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*Photo by Otylia Babiak, World Bank*
September 6, 2016

Dear Mr. Chairman,

I am pleased to submit the Annual Report on the operation of the International Centre for Settlement of Investment Disputes to the Administrative Council for its approval. This Annual Report covers the fiscal year from July 1, 2015 to June 30, 2016.

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
The ICSID Convention entered into force on October 14, 1966, making this year the 50th anniversary of the Convention and of the ICSID system of dispute settlement created by Member States under the Convention.

Today, ICSID has become the premier institution for international investment dispute settlement. It has administered approximately 70% of all known cases under various international instruments, including investment treaties, contracts and laws. Five hundred and seventy cases have been registered at ICSID in the past five decades, which significantly contributed to the jurisprudence in international investment law: 265 awards have been rendered by ICSID tribunals and 52 decisions on annulment were issued by ad hoc committees. ICSID has also been a leader in procedural innovation, including through adoption of the first provisions on transparency of the arbitral process, participation of amicus curiae, and expedited preliminary motions.

As can be seen from the summary of highlights in the following section and the detailed overview of operations in Chapter 3, ICSID’s core function remains the provision of impartial, cost-effective and high quality dispute settlement services. In fiscal year 2016, the Centre fulfilled this function by registering 45 cases, administering a new record of 247 cases, constituting more than 70 tribunals, holding nearly 150 hearings in numerous locations, and concluding 51 cases.
In addition, the ICSID Secretariat sponsored numerous special activities this year to mark its 50th anniversary. For example, we offered training on ICSID arbitration in every region, often coupled with expert conferences addressing the most important issues in our field. We published Practice Notes for Respondents in ICSID Arbitration, three special focus issues of the ICSID Review, and an updated Background Paper on Annulment. We also implemented the new ICSID website which will soon be available for the first time in the three official languages of ICSID.

A highlight of the anniversary celebrations has been the publication of “Building International Investment Law: The First 50 Years of ICSID”. This book studies the 50 leading cases decided at ICSID, with chapters addressing general principles, jurisdiction, substantive legal standards of protection, reservations and defenses, valuation, and procedural matters. It is an exceptional work, befitting the event it commemorates.

This level of activity could not be achieved or maintained without the dedication and hard work of the staff of the ICSID Secretariat. I am most grateful for their collegiality, professionalism and support, and I thank them for another stellar year. In addition, I would like to thank the ICSID Member States and facility users for their confidence in ICSID.

There is no doubt that the ICSID system has been a landmark development in international law which has contributed to the promotion of international investment and the rule of law across the globe. We intend to continue pursuing this goal in the years ahead and supporting States and foreign investors in the peaceful resolution of disputes.

Meg Kinnear
Secretary-General
**HIGHLIGHTS OF FY2016**

1. **The First ICSID Briefing for Embassy Representatives was Held in Washington, D.C. in September 2015**, updating local representatives on ICSID operations and developing further communication with Member States. This event will take place every year before the Annual Meeting of the Administrative Council.

2. **Iraq and Nauru joined ICSID**, bringing its membership to 153 Contracting and 161 Signatory States.

3. **ICSID now has 15 Institutional Agreements with other International Arbitral Institutions**, with 2 new agreements concluded in FY2016. This complements its capacity to hold hearings anywhere in the world.

4. **45 Cases Were Registered by ICSID** in the fiscal year ending June 30, 2016.

5. **The Centre Concluded 51 Cases in the Past Year**, demonstrating that its efforts to expedite the arbitral process are having an impact on the duration of individual cases.

6. **ICSID has a Staff of Close to 70 Professionals**. More than half of ICSID staff are lawyers trained in various civil and common law jurisdictions. The members of the Secretariat speak more than 20 languages in addition to the Centre’s official languages, English, French and Spanish.

**A NUMERIC PROFILE OF ICSID**

7. **More than 90 Presentations Were Given by Secretariat Staff** in over 28 countries on 6 continents.

8. **At Fiscal Year-End, the ICSID Panels of Arbitrators and of Conciliators contained the largest number of nominees to date, with 104 New Designations Received** from 23 Member States in the past year.

9. **119 Individuals** from 40 different countries of origin were appointed to serve as arbitrators, conciliators or ad hoc committee members this fiscal year. The tribunals constituted included 27 first-time appointees in ICSID cases and 23% of these appointees were women.

10. **In FY2016, 147 Hearings Were Held**, continuing a five-year trend of holding more than 100 hearings a year in ICSID cases.

11. **ICSID Administered 247 Cases in FY2016**, the greatest number of cases ever administered in a single year.

12. **ICSID’s 550th Case Overall was Registered in February 2016**, and **570 Cases Had Been Registered by the Fiscal Year-End**.
ICSID’S 50 YEARS – A TIMELINE

- 1965: Tunisia and the United Kingdom become the first States to sign the ICSID Convention
- 1966: ICSID Convention enters into force following ratification by 20 States
- 1969: First ICSID arbitration case is registered: Holiday Inns S.A. and others v. Morocco
- 1972: Administrative Council adopts the Additional Facility Rules
- 1973: ICSID begins publishing its multivolume collection of Investment Laws of the World
- 1975: First ICSID arbitration case on the basis of an investment law is registered: Southern Pacific Properties (Middle East) Limited v. Arab Republic of Egypt
- 1978: First Additional Facility arbitration case is registered: SEDIFEX Engineering Beratungsgeellschaft für die Textilindustrie m.b.H. v. Madagascar
- 1980: ICSID Regulation and Rules are amended
- 1982: First ICSID conciliation case is registered: SEDIFEX Engineering Beratungsgeellschaft für die Textilindustrie m.b.H. v. Madagascar
- 1986: ICSID begins publishing the ICSID Review – Foreign Investment Law Journal
- 1987: First Additional Facility arbitration case is registered: Metalclad Corporation v. United Mexican States
- 1988: First ICSID arbitration case administered by ICSID is decided: Robert Arinian and others v. United Mexican States
- 1997: First Additional Facility arbitration case is registered: Metalclad Corporation v. United Mexican States
- 1999: First NAFTA case administered by ICSID is decided: Robert Arinian and others v. United Mexican States
- 2002: Administrative Council adopts amendments to the ICSID Regulations and Rules, effective January 1, 2003
- 2006: ICSID Regulations and Rules are amended
- 2007: Non-disputing party submissions are made for the first time in an ICSID proceeding: Biwater Gauff (Tanzania) Ltd. v. United Republic of Tanzania
- 2008: First arbitration under NAFTA-DR is registered: Railroad Development Corporation v. Republic of Guatemala
- 2009: First case in which a party files an objection that a claim is manifestly without legal merit: Trans-Global Petroleum, Inc. v. Hashemite Kingdom of Jordan
- 2010: First Additional Facility arbitration case is registered: Metalclad Corporation v. United Mexican States
- 2012: ICSID registers the 500th case
- 2015: ICSID issues the first edition of its Background Paper on Annulment
- 2016: 30th anniversary of the ICSID Review

ICSID Convention Membership stands at 153 Contracting States
ICSID celebrates the 50th anniversary of its establishment by the ICSID Convention
ICSID is an intergovernmental organization established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. ICSID is also the only global arbitration institution offering a specialized forum for international investment dispute resolution. Consistent with its mandate, ICSID provides a wide range of modern arbitration and conciliation services and various platforms for information and collaboration in the field of international investment law and arbitration.

Membership has been expanding since ICSID’s establishment in 1966, reflecting its global relevance and its leading role as the world’s largest institution dealing with the resolution of international investment dispute settlement.

During FY2016, the Republic of Iraq and the Republic of Nauru became ICSID Contracting States by signing and depositing instruments of ratification of the Convention. With the two most recent ratifications, ICSID had 161 Signatory States and 153 Contracting States of the ICSID Convention by the end of FY2016.
This map was produced by the Map Design Unit of The World Bank.
The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgement on the legal status of any territory, or any endorsement or acceptance of such boundaries.
LIST OF CONTRACTING STATES AND OTHER SIGNATORIES OF THE CONVENTION

AS OF JUNE 30, 2016

The 161 States listed below have 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, and the dates of such deposit and of the attainment of the status of Contracting State by the entry into force of the Convention for each of them are also indicated.

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<tr>
<th>State</th>
<th>Signature</th>
<th>Deposit of Ratification</th>
<th>Entry into Force of Convention</th>
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<tbody>
<tr>
<td>Australia</td>
<td>Mar. 24, 1975</td>
<td>May 2, 1991</td>
<td>June 1, 1991</td>
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<td>Austria</td>
<td>May 17, 1966</td>
<td>May 25, 1971</td>
<td>June 24, 1971</td>
</tr>
<tr>
<td>Belize</td>
<td>Dec. 19, 1966</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>Apr. 25, 1997</td>
<td>May 14, 1997</td>
<td>June 13, 1997</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Mar. 20, 2000</td>
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<tr>
<td>Ethiopia</td>
<td>Sep. 21, 1965</td>
<td></td>
<td></td>
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<tr>
<td>Germany</td>
<td>Jan. 27, 1966</td>
<td>Apr. 18, 1969</td>
<td>May 18, 1969</td>
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<tr>
<td>Greece</td>
<td>Mar. 16, 1966</td>
<td>Apr. 21, 1969</td>
<td>May 21, 1969</td>
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<td>State</td>
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<tr>
<td>Guinea-Bissau</td>
<td>Sep. 4, 1991</td>
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<tr>
<td>Italy</td>
<td>Nov. 18, 1965</td>
<td>Mar. 29, 1971</td>
<td>Apr. 28, 1971</td>
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<td>Kyrgyz Republic</td>
<td>June 9, 1995</td>
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<td>Madagascar</td>
<td>June 1, 1966</td>
<td>Sep. 6, 1966</td>
<td>Oct. 14, 1966</td>
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<td>State</td>
<td>Signature</td>
<td>Deposit of Ratification</td>
<td>Entry into Force of Convention</td>
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<tr>
<td>San Marino</td>
<td>Apr 11, 2014</td>
<td>Apr. 18, 2015</td>
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<td>Serbia</td>
<td>May 9, 2007</td>
<td>May 9, 2007</td>
<td>June 8, 2007</td>
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<tr>
<td>South Sudan</td>
<td>Apr. 18, 2012</td>
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<td>St. Lucia</td>
<td>June 4, 1984</td>
<td>June 4, 1984</td>
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<tr>
<td>Sudan</td>
<td>Mar. 15, 1967</td>
<td>Apr. 9, 1973</td>
<td>May 9, 1973</td>
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<td>Swaziland</td>
<td>Nov. 3, 1970</td>
<td>June 14, 1971</td>
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<tr>
<td>Tanzania</td>
<td>Jan. 10, 1992</td>
<td>May 18, 1992</td>
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<td>Thailand</td>
<td>Dec. 6, 1985</td>
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<td>Tonga</td>
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<td>Apr. 20, 1990</td>
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<tr>
<td>Uruguay</td>
<td>May 28, 1992</td>
<td>Aug. 9, 2000</td>
<td>Sep. 8, 2000</td>
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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 to the Panels for a renewable term of six years. In addition, up to ten persons may be designated to each Panel by the Chairman of the ICSID Administrative Council. The complete list of members of the Panels of Arbitrators and of Conciliators is available on the ICSID website.

The Panels are an important component of the ICSID system of dispute settlement. When the Chairman of the Administrative Council is called upon to appoint arbitrators, conciliators or ad hoc Committee members under Articles 30, 38 or 52 of the ICSID Convention, these appointees are drawn from the Panels. With an increasing ICSID caseload, it has become ever more important for States to make designations to the ICSID Panels. To this end, the Centre continues to encourage States to name qualified candidates where nominations have expired or the Panels are otherwise incomplete.

During FY2016, 23 ICSID Contracting States made designations to the ICSID Panels: the Bahamas, Bahrain, Bangladesh, Belarus, Belgium, Bulgaria, Cameroon, Italy, Lithuania, Macedonia, Mali, Mauritius, Morocco, Netherlands, Norway, Panama, Philippines, Romania, Rwanda, Seychelles, Slovenia, Somalia, and the United States of America.
The names of designees to the ICSID Panels made in FY2016 are provided below.

**THE BAHAMAS**  
Panels of Arbitrators and of Conciliators  
Designation effective September 7, 2015:  
Dame Joan Sawyer

**BAHRAIN**  
Panel of Arbitrators  
Designation effective July 7, 2015:  
Mohammed Ali Taleb

**BANGLADESH**  
Panels of Arbitrators and of Conciliators  
Designations effective March 10, 2016:  
Sameer Sattar, Fazle Noor Taposh

**BELARUS**  
Panel of Arbitrators  
Designations effective April 4, 2016:  
Bernard Hanotiau, Didier Matray, Vera Van Houtte  
Panel of Conciliators  
Designations effective April 4, 2016:  
Nicolas Angelet, Freya Baetens, Herman Verbist

**BELGIUM**  
Panel of Arbitrators  
Designations effective April 4, 2016:  
Bernard Hanotiau, Didier Matray, Vera Van Houtte  
Panel of Conciliators  
Designations effective April 4, 2016:  
Nicolas Angelet, Freya Baetens, Herman Verbist

**BULGARIA**  
Panels of Arbitrators and of Conciliators  
Designations effective March 17, 2016:  
Angel Kaladjiev, Georgi Spasov, Lazar Tornov, Sylvia Tonova

**CAMEROON**  
Panel of Arbitrators  
Designations effective October 6, 2015:  
Gaston Kenfack Douajni, Moungal Sidi, Isaac Tamba, Georges Gérard Wamba Makollo  
Panel of Conciliators  
Designations effective October 6, 2015:  
Brigitte Ada Nnengue, Fabimatou Hayatou, Colins Leprince Kombou, Aloysus Sama

**ITALY**  
Panel of Arbitrators  
Designations effective March 28, 2016:  
Piero Bernardini, Antonio Crivellaro, Andrea Giardina, Luca G. Radicati di Brozolo  
Panel of Conciliators  
Designations effective March 28, 2016:  
Fabio Bassan, Anna de Luca, Ferdinando Emanuele, Maria Chiara Malaguti

**LITHUANIA**  
Panel of Arbitrators  
Designation effective October 13, 2015:  
Inga Martinkutė  
Panel of Conciliators  
Designations effective October 13, 2015:  
Raimundas Moisejevas, Solveiga Palevičienė, Rimantas Simaitis, Kęstutis Švirinas

**MACEDONIA**  
Panels of Arbitrators and of Conciliators  
Designation effective June 6, 2016:  
Danela Arsovska  
Panel of Arbitrators  
Designation effective June 6, 2016:  
Alexis Mourre  
Panel of Conciliators  
Designation effective June 6, 2016:  
Maja Saveska

**MALI**  
Panels of Arbitrators and of Conciliators  
Designations effective July 13, 2015:  
Samba Amineta Sarr, Boubacar Sidiki Diarrah, Boubacar Sow, Sékou Traore

**MAURITIUS**  
Panels of Arbitrators and of Conciliators  
Designations effective January 14, 2016:  
Désiré Basset, Ravindra Chetty, Raouf Gulbul, Salim Moollan
MOROCCO
Panels of Arbitrators and of Conciliators
Designations effective May 28, 2016:
Idriss Bouziane, El Hassan El Guassim, El Houcine Khalifa, Abdelkader Lahlou

NETHERLANDS
Panels of Arbitrators and of Conciliators
Designations effective July 9, 2015:
Arthur S. Hartkamp, Jacomijn J. Van Haersolte-Van Hof, Melanie Van Leeuwen
Panel of Arbitrators
Designation effective July 9, 2015:
Albert Jan van den Berg
Panel of Conciliators
Designation effective July 9, 2015:
Mauritus Wijffels

NORWAY
Panels of Arbitrators and of Conciliators
Designations effective February 16, 2016:
Rolf Einar Fife, Siri T eigum
Panel of Arbitrators
Designation effective February 16, 2016:
Mads Andenas, Henrik Bull
Panel of Conciliators
Designation effective February 16, 2016:
Ole Kristian Fauchald, Ola Mestad

PANAMA
Panels of Arbitrators and of Conciliators
Designations effective February 10, 2016:
Inocencio Galindo de Obarrio, Carlos Ernesto González Ramírez, Maruquel Pabón de Ramírez, Ana Lucrecia Tovar de Zarak

PHILIPPINES
Panel of Arbitrators
Designations effective June 29, 2015:
Cornelio C. Gison, Maria Gracia M. Pulido Tan
Panel of Arbitrators
Designations effective July 7, 2015:
Jose Manuel I. Diokno, Serafin U. Salvador Jr.
Panel of Conciliators
Designations effective June 29, 2015:
Romeo L. Bernardo, Virginia T. Obcena
Panel of Conciliators
Designations effective July 20, 2015:
Lina D. Isorena, John P. Sevilla

ROMANIA
Panels of Arbitrators and of Conciliators
Designations effective April 27, 2016:
Ion Gâlea, Dragos-Alexandru Sitaru

RWANDA
Panel of Arbitrators
Designations effective October 22, 2015:
Robert Bafakulera, Anita Mugeni, Richard Mugisha, Bernadette Uwicyeza
Panel of Conciliators
Designations effective October 22, 2015:
Clare Akamanzi, Isabelle Kalihangabo, Emmanuel Kamere, Faustin Nteziyayo

SEYCHELLES
Panel of Arbitrators
Designation effective June 20, 2016:
Giorgio Sacerdoti

SLOVENIA
Panels of Arbitrators and of Conciliators
Designation effective September 23, 2015:
Miran Jus
Panel of Conciliators
Designation effective September 23, 2015:
Konrad Plaušťajner

SOMALIA
Panels of Arbitrators and of Conciliators
Designation effective June 20, 2016:
Baiju S. Vasani
Panels of Arbitrators and of Conciliators
Designation effective June 23, 2016:
Maryan Mohamed Salah Hassan

UNITED STATES OF AMERICA
Panel of Arbitrators
Designations effective February 23, 2016:
Paolo Di Rosa, Joan E. Donoghue, David Huebner
Panel of Arbitrators
Designation effective February 28, 2016:
Sharon H. Yuan
Panel of Conciliators
Designations effective February 23, 2016:
Rosemary Barkett, Lucinda A. Low, Pedro J. Martinez-Fraga
Panel of Conciliators
Designation effective February 28, 2016:
Miriam Sapiro
SUMMARY OF ICSID OPERATIONS

ICSID is an intergovernmental organization established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention). The primary purpose of ICSID is to provide facilities and services in support of resolution of international investment disputes. It administers cases under the ICSID Convention, the ICSID Additional Facility, and other rules such as the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL Arbitration Rules), as requested by the parties. ICSID also offers a full range of related services in support of dispute resolution, including acting as appointing authority, naming consolidation tribunals under certain treaties, deciding party challenges of arbitrators or conciliators, administering certain State-State disputes and acting as the Secretariat for dispute settlement under treaties.

ICSID CASES

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

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

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

While the majority of cases before the Centre are arbitrations administered under the ICSID Convention, there has also been an increase in the use of ICSID conciliation services over the past decade.
OTHER CASES

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

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

OVERVIEW OF ICSID ARBITRATION

ICSID Convention arbitration is initiated by the submission of a Request for Arbitration to the Secretary-General, which outlines the basic facts and legal issues to be addressed. The Request must be registered unless the dispute is manifestly outside the jurisdiction of ICSID. In the past fiscal year, Requests for Arbitration continued to be processed within 20 days of being filed at ICSID. This timeframe is less than in prior years and reflects ICSID’s efforts to ensure cases advance expeditiously.

The next procedural step is constitution of the arbitral tribunal. The ICSID Arbitration Rules offer the disputing parties significant flexibility regarding the number of arbitrators and the method of their appointment. In most instances, tribunals consist of three arbitrators: one arbitrator appointed by each party, and the third, presiding, arbitrator appointed by agreement of the parties or of the party-appointed arbitrators. The parties may ask the Centre to assist with the appointment of arbitrators, either in accordance with a previous agreement or pursuant to the default provisions in the ICSID Rules. In FY2016, when ICSID was asked to appoint, the Centre completed consultations with parties and finalized appointments in most cases within six weeks of receiving the request to appoint.

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

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

CONDUCT OF AN ICSID CONVENTION ARBITRATION

Arbitration under the ICSID Additional Facility is similar in process to ICSID Convention arbitration with a few notable differences. In particular, parties must obtain approval of access to the Additional Facility prior to instituting proceedings, and post-award remedies under the Additional Facility Rules are limited to interpretation, correction, and supplementary decision by the original tribunal. Other remedies may also be available under the applicable laws of the place of proceedings.
NEW ICSID CASES REGISTERED
Forty-five new ICSID cases were registered in FY2016. Forty-four of the new cases registered were arbitrations and one was a conciliation case. The vast majority of these new arbitrations was instituted under the ICSID Convention (40 cases), and four arbitrations were instituted under the Additional Facility Rules. The conciliation case was commenced on the basis of the ICSID Convention.

NEW CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2016

The above chart identifies the instruments offering ICSID dispute settlement invoked by the requesting parties for cases registered in FY2016. The majority of these cases (25 cases) asserted ICSID jurisdiction on the basis of a bilateral investment treaty (BIT). Fifteen cases were brought on the basis of the Energy Charter Treaty (ECT). Investors asserted the Centre’s jurisdiction under investment laws in five cases and three cases relied on investment contracts between the investor and the host-State. In one case, the investor sought to establish ICSID jurisdiction on the basis of the North American Free Trade Agreement (NAFTA). Four cases relied, respectively, on two bases for jurisdiction.

ICSID CASES ADMINISTERED BY THE SECRETARIAT (FY2003-FY2016)

The Centre administered a record of 247 ICSID cases over the course of the past fiscal year. In other words, in FY2016 ICSID administered about 43% of its entire caseload, which stands at 570 ICSID cases as of June 30, 2016.

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

BASIS OF CONSENT INVOKED TO ESTABLISH ICSID JURISDICTION IN NEW CASES REGISTERED IN FY2016 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES

The above chart identifies the instruments offering ICSID dispute settlement invoked by the requesting parties for cases registered in FY2016. The majority of these cases (25 cases) asserted ICSID jurisdiction on the basis of a bilateral investment treaty (BIT). Fifteen cases were brought on the basis of the Energy Charter Treaty (ECT). Investors asserted the Centre’s jurisdiction under investment laws in five cases and three cases relied on investment contracts between the investor and the host-State. In one case, the investor sought to establish ICSID jurisdiction on the basis of the North American Free Trade Agreement (NAFTA). Four cases relied, respectively, on two bases for jurisdiction.
STATE PARTIES TO ICSID PROCEEDINGS REGISTERED IN FY2016

State parties involved in ICSID disputes registered in FY2016 remained diverse. They included States from every geographic region of the world. The greatest number of newly registered cases involved State parties in Western Europe (34%). The number of cases brought against States in Eastern Europe and Central Asia decreased from 33% to 22% of all cases. States in the Middle East and North Africa region were named as respondents in 13% of newly registered cases, followed by States in Sub-Saharan Africa and in South America (11% each). Five percent of cases involved State parties from North America. One State in the Central America and Caribbean region was involved in two percent of the newly registered cases, and a further two percent were instituted against a State in the South and East Asia and the Pacific region.

GEOGRAPHIC DISTRIBUTION OF NEW CASES REGISTERED IN FY2016 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY STATE PARTY INVOLVED

Fifteen cases involved State parties from Western Europe, with ten of these being initiated against Spain. Ten different Eastern European and Central Asian States were named as respondent in the ten cases attributable to this region. Six cases were brought against three States in the Middle East and North Africa. States from Sub-Saharan Africa and from South America were each involved in five cases, and two cases were instituted against two States in North America. One case involved a State from the South and East Asia and the Pacific region, and one further case named a State from the Central America and the Caribbean region as respondent.

GEOGRAPHIC DISTRIBUTION OF NEW CASES REGISTERED IN FY2016 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY STATE PARTY INVOLVED — FURTHER DETAILS

ECONOMIC SECTORS INVOLVED IN NEW PROCEEDINGS

The investment disputes commenced in FY2016 involved a variety of economic sectors. The electric power and other energy sector remained dominant, with 35% of the registered cases in FY2016. Twenty percent of all cases involved the oil, gas, and mining sector. Eleven percent of the cases involved a variety of industries, such as food products enterprises or steel industry projects. Nine percent of cases involved the construction sector, while the information and communication, the transportation, and the financial sectors were represented in equal parts (7% each). The remaining cases were represented in equal parts and involved agriculture, fishing and forestry and the tourism sectors (2% each).
In FY2016, the Centre registered 16 applications and requests for post-award remedies under the ICSID Convention and Additional Facility Rules. Among these newly registered proceedings, there were two requests for rectification of an award, one request for a tribunal to supplement its award, and one request for a tribunal to both rectify and supplement an award previously rendered. The number of registered annulment applications increased to 12 applications registered during the year, which largely reflects the increased number of awards rendered in previous years. Eight such applications were brought by the Respondent/State and four annulment proceedings were initiated by the Claimant/investor in the underlying arbitration.

### POST-AWARD REMEDY APPLICATIONS
In FY2016, the Centre registered 16 applications and requests for post-award remedies under the ICSID Convention and Additional Facility Rules. Among these newly registered proceedings, there were two requests for rectification of an award, one request for a tribunal to supplement its award, and one request for a tribunal to both rectify and supplement an award previously rendered. The number of registered annulment applications increased to 12 applications registered during the year, which largely reflects the increased number of awards rendered in previous years. Eight such applications were brought by the Respondent/State and four annulment proceedings were initiated by the Claimant/investor in the underlying arbitration.

### NUMBER OF ANNULMENT APPLICATIONS REGISTERED BY ICSID (FY2008–FY2016)

<table>
<thead>
<tr>
<th>Year</th>
<th>Appointments by ICSID</th>
<th>Appointments by the Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9</td>
<td>4</td>
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<tr>
<td>2009</td>
<td>8</td>
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<td>2010</td>
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<td>2014</td>
<td>10</td>
<td>4</td>
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<tr>
<td>2015</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>2016</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>
### Challenges to Arbitrators and Counsel

During the fiscal year, parties to ICSID proceedings proposed the disqualification of 11 arbitrators. Nine of these proposals were declined, one arbitrator resigned following the filing of the proposal, and a decision on one proposal for disqualification is currently pending. In addition, two proposed disqualifications of arbitrators filed in the previous fiscal year were declined in FY2016. In one further case a tribunal decided a disqualification proposal filed by one party concerning the other party’s counsel.

### Cases Concluded in FY2016

The rate of concluded proceedings in FY2016 remained high: fifty-one proceedings were concluded during the fiscal year, 38 of which were arbitrations, and 13 were post-award proceedings. Ten of the concluded post-award proceedings were annulments, one of which was discontinued and nine were decided by the ad hoc committee. One revision and two rectification proceedings were also concluded with a decision by the tribunal.

In the 38 concluded arbitrations, 25 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 FY2016 — Outcomes

The outcomess of concluded arbitrations under the ICSID Convention and Additional Facility Rules in FY2016 are as follows:

- **Dispute Decided By Tribunal**: 66%
- **Dispute Settled or Proceeding Otherwise Discontinued**: 34%
- **Other Industry**
Of the 25 cases decided by a tribunal, five awards declined jurisdiction, six tribunals rejected all of the investors’ claims, and 14 awards upheld the investors’ claims in part or in full.

**DISPUTES DECIDED BY ARBITRAL TRIBUNALS UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2016 — FINDINGS**

Of the 13 arbitration cases that were discontinued or settled, seven were discontinued following a request by both parties, two were discontinued at the request of one party, and in two further cases the parties’ settlement agreements were embodied in an award. In addition, one case was discontinued for lack of payment of the required advances, and one arbitration was discontinued for failure of the parties to act.

**DISPUTES SETTLED OR PROCEEDINGS OTHERWISE DISCONTINUED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2016 — BASIS**

During the fiscal year, the Centre put particular emphasis on practices that reduce the duration and cost of arbitrations while respecting the due process rights of the parties. These include: (i) requiring tribunals and ad hoc committees to report to the parties on the timing of outstanding decisions or awards; (ii) encouraging tribunal consultations immediately prior to hearings and in-person deliberations immediately after hearings, and (iii) encouraging tribunal members to establish a budget at the outset of a case outlining anticipated arbitrator fees and expenses, and updating parties on costs incurred.

Ten annulment proceedings were also concluded in FY2016, seven of which rejected the application, one was discontinued for lack of payment of the requested advances, and two awards were partially annulled. To put this number in context, in its 50 year history, ICSID has registered 510 Convention arbitration cases and ICSID tribunals have rendered 230 awards. Of these, five awards have been annulled in full and another ten awards have been partially annulled. In other words, only two percent of all ICSID awards have led to full annulment and four percent have led to partial annulment.

**ANNULMENT PROCEEDINGS UNDER THE ICSID CONVENTION**

Generally, the rate of annulment continues to decrease. Since January 2011, 103 Convention awards were rendered, 50 annulment proceedings instituted and three awards were partially annulled.
At the same time, the number of discontinued applications has increased substantially, with 15 discontinuances since 2011. As a result, the rate of annulment for the period since January 2011 is 3%, while the annulment rate for the years 1971–2000 is 13%, and the rate for the decade 2001–2010 is 8%.

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

MATTERS OF PROCEDURE IN ICSID CASES IN FY2016

Of the 247 ICSID cases administered in FY2016, 132 were conducted in English (53%), 13 in French (5%) and 16 in Spanish (6%), which are the three official languages of the Centre. Eighty-five proceedings were conducted simultaneously in two languages (35%), with the English-Spanish combination continuing to be the most frequent. One further case was administered in all three official languages (1%).

CASES ADMINISTERED IN FY2016 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY PROCEDURAL LANGUAGE(S)

In the course of the year, 147 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, reflecting the Centre’s continuing efforts to reduce the cost and increase the efficiency of proceedings. The number of proceedings conducted by telephone and video conference remained steady; nearly half (49%) of all sessions and hearings in FY2016 were held in this manner.

HEARING VENUES AGREED BY THE PARTIES OR DETERMINED BY TRIBUNALS, CONCILIATION COMMISSIONS AND AD HOC COMMITTEES IN ICSID PROCEEDINGS

During the fiscal year, 27 awards and 377 decisions and procedural orders were issued by arbitral tribunals and ad hoc committees. This is another noteworthy increase in jurisprudence developed under the ICSID Rules. The Centre publishes these rulings on its website, with the parties’ permission. Where a party withheld permission to publish awards, the Centre published excerpts of the legal reasoning of the tribunal or ad hoc committee, as required by the Rules.

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.
INSTITUTIONAL DEVELOPMENTS

ICSID undertook numerous projects in FY2016 to complement its primary mandate of case administration. These included providing support to the ICSID Administrative Council, offering technical assistance to ICSID Member States, expanding the Centre’s network of institutional cooperation agreements and collaborating with World Bank Group institutions and other international and non-governmental organizations on matters related to investment law and dispute resolution. ICSID also continued to enhance its information technology and working practices to ensure that facility users are offered the most efficient and cost-effective services.

ICSID 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 of the Convention). The President of the World Bank Group is ex officio Chairman of the Administrative Council.

At the end of FY2016, 153 Contracting States were represented on the ICSID Administrative Council. The Republic of Iraq and the Republic of Nauru are the most recent States to ratify the ICSID Convention and sit on the Administrative Council.

The Administrative Council must meet at least once a year. On October 9, 2015, the Chairman of the Administrative Council, Dr. Jim Yong Kim, presided over the 49th Annual Meeting of the Council, which was held in Lima, Peru. The Resolutions adopted by the Administrative Council at its 49th Annual Meeting are reproduced in Chapter 5.

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 a Secretary-General. The Secretary-General is assisted by two Chief Counsel and Team Leaders, who oversee the case management, institutional matters, and general administration and financial management teams.

As at June 30, 2016, the Secretariat consisted of nearly 70 staff members from 35 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 more than 20 other languages, including Akan, Amharic, Arabic, Bulgarian, Cantonese, Czech, Finnish, German, Kirundi, Kinyarwanda, Malay, Mandarin, Polish, Russian, Swahili, Swedish, Tagalog, Wolof and Yoruba. During FY2016, ICSID welcomed four externs from China, France, Greece and Pakistan to assist on a number of dispute settlement cases and institutional projects.
ICSID PANELS
The ICSID Secretariat continues its efforts to ensure that the arbitration and conciliation Panels are updated. In the course of FY2016, the Secretary-General held numerous meetings with government officials to encourage Contracting States to make Panel designations. By the end of FY2016, over 20 Contracting States responded with updated designations to the ICSID Panels, and others are in the process of selecting nominees.

A list of persons nominated to the ICSID Panels of Arbitrators and of Conciliators in FY2016 and the nominating State is found in Chapter 2. A complete list of ICSID Panel nominees is available in an official ICSID document known as ICSID/10, available on the ICSID website.

MEMBERSHIP ENGAGEMENT

Measures taken by Member States
The Centre maintains and publishes a list of Members States, indicating for each State certain actions taken in accordance with the ICSID Convention. This list is an official ICSID document known as ICSID/8 which is revised and updated periodically.

In FY2016, the Secretary-General invited Contracting States to update their designations of a competent court or other authority for the recognition and enforcement of ICSID Convention arbitral awards pursuant to Article 54(2) of the ICSID Convention. By the end of FY2016, 13 Contracting States had responded and 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.

Meetings with Member States
ICSID has increased its capacity building initiatives with Contracting States. In the course of FY2016, the ICSID Secretary-General met with government officials from different States at ICSID’s headquarters in Washington, D.C. and abroad. The Secretary-General held a series of informational meetings with representatives of more than 15 ICSID Contracting States appointed to the World Bank Executive Directors offices, briefed the World Bank Board of Executive Directors in February 2016, and briefed the WBG Country Directors in June 2016 on the ICSID arbitration process. The Secretariat also collaborated with the other institutions that comprise the World Bank Group, including the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC), as well as the International Monetary Fund (IMF) on joint seminars and training sessions.

On September 24, 2015, the ICSID Secretary-General launched an annual briefing for members of the diplomatic corps in Washington, D.C. The first briefing session was held at the World Bank headquarters and was attended by Ambassadors, Ministers, Counsellors, First Secretaries, and Advisors from legal and economic departments of diplomatic missions in Washington, D.C. This briefing touched on recent developments in international investment arbitration, trends in the ICSID caseload, and ICSID’s activities and achievements during its 2015 fiscal year.
As part of its technical assistance initiative, the Secretariat organized training sessions on ICSID practice and procedure for States in several regions of the world. In Fall 2015, the Secretary-General, accompanied by ICSID Legal Counsel, visited numerous countries in Asia, met with government officials, private sector representatives, and academics, and provided training on the ICSID process.

In late March 2016, ICSID co-organized a two-day conference with the Ministry of Financial Services and Investments of the Commonwealth of the Bahamas. The conference celebrated ICSID’s 50th anniversary and was held in Nassau. It brought together government officials from the Caribbean region, including from Antigua and Barbuda, The Bahamas, Barbados, Dominican Republic, Haiti, Jamaica, St. Lucia, and St. Kitts and Nevis, and representatives from the CARICOM Office of Trade Negotiations. Approximately 150 participants from the public and private sectors, including counsel, arbitrators, and academics, attended the conference, which provided an overview of the fundamentals of the dispute resolution process at ICSID, from pre-arbitration considerations to annulment, as well as a discussion on recent developments in international investment arbitration, current trends in the ICSID caseload, dispute prevention and other practical considerations.

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Institutional Arrangement Agreements

ICSID offers disputing parties the option of holding hearings in any mutually agreed upon location, and has developed partnerships with other arbitration institutions to complement its ability to offer hearings in World Bank facilities around the world. In FY2016, ICSID entered into two new cooperation agreements with the Seoul International Dispute Resolution Center and the International Chamber of Commerce in Paris.

ICSID now has 15 such agreements in place:

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

ICSID continued to collaborate with other multilateral institutions on investment law and dispute settlement issues during FY2016. For instance, on September 17, 2015, ICSID Legal Counsel participated in the work of 62nd Session of the UNCITRAL Working Group II on Arbitration and Conciliation in Vienna, Austria. During the week of the session, ICSID Legal Counsel also sat on a panel that discussed the future of international investment arbitration.

In early May 2016, ICSID participated in the work of the Sub-Committee on Investment Arbitration of the ICCA-Queen Mary Task Force on Third-Party Funding in International Arbitration and UNCTAD’s Expert Meeting on the transformation of the international investment agreement regime.

In late May 2016, the Secretary-General participated in the third meeting of the E15 Task Force on Investment Policy in Geneva, Switzerland, which was launched by the International Centre for Trade and Sustainable Development (ICTSD) and the World Economic Forum (WEF). This year’s meeting was hosted by the WEF and the World Trade Institute (WTI) at the University of Bern and focused on analyzing the EU’s proposal for an international investment court system and appeals procedure.

In the course of FY2016, ICSID took part in the deliberations of several professional organizations dedicated to enhancing expertise and knowledge in the practice and administration of arbitration. The Secretary-General continued her work as a member of advisory bodies or specialized taskforces of the American Society of International Law (ASIL), the Centre for International Governance Innovation (CIGI), the International Council for Commercial Arbitration (ICCA), and the International Federation of Commercial Arbitration Institutions (IFCAI).

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

BEST PRACTICES

During FY2016, ICSID continued to develop and implement its best practices in investment arbitration. As part of this project, the ICSID Secretariat has continued creating and updating templates related to various aspects of the administration of proceedings. The best practices tools and templates have also been incorporated in the ICSID case management system and have significantly reduced ICSID staff time for completing various tasks in the administration of a case. The Centre has also continued to expand its internal knowledge management initiative to compile relevant case-related information (e.g., awards, decisions, and procedural orders) as well as internal research, presentations, memoranda and other data. This project has facilitated and reduced research time for ICSID staff while preserving institutional knowledge.
The ICSID Secretariat continued to expedite its target timelines for the conclusion of internal steps and procedures in the administration of cases. It also adopted practices to provide parties with enhanced, real-time information about the status of a case, including case budget and the progress of a tribunal in drafting decisions and awards. Similar practices have been adopted for annulment and conciliation proceedings.

In FY2016, ICSID published a Guide to Membership in the ICSID Convention. The Guide addresses eligibility requirements, the process of signature and ratification, and entry into force of the Convention. In addition, the Guide outlines the benefits of joining the ICSID Convention and answers frequently asked questions concerning membership.

In December 2015, ICSID published Practice Notes for Respondents in ICSID Arbitration, in English, French and Spanish. These address the practical aspects of responding to an investment claim brought under the ICSID Convention or the ICSID Additional Facility Rules. The Practice Notes provide suggestions on dispute prevention and pre-arbitration planning and contain a comprehensive step-by-step overview of the different phases of a typical ICSID arbitration case.

In May 2016, ICSID published the Background Paper on Annulment which provides updated data, charts, and tables concerning annulment through April 15, 2016. It considers 37 new annulment proceedings, 22 new annulment decisions and 19 new decisions on the stay of enforcement of an award issued since the original Background Paper was published in 2012. The paper is the most up to date and comprehensive source on ICSID annulment.

TECHNOLOGY
ICSID continued to leverage the use of information technology to further enhance its delivery of cost-effective, high-quality services. A number of innovative financial systems were introduced within the Secretariat in FY2016, including a system to expedite refunds to parties in concluded cases. The Centre also worked on further enhancing its external website. This work, which will be finalized in early FY2017, includes migrating the site to a new platform which will make it mobile responsive and will allow users to navigate through content more quickly. Content will also be available in French and Spanish, making the website almost entirely trilingual.

The Centre maintained real-time updates on cases and posted over 2,000 entries throughout the year. ICSID also persisted in its effort to support transparency of the arbitration process by encouraging the publication of awards, decisions, and procedural orders, as well as information about the status of each case. During FY2016, the Centre continued to update its online databases of bilateral investment treaties, a bibliography on investment law and procedure, the panels of arbitrators and of conciliators, and the online repository of arbitrators, conciliators and committee members’ curricula vitae. More information on ICSID’s online resources and publications can be found in Chapter 4 of this report.
SECRETARIAT OF THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

JUNE 30, 2016

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ICSID undertakes various activities each year to contribute to better understanding of the ICSID process and to advance knowledge of, and discussion about, current developments in international investment law and arbitration. This includes making presentations in locations around the world and publishing general and specialized materials on international law and dispute settlement.

This past year, the Secretariat organized and participated in numerous events worldwide to commemorate ICSID’s 50th anniversary and to reflect on the Centre’s contributions to investor-State dispute settlement and the evolution of international investment law.

**PUBLICATIONS**

**ANNIVERSARY BOOK**

To commemorate ICSID’s 50th anniversary, ICSID published a text written by leading arbitrators, practitioners and academics discussing every aspect of investment disputes—from jurisdictional thresholds to substantive obligations, questions of general international law and novel procedural issues—all through the lens of one or more leading cases decided under ICSID’s auspices. This book was released by Kluwer Law International in December 2015. A panel comprised of contributing authors will present the book on October 14, 2016, following the Annual Meetings at the World Bank Group. More information about this event will be included in next year’s Annual Report.
ICSID REVIEW—FOREIGN INVESTMENT LAW JOURNAL

Since 1986, ICSID has published the world’s leading independent journal on international investment law and arbitration. During FY2016, the Review published its Fall 2015, Winter 2016 and Spring 2016 issues. Generally, every issue contains case comments, articles and notes analyzing significant decisions under the ICSID Convention, Additional Facility, or other rules and diverse topics related to investment law and arbitration. In addition, important primary sources of international investment law are included in the ICSID Review. As the journal has recently grown to three issues annually, it continues to attract a variety of content which reinforces its position as the leading reference on investment law and arbitration.

The Fall 2015 issue followed the usual format and addressed a variety of topics, including lawyer-client privilege, provisional measures, third-party funding, adverse inferences in ICSID practice, non-pecuniary remedies, expropriation, the evolution of the minimum standard of treatment, and disputes involving sovereign bonds.

As part of its ongoing efforts to promote and develop international law, in the fall of 2015 ICSID arranged for Oxford University Press (OUP) to offer all ICSID Member States a free trial access period to issues of the ICSID Review and other OUP journals. A number of States participated in this trial period. Subscriptions to the ICSID Review are offered at a discounted rate to States with developing economies.

COLLECTIONS

In FY2016, 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 the following countries: Colombia, Cuba, the Dominican Republic and San Marino (Release 2016–1). Three updated supplements to the Investment Treaties collection were published containing the texts of 63 bilateral investment agreements and protocols, concluded by 50 countries from all regions of the world between 1991 and 2014 (Releases 2015–2, 2015–3 and 2016–1).

THE ICSID CASELOAD—STATISTICS

In FY2016, the Centre published Issues 2015–2 and 2016–1 of the ICSID Caseload—Statistics online in English, French and Spanish. The Centre continued its practice of profiling the ICSID caseload by reporting empirical data on the cases registered and administered by the ICSID Secretariat. Issue 2016-2, updating the information to June 30, 2016, was published in July 2016.
During fall 2015, ICSID generated the second issue of its statistics specific to the South and East Asia and the Pacific Region, published in English. In early summer 2016, ICSID released two new special issues of its caseload statistics. The first issue updated previously released statistics specific to the European Union (EU). The second issue focused on statistics specific to Africa. Both issues are available online in the three languages along with the comprehensive statistics.

EVENTS AND PRESENTATIONS

In FY2016, ICSID participated in over 90 presentations in more than 28 countries in different regions of the world, including Austria, the Bahamas, Cameroon, Canada, China, the Czech Republic, Denmark, El Salvador, France, Hungary, Italy, Japan, Kazakhstan, the Republic of Korea, Malaysia, Mauritius, Morocco, Peru, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and throughout the United States of America. Many of the presentations looked back on ICSID’s 50 year history and envisaged how ICSID and investment dispute settlement will evolve to meet the needs of investors and States in the next half century.

INTERNATIONAL & REGIONAL CONFERENCES

ICSID staff served as panelists and speakers at international investment arbitration conferences organized by the African Institute of International Law, the American Arbitration Association (AAA), the American Bar Association, the American Law Institute (ALI), the American Society of International Law (ASIL), the summer Arbitration Academy in Paris, the British Institute of International and Comparative Law (BIICL), the Canadian Bar Association, the Canadian Council on International Law (CCIL), the Casablanca Bar Association, the Center for Arbitration of the Lima Chamber of Commerce, the Center for Mediation and Arbitration of El Salvador, the China International Economic and Trade Arbitration Commission (CIETAC), the Energy Charter Treaty (ECT) Secretariat, the Hungarian Chamber of Commerce, the Institute for Transnational Arbitration (ITA), the International Association of Young Lawyers in Prague (AIJA), the International Bar Association (IBA), the International Chamber of Commerce (ICC), the International Council for Commercial Arbitration (ICCA), the Italian Association for Arbitration, the KazEnergy Eurasian Forum, the Kuala Lumpur Regional Centre for Arbitration (KLRCA), the Latin American Association for Arbitration, the Mauritius International Arbitration Conference (MARC), the Permanent Court of Arbitration (PCA), the Seoul International Arbitration Centre (SIAC), the Stockholm Chamber of Commerce (SCC), the Vienna International Arbitration Centre (VIAC), and the World Trade Organization (WTO). In several instances, ICSID served as the organizer or co-organizer of the conference.

As part of ICSID’s global outreach initiatives to increase awareness of international dispute resolution, the Secretary-General and ICSID Legal Counsel also addressed numerous groups of government officials, judges, lawyers and other interested persons at meetings held at ICSID’s offices in Washington, D.C. and in locations abroad. In particular, the Secretary-General and ICSID Legal Counsel contributed presentations on the ICSID process in person and through video conference in the Bahamas, Camereroon, China, France, Hungary, Japan, Kazakhstan, the Republic of Korea, Morocco, Peru, Singapore, Spain, Sweden, and throughout the United States of America, including in Dallas, Miami, New York, and Philadelphia. A number of these international and regional conferences are highlighted below.

At the start of the fiscal year, on July 15 and 16, 2015, ICSID Legal Counsel gave lectures on ICSID arbitration practice at the International Academy for Arbitration Law in Paris, France. This year’s presentations focused on the notions of ‘investment’ in ICSID arbitration and ‘consent’ to ICSID jurisdiction.

In early October 2015, the ICSID Secretary-General attended the 2015 Annual Meetings of the World Bank Group in Lima, Peru. While there, the Secretary-General gave welcome remarks at a conference celebrating 50 years of ICSID, participated in a roundtable on transparency in international investment arbitration, and attended the International Symposium on Arbitration at the Center for Arbitration of the Lima Chamber of Commerce.

On October 15, 2015, ICSID Legal Counsel participated in a conference on ‘The African State in International Arbitration’, held in Douala, Cameroon, and delivered a presentation on the States’ participation in ICSID proceedings.

On October 23, 2015, the ICSID Secretary-General and ICSID Legal Counsel organized a practical workshop to share experience and best practice in bilateral investment treaty negotiations and investment treaty arbitrations at the 5th Investment Treaty Arbitration (ITA) Conference organized by the Ministry of Finance of the Czech Republic in Prague.
On November 18, 2015, ICSID sponsored a session on *The Development and Impact of International Trade & Investment Agreements in the Middle East and North Africa (MENA)* during the regional focus day of the Law, Justice and Development (LJD) Week at the World Bank. LJD Week is an annual knowledge-sharing event co-organized by the World Bank’s Legal Vice-Presidency, ICSID, and the Legal Departments of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). During ICSID’s session, the panel assessed the economic and political context of the region, considering terms, trends and perceptions of international trade and investment agreements and their relationship with foreign direct investment inflows and outflows within and beyond the MENA region. The panelists also reflected on the impact of the Arab spring on the investment climate, development prospects, and the settlement of investment-related disputes. The speakers concluded by sharing their thoughts on future challenges that States and investors are encountering in the region, and considered opportunities for enhancing awareness of potential avenues for dispute resolution and encouraging international investment in the Middle East and North Africa.

From mid-November to early December 2015, the ICSID Secretary-General and ICSID Legal Counsel traveled to China, the Republic of Korea and Singapore to participate in conferences and provide training on the ICSID process. During this tour, they gave a full introductory training course on the conduct of arbitration proceedings under the ICSID Convention. These courses took place at the Xi’an Jiaotong University, the Tsinghua University School of Law, the Shanghai International Economy and Trade Arbitration Commission (SHIAC), and the Fudan Shanghai Advanced Institute of Lawyers (SAIL) / Fudan University Law School in China, at the Seoul National University in the Republic of Korea, and at the National University of Singapore (NUS). On November 26, 2015, a conference commemorating ICSID’s 50th anniversary and exploring the evolution of international investment treaties and dispute resolution was also held at the Xi’an Jiaotong University in China.
On December 11, 2015, ICSID partnered with the American Arbitration Association/International Centre for Dispute Resolution (AAA/ICDR) and the International Chamber of Commerce for the 32nd Joint Colloquium on International Arbitration. This annual event was hosted by ICSID in Washington, D.C. The Colloquium provided a forum for discussion on the theme “Modernization of Arbitration – New Approaches to Continuing Challenges”. The event covered a wide range of topics, including conflicts of interest and codes of conduct; preparation, direct examination and cross-examination of fact witnesses; arbitrator appointment practices; effective deliberation for arbitrators; the role of counsel and institutional secretaries; and appellate and review mechanisms. The keynote address was delivered by Judge Christopher J. Greenwood of the International Court of Justice (ICJ) on current challenges in investor-State arbitration. Video recordings of all sessions are publicly available on ICSID’s livestream site.

On February 8, 2016, ICSID Legal Counsel delivered opening remarks on behalf of ICSID and spoke about ICSID’s caseload involving disputes in the energy sector at the Stockholm Energy Charter Treaty Forum co-organized by the Stockholm Chamber of Commerce, the Energy Charter Secretariat, ICSID and the Permanent Court of Arbitration. The Forum was devoted to the future of the energy sector and engaged diverse groups of speakers and participants from international organizations, leading energy companies and associations from all over the world in discussions on renewable energy, green technology and the promotion and protection of investments in the sector.

On March 14, 2016, ICSID Legal Counsel participated on a panel discussing the quest for balance in investment treaties and improvements to investor-State dispute settlement during the Conference on Investment Treaties hosted by the OECD’s Freedom of Investment Roundtable in Paris, France.

On April 29, 2016, ICSID Legal Counsel participated in an interactive panel on issues and challenges in third-party funding in international arbitration and the ICSID Secretary-General spoke on a panel about 50 years of the ICSID Convention during the Spring Meeting of the American Bar Association’s Section of International Law, held in Washington, D.C.
On May 8-11, 2016, the ICSID Secretary-General participated in the 23rd Congress of the International Council for Commercial Arbitration (ICCA) both as a moderator and as a Vice-President of the ICCA Governing Body. The theme of this year’s conference, held in Mauritius, was “International Arbitration and the Rule of Law: Contribution and Conformity.” Participants discussed topics as varied as the treatment of corruption in international arbitration, practical strategies for arbitrators, and a survey of practice in various African jurisdictions. During one session, the Secretary-General moderated a multi-disciplinary panel of experts from the United States, Bahrain and China discussing the extent to which international arbitration fosters economic development.

LECTURES AND ACADEMIC EVENTS

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

ICSID Legal Counsel gave lectures to a variety of student groups at the Aix-Marseille University (France), American University Washington College of Law (USA), Athabasca University (Canada), Bocconi University (Italy), the Central European University (Hungary), Columbia University Law School (USA), Georgetown University Law Center (USA), Fordham University School of Law (USA), Fudan University Law School (China), the Geneva Masters in Dispute Settlement (MIDS) (Switzerland), the George Washington University Law School (USA), Instituto Universitario de Estudios Europeos (Spain), Nagoya University (Japan), the National University of Singapore, University of Melbourne (Australia), Universidad Nacional de Colombia, University of Ottawa (Canada), the University of Pennsylvania Law School (USA), University of Rome Tre Law School (Italy), Seoul National University (Republic of Korea), Singapore Management University, Tsinghua University School of Law (China), Uppsala University (Sweden), and Xi’an Jiaotong University (China).

On June 24, 2016, the ICSID Secretariat held a symposium in its Paris offices to celebrate the 50th anniversary of the ICSID Convention. The event drew an audience of nearly 130 participants from over a dozen countries and over three dozen law firms, companies and universities. The day commenced with an introduction to ICSID process from the initiation of a claim to post-award remedies, and concluded with the Secretary-General moderating an expert panel on the characteristics of current generation investment treaties and prospective changes in the investor-State dispute settlement landscape.
YOUNG ICSID

Young ICSID continues to encourage professional development among international investment dispute resolution practitioners under the age of 45. As of June 30, 2016, Young ICSID has received over 500 enrollment applications from all regions of the world.

During FY2016, Young ICSID co-hosted and organized a number of events, including:

- A workshop held on October 30, 2015 during the 5th Investment Treaty Arbitration Conference in Prague, which debated the role of the State as a client and opponent in investment arbitration;
- A program on December 10, 2015, the eve of the AAA/ICC/ICSID Colloquium, co-organized with ICC YAF and ICDR Y&I, featuring a panel of experts discussing issues of arbitrability in commercial and investment arbitration, administrative rescission, rule of law and BIT protection, and “clashes” of contract vs. treaty and international law vs. national law.

The first ICSID training session for law students was held on April 1, 2016, in conjunction with the Philip C. Jessup International Law Moot Court Competition. It gathered over 200 attendees from 51 universities in 28 countries.

TECHNOLOGY AND ONLINE RESOURCES

TRANSPARENCY INITIATIVE

The Centre continued to publish procedural details, awards, decisions and orders in ICSID cases on the ICSID website. The Centre also publishes excerpts of the legal reasoning in an award where a party does not consent to publishing the full award. During FY2016, ICSID published over 156 awards, decisions, and orders in cases concluded in 2015 and early 2016. This ongoing initiative enhances public understanding of ICSID proceedings and investment law, and offers free access to ICSID case law.
DATABASE OF ARBITRATORS, CONCILIATORS AND AD HOC COMMITTEE MEMBERS

The ICSID website now provides a standardized web-based curriculum vitae form developed by the Centre, with biographical information on arbitrators and conciliators on the ICSID Panels of Arbitrators and of Conciliators, as well as all arbitrators, conciliators and annulment committee members who have served in ICSID cases. The information can be filtered to help users identify arbitrators with particular language skills or nationalities, and identify all cases in which an arbitrator has participated, among other things. In the course of FY2016, the profiles of more than 347 arbitrators have been added to this database and additional members continue to be added on a rolling basis.

DATABASE OF BILATERAL INVESTMENT TREATIES

In FY2016, ICSID updated and enhanced its database of Bilateral Investment Treaties. This database is searchable by Signatory States, by particular treaty and by year of signature. It also indicates the date of entry into force of the treaty and whether it contains a reference to the ICSID Convention, or Additional Facility arbitration and conciliation rules. The database provides such information on over 3,000 treaties. Additionally, ICSID has compiled a list of more than 70 other investment treaties. This list includes other treaties relevant to investment, including multilateral and bilateral free trade agreements with investment provisions.

BIBLIOGRAPHY

As part of ICSID’s new website, the Centre has updated and enhanced its bibliographical content and search capacity. This extensive bibliography lists known articles, books, research and working papers on ICSID, investment law and treaties and international investment dispute resolution. At the end of FY2016, the bibliography contained more than 4,250 entries.

PUBLIC HEARING BROADCASTS

The Centre continued to offer parties the option to webcast proceedings in cases administered by ICSID. In FY2016, ICSID broadcast hearings in The Renco Group, Inc. v. Republic of Peru (ICSID Case No. UNCT/13/1), held on September 2, 2015; TECO Guatemala Holdings, LLC v. Republic of Guatemala (ICSID Case No. ARB/10/23) Annulment Proceedings, held on October 13-15, 2015; Corona Materials, LLC v. Dominican Republic (ICSID Case No. ARB(AF)/14/3), held on April 11, 2016; and Eli Lilly and Company v. Government of Canada (ICSID Case No. UNCT/14/2), held on May 30–June 9, 2016.

WEB UPDATES

With the launch of ICSID’s new website in FY2015, ICSID continued to utilize this resource as a primary means of communicating information in English, French, and Spanish in regards to ICSID cases and practices, as well as significant events and institutional developments. Its new features provide daily real-time updates on cases and allow users to receive emails with these updates as well as notices about other news and events.

In FY2016, ICSID launched a project to translate the full website from English into its other two official languages, French and Spanish, in order to better serve its Member States and other users of ICSID’s international dispute settlement services and knowledge products. The translation will be completed by the end of 2016.

ICSID OFFICIAL DOCUMENTS

Available from the Centre free of charge unless otherwise indicated

- List of Contracting States and Other Signatories of the Convention, Doc. ICSID/3 (periodic updates) (English, French and Spanish)
- Contracting States and Measures Taken by Them for the Purpose of the Convention, Doc. ICSID/8 (periodic updates) (English)
- Members of the Panels of Arbitrators and of Conciliators, Doc. ICSID/10 (periodic updates) (English)
OTHER ICSID PUBLICATIONS

ICSID Review—Foreign Investment Law Journal (three issues per year) (available from Oxford University Press, Journals Customer Service Department, 2001 Evans Road, Cary, N.C. 27513, U.S.A.; Tel.: 800–852–7323; Fax: 919–677–1714; URL: http://icsidreview.oxfordjournals.org; Email: jnls.cust.serv@oup.com at US$88 for individuals (print and online combined) and US$223, US$257, or US$279 for institutions for online, print, or print and online combined subscriptions)

Documents Concerning the Origin and Formulation of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (1967; 2001; 2006) (English, French and Spanish) (available from the Centre at US$250)

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


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

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

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

ICSID STAFF PUBLICATIONS

Meg Kinnear, Geraldine Fischer, Jara Minguez Almeida, Luisa Fernanda Torres, and Mairée Uran Bidegain (eds.), Building International Investment Law—The First 50 Years of ICSID (Kluwer Law International, December 2015)

Otylia Babiak and Benjamin Garel, Introductory Note to Achmea B.V. v. Slovak Republic (PCA), 54 International Legal Materials 410 (July 2015)

Meg Kinnear and Frauke Nitschke, Disqualification of Arbitrators under the ICSID Convention and Rules, in Challenges and Recusal of Judges in International Courts and Tribunals (Chiara Giorgetti ed., Brill Nijhoff Publishers, August 2015)


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 representative on the Council. Each member has one vote on the Administrative Council.

The 49th Annual Meeting of the Administrative Council took place on October 9, 2015, in Lima, Peru, on the occasion of the Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund.

At its 49th Annual Meeting, the Administrative Council approved the Centre’s 2015 Annual Report and its administrative budget for FY2016.

The Resolutions adopted at the Meeting are reproduced below.

**AC(49)/RES/128—Approval of the Annual Report**

The Administrative Council

RESOLVES

To approve the 2015 Annual Report on the operation of the Centre.

**AC(49)/RES/129—Adoption of Budget for Fiscal Year 2016**

The Administrative Council

RESOLVES

To adopt, for the period July 1, 2015 to June 30, 2016, the budget set forth in paragraph 2 of the Report and Proposal of the Secretary-General on the Budget for Fiscal Year 2016, dated June 29, 2015.
ICSID’s administrative expenditures in FY2016 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 FY2016 are set forth in the following pages.
### STATEMENT OF FINANCIAL POSITION
**JUNE 30, 2016 AND JUNE 30, 2015**

<table>
<thead>
<tr>
<th>Assets:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (Note 2)</td>
<td>$ 4,551,807</td>
<td>$ 9,146,634</td>
</tr>
<tr>
<td>Share of cash and investments in the Pool (Notes 2 and 3)</td>
<td>46,961,645</td>
<td>34,811,393</td>
</tr>
<tr>
<td>Due from parties to arbitration/conciliation proceedings (Note 2)</td>
<td>619,937</td>
<td>511,594</td>
</tr>
<tr>
<td>Other receivables</td>
<td>8,119</td>
<td>69,654</td>
</tr>
<tr>
<td>Other assets, net (Notes 2 and 4)</td>
<td>267,861</td>
<td>373,938</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 52,409,369</strong></td>
<td><strong>$ 44,913,213</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and net assets:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to International Bank for Reconstruction and Development (Note 2)</td>
<td>$ 1,966,862</td>
<td>$ 1,674,580</td>
</tr>
<tr>
<td>Advance received for miscellaneous services</td>
<td>50,750</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue (Note 2)</td>
<td>2,357,333</td>
<td>2,192,000</td>
</tr>
<tr>
<td>Accrued expenses related to arbitration/conciliation proceedings (Note 2)</td>
<td>7,373,084</td>
<td>6,628,660</td>
</tr>
<tr>
<td>Advances from parties to arbitration/conciliation proceedings (Note 2)</td>
<td>34,012,519</td>
<td>28,694,327</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>45,760,548</strong></td>
<td><strong>39,189,567</strong></td>
</tr>
<tr>
<td>Net assets, unrestricted (Note 5)</td>
<td><strong>6,648,821</strong></td>
<td><strong>5,723,646</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$ 52,409,369</strong></td>
<td><strong>$ 44,913,213</strong></td>
</tr>
</tbody>
</table>

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

### STATEMENT OF ACTIVITIES
**FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015**

<table>
<thead>
<tr>
<th>Support and revenues:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues/fees from arbitration/conciliation proceedings (Notes 2 and 7)</td>
<td>$ 39,846,784</td>
<td>$ 37,686,122</td>
</tr>
<tr>
<td>In-kind contributions (Notes 2 and 9)</td>
<td>2,934,801</td>
<td>2,932,799</td>
</tr>
<tr>
<td>Net investment income (Note 2)</td>
<td>145,705</td>
<td>66,570</td>
</tr>
<tr>
<td>Sales of publications</td>
<td>48,092</td>
<td>62,713</td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td><strong>$ 42,975,382</strong></td>
<td><strong>$ 40,748,204</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses related to arbitration/conciliation proceedings (Notes 2 and 8)</td>
<td>$ 32,125,329</td>
<td>$ 30,192,508</td>
</tr>
<tr>
<td>Administrative expenses (Note 9)</td>
<td>9,673,096</td>
<td>8,405,355</td>
</tr>
<tr>
<td>Amortization expenses (Notes 2 and 4)</td>
<td>106,077</td>
<td>106,076</td>
</tr>
<tr>
<td>Net investment income applied to arbitration/conciliation proceedings (Note 2)</td>
<td>145,705</td>
<td>66,570</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>42,050,207</strong></td>
<td><strong>38,770,509</strong></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>925,175</td>
<td>1,977,695</td>
</tr>
<tr>
<td>Net assets, beginning of the year</td>
<td>5,723,646</td>
<td>3,745,951</td>
</tr>
<tr>
<td>Net assets, end of the year</td>
<td><strong>$ 6,648,821</strong></td>
<td><strong>$ 5,723,646</strong></td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of these statements.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 925,175</td>
<td>$ 1,977,695</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>106,077</td>
<td>106,076</td>
</tr>
<tr>
<td>(Increase)/Decrease in due from parties to arbitration/conciliation proceedings</td>
<td>(108,343)</td>
<td>313,445</td>
</tr>
<tr>
<td>Decrease/(Increase) in other receivables</td>
<td>61,535</td>
<td>(5,606)</td>
</tr>
<tr>
<td>Increase in payable to International Bank for Reconstruction and Development</td>
<td>292,282</td>
<td>67,242</td>
</tr>
<tr>
<td>Increase/(Decrease) in advance received for miscellaneous services</td>
<td>50,750</td>
<td>(13,000)</td>
</tr>
<tr>
<td>Increase/(Decrease) in deferred revenue</td>
<td>165,333</td>
<td>(25,167)</td>
</tr>
<tr>
<td>Increase/(Decrease) in accrued expenses related to arbitration/conciliation proceedings</td>
<td>744,424</td>
<td>(176,999)</td>
</tr>
<tr>
<td>Increase in advances from parties to arbitration/conciliation proceedings</td>
<td>5,318,192</td>
<td>3,151,785</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>7,555,425</strong></td>
<td><strong>5,395,471</strong></td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in share in pooled investments</td>
<td>(12,150,252)</td>
<td>(3,288,231)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(12,150,252)</strong></td>
<td><strong>(3,288,231)</strong></td>
</tr>
<tr>
<td>Cash flows from financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of advance from International Bank for Reconstruction and Development</td>
<td>—</td>
<td>(189,719)</td>
</tr>
<tr>
<td><strong>Cash provided by financing activities</strong></td>
<td><strong>—</strong></td>
<td><strong>(189,719)</strong></td>
</tr>
<tr>
<td>Net (decrease)/increase in cash</td>
<td>(4,594,827)</td>
<td>1,917,521</td>
</tr>
<tr>
<td>Cash at beginning of the year</td>
<td>9,146,634</td>
<td>7,229,113</td>
</tr>
<tr>
<td>Cash at end of the year</td>
<td>$ 4,551,807</td>
<td>$ 9,146,634</td>
</tr>
</tbody>
</table>

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND JUNE 30, 2015

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, and the fair value of the share of cash and investments in the pool.

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

Sharing of the cash and investments in the Pool: Investments in the Pool are held for trading and are reported at fair value. Resulting gains or losses are reported as an increase or a reduction in Net investment income in the Statement 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 unbillable 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 unbillable 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 unbillable during the year may differ materially from management’s estimates.

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

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

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

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

Administration fees: The Centre charges $32,000 following the constitution of the Tribunal, Commission or Committee concerned, and the same amount on an annual basis 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 Statement 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 Statement of Activities, and applied to advances from parties to arbitrationconciliation proceedings, which can be used for expenses related to the parties respective arbitrationconciliation 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. 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 Statement of Activities.

Relevant accounting and reporting developments:

Financial Accounting Standards Board (FASB):
In May 2014, the FASB issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606), which supersedes most of the existing revenue recognition guidance in U.S. GAAP. The core principle of the guidance is that an entity recognizes revenue when it transfers control of promised goods and services to customers in an amount that reflects consideration to which the entity expects to be entitled. The standards also require additional quantitative and qualitative disclosures to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The ASU will be effective for nonpublic entities for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. ICSID is currently evaluating the impact of this ASU on its financial statements.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, which will significantly change the income statement impact of equity investments, and the recognition of changes in fair value of financial liabilities when the fair value option is elected. The ASU is effective for public business entities for interim and annual periods in fiscal years beginning after December 15, 2017. All other entities must apply the new requirements for annual periods in fiscal years beginning after December 15, 2018, and interim periods in fiscal years beginning after December 15, 2019. ICSID is currently evaluating the impact of this ASU on its financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which require a financial asset (or a group of financial assets) measured at amortized cost basis to present the net carrying value at the amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. ASU 2016-13 is effective for public business entities that are U.S. Securities and Exchange Commission (SEC) filers for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, it is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, it is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. 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
refers to 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, 2017, with early application permitted. ICSID is currently evaluating the impact of this IFRS on its financial statements.

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

In January 2016, the IASB issued Amendments to IAS 7 Statement of Cash Flows, which requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will be effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. ICSID is currently evaluating the impact of this IFRS on its financial statements.

In January 2016, the IASB issued Amendments to IAS 7 Statement of Cash Flows, which requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will be effective for annual periods beginning on or after January 1, 2017, with earlier application permitted. ICSID is currently evaluating the impact of this IFRS on its financial statements.

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 Statement of Activities and is applied to advances from parties to arbitrationconciliation 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.

<table>
<thead>
<tr>
<th>Hierarchy level</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>$ 6,585,393</td>
<td>$ 6,736,886</td>
</tr>
<tr>
<td>Level 2</td>
<td>40,376,252</td>
<td>28,074,507</td>
</tr>
<tr>
<td>Total</td>
<td>$ 46,961,645</td>
<td>$ 34,811,393</td>
</tr>
</tbody>
</table>

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.

**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.

<table>
<thead>
<tr>
<th>Hierarchy level</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>$ 6,585,393</td>
<td>$ 6,736,886</td>
</tr>
<tr>
<td>Level 2</td>
<td>40,376,252</td>
<td>28,074,507</td>
</tr>
<tr>
<td>Total</td>
<td>$ 46,961,645</td>
<td>$ 34,811,393</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As of June 30, 2016 and June 30, 2015, 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. During the fiscal year ended June 30, 2016, transfers between levels were not significant.

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

NOTE 4 — OTHER ASSETS
Other assets comprise computer systems software. Amortization charges amounted to $106,077 for the year ended June 30, 2016 (2015: $106,076). None of these assets are considered impaired.

NOTE 5 — NET ASSETS, UNRESTRICTED
Net assets, unrestricted represents accumulated surplus in the amount of $6,648,821 (2015: $5,723,646). 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 at June 30, 2016 is equivalent to the gross value of the remaining assets amounting to $51,271,571 (2015: $43,777,681). The Centre does not hold credit enhancements or collateral to mitigate credit risk.

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, 2016 and June 30, 2015.

<table>
<thead>
<tr>
<th>Counterparty credit ratings</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA- or greater</td>
<td>73%</td>
<td>68%</td>
</tr>
<tr>
<td>A- or greater</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drawdown of advances from parties*</td>
<td>$32,125,329</td>
<td>$30,192,508</td>
</tr>
<tr>
<td>Administration fees</td>
<td>5,980,895</td>
<td>5,750,752</td>
</tr>
<tr>
<td>Case lodging and other fees</td>
<td>1,740,560</td>
<td>1,742,862</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$39,846,784</strong></td>
<td><strong>$37,686,122</strong></td>
</tr>
</tbody>
</table>

*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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbitrators’ fees and expenses</td>
<td>$26,979,275</td>
<td>$25,126,072</td>
</tr>
<tr>
<td>Arbitration/conciliation meeting costs</td>
<td>4,668,255</td>
<td>4,582,426</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>363,968</td>
<td>363,073</td>
</tr>
<tr>
<td>Other costs</td>
<td>113,831</td>
<td>120,937</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$32,125,329</strong></td>
<td><strong>$30,192,508</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recorded value of services provided by IBRD</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff services</td>
<td>$7,883,730</td>
<td>$6,577,641</td>
</tr>
<tr>
<td>Administrative services and facilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual services</td>
<td>171,309</td>
<td>134,882</td>
</tr>
<tr>
<td>Administrative services</td>
<td>329,610</td>
<td>434,176</td>
</tr>
<tr>
<td>Communications and information technology</td>
<td>638,918</td>
<td>585,989</td>
</tr>
<tr>
<td>Office accommodations</td>
<td>520,843</td>
<td>547,906</td>
</tr>
<tr>
<td>Travel</td>
<td>128,686</td>
<td>124,761</td>
</tr>
<tr>
<td><strong>Total recorded value of services provided by IBRD</strong></td>
<td><strong>9,673,096</strong></td>
<td><strong>8,405,355</strong></td>
</tr>
<tr>
<td>Amortization expenses</td>
<td>106,077</td>
<td>106,076</td>
</tr>
<tr>
<td><strong>Total administrative and amortization expenses</strong></td>
<td><strong>9,779,173</strong></td>
<td><strong>8,511,431</strong></td>
</tr>
<tr>
<td>Less: Proceeds from fees and sale of publications</td>
<td>6,844,372</td>
<td>5,578,632</td>
</tr>
<tr>
<td><strong>In-kind contributions</strong></td>
<td><strong>$2,934,801</strong></td>
<td><strong>$2,932,799</strong></td>
</tr>
</tbody>
</table>

NOTE 10 — AUTHORIZATION OF FINANCIAL STATEMENTS

ICSID’s management has evaluated subsequent events through August 24, 2016, the date the financial statements were approved and authorized for issue.
Independent Auditors’ Report

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

We have audited the accompanying financial statements of the International Centre for Settlement of Investment Disputes, which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Centre for Settlement of Investment Disputes as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles and International Financial Reporting Standards as issued by the International Accounting Standards Board.

August 24, 2016