liabilities and net assets	\$ 62,200,949	\$ 50,361,610

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

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND JUNE 30, 2017

	2018	2017
Support and revenues:		
Revenues/Fees from arbitration/conciliation proceedings (Notes 2 and 7)	\$ 50,271,305	\$ 45,000,076
In-kind contributions (Notes 2 and 9)	943,803	935,582
Net investment income (Notes 2 and 3)	714,104	330,036
Sales of publications	86,479	66,042
Total support and revenues	\$ 52,015,691	\$ 46,331,736
Expenses:		
Expenses related to arbitration/conciliation proceedings (Notes 2 and 8)	\$ 38,894,210	\$ 36,327,875
Administrative expenses (Note 9)	12,429,332	11,008,205
Amortization expenses (Notes 2 and 4)	69,768	106,076
Net Investment income applied to arbitration/conciliation proceedings (Notes 2 and 3)	714,104	330,036
Total expenses	52,107,414	47,772,192
Change in net assets	(91,723)	(1,440,456)
Net assets, beginning of the year	5,208,365	6,648,821
Net assets, end of the year	\$ 5,116,642	\$ 5,208,365

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND JUNE 30, 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	(\$ 91,723)	(\$ 1,440,456)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization cost	69,768	106,076
(Increase)/Decrease in due from parties to arbitration/conciliation proceedings	(49,425)	279,925
Decrease in other receivables	—	8,119
Increase in payable to International Bank for Reconstruction & Development	412,618	370,013
Increase/(Decrease) in miscellaneous liability	1,742	(45,732)
Increase/(Decrease) in deferred revenue	1,287,264	(197,333)
Increase/(Decrease) in accrued expenses related to arbitration/conciliation proceedings	3,246,511	(275,832)
Increase/(Decrease) in advances from parties to arbitration/conciliation proceedings	6,982,927	(458,419)
Net cash provided by (used in) operating activities	<u>11,859,682</u>	<u>(1,653,639)</u>
Cash flows from investing activities:		
Increase in share of pooled investments	(11,846,049)	(2,430,322)
Net cash used in investing activities	<u>(11,846,049)</u>	<u>(2,430,322)</u>
Net Increase /(Decrease) in cash	<u>13,633</u>	<u>(4,083,961)</u>
Cash at beginning of the year	<u>467,846</u>	<u>4,551,807</u>
Cash at end of the year	<u>\$ 481,479</u>	<u>\$ 467,846</u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018 AND JUNE 30, 2017

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

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.

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 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.

Administration fees: The Centre charges an annual administration fee. The fee was increased from \$32,000 to \$42,000 effective July 1, 2017. 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 and 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 is effective for nonpublic entities for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. The ASU is not expected to have a material impact on ICSID's 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 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. The IFRS is not expected to have a material impact on ICSID's 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. The IFRS is not expected to have a material impact on ICSID's 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.

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.

Hierarchy level	June 30, 2018	June 30, 2017
Level 1	\$ 2,663,854	\$ 2,232,338
Level 2	58,574,162	47,159,629
Total	\$ 61,238,016	\$ 49,391,967

As of June 30, 2018, and June 30, 2017, 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 \$69,768 for the year ended June 30, 2018 (2017: \$106,076). None of these assets are considered impaired.

Note 5 — Net Assets, Unrestricted

Net assets, unrestricted represents accumulated surplus in the amount of \$5,116,642 (2017: \$5,208,365). 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.

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, 2018 is equivalent to the gross value of the remaining assets amounting to \$61,469,495 (2017: \$49,609,813). 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, 2018 and June 30, 2017.

Counterparty credit ratings	June 30, 2018	June 30, 2017
AA- or greater	43%	67%
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:

	2018	2017
Drawdown of advances from parties*	\$ 38,894,210	\$ 36,327,875
Administrative fees	9,021,094	6,519,890
Case lodging and other fees	2,356,001	2,152,311
Total	\$ 50,271,305	\$ 45,000,076

*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:

	2018	2017
Arbitrators' fees and expenses	\$ 32,572,016	\$ 29,837,480
Arbitration/conciliation meeting costs	5,779,309	5,923,068
Travel expenses	403,184	446,016
Other costs	139,701	121,311
Total	\$ 38,894,210	\$ 36,327,875

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:

	2018	2017
Staff services (including benefits)	\$ 10,604,550	\$ 8,606,205
Contractual Services	184,502	233,158
Administrative Services	194,721	585,897
Communication and Information Technology	774,924	859,924
Office Accommodation	603,274	605,521
Travel	67,361	117,500
Total administrative services and facilities	12,429,332	11,008,205
Plus: Amortization expenses	69,768	106,076
Total recorded value of services provided by IBRD	12,499,100	11,114,281
Less: Proceeds from fees and sale of publications	11,463,574	8,738,243
Drawdown from Surplus Account	91,723	1,440,456
In-kind contributions	\$ 943,803	\$ 935,582

Note 10 — Authorization of Financial Statements

ICSID's management has evaluated subsequent events through August 23, 2018, 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 (the Centre), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States of America, together with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively.

Responsibilities of Management and Those Charged with Governance of 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

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, whether due to fraud or error. Reasonable assurance is a high level of assurance but is not a guarantee that an audit will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. We design audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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, structure, and content of the financial statements including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

As part of an audit, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Centre to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2018 and 2017, and the results of its financial performance 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

Washington, D.C.
August 23, 2018



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