



# ICSID

INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

**2015**  
**ANNUAL**  
**REPORT**





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# 2015 ANNUAL REPORT



World Bank headquarters, Washington, D.C., Otylia Babiak, World Bank

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*Inside the atrium of the World Bank headquarters, Washington, D.C.,  
Otylia Babiak, World Bank*





## INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

September 4, 2015

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, 2014 to June 30, 2015.

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

# SECRETARIAT OF THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES

JUNE 30, 2015

Meg Kinnear, Secretary-General

## LEGAL STAFF

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## PARALEGAL, ADMINISTRATIVE AND CLIENT SUPPORT STAFF

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Laura Amelia Pettinelli, Program Assistant



*Members of the ICSID Secretariat, Washington D.C., May 12, 2015, Adam Claypool Ryder, World Bank*



*Member State flags inside World Bank headquarters, Washington, D.C.,  
Otylia Babiak, World Bank*

## CHAPTER 1

# INTRODUCTION



**Meg Kinnear**  
*Secretary-General*

On March 18, 1965, the ICSID Convention was opened for signature by States. Tunisia was the first State to sign the Convention in May 1965, followed by the United Kingdom. The first State to ratify the Convention was Nigeria on August 23, 1965. By September 14, 1966, the necessary 20 ratifications had been achieved, and the Convention came into force on October 14, 1966. As a result, fiscal year 2015 marked the ICSID Convention's 50th anniversary and has been an opportunity to review and celebrate the accomplishments of ICSID's first 50 years.

Today ICSID is the premier international investment arbitration facility in the world, with the ICSID Convention ratified by 151 members and signed by a further eight States. The Centre's activities in fiscal year 2015 are presented in detail in this report. A number of "first time" events took place at the Centre this year, including:

- The registration of more than 50 cases in a fiscal year, with 52 cases registered by June 30, 2015;
- The registration of ICSID's 500th case overall in February 2015, with 525 cases registered by the fiscal year-end;
- The greatest total number of cases concluded in a single year, with 53 cases finally resolved over the year;
- The greatest number of cases administered over the year, with 243 cases having been addressed in the past 12 months;
- The largest total number of arbitrators and conciliators on the ICSID Panels, with 77 new designations received from 19 Member States; and
- The appointment of the first ICSID Scholar-in-Residence.

Despite the increasing caseload, the Centre managed to maintain an average time to register new cases at 21 days. This reflects the implementation of ICSID service standards which are designed to improve the timeliness of the dispute resolution process.

In addition to case work, the Secretariat engaged in numerous outreach efforts, conducting over 90 presentations in countries such as Austria, Barbados, China, the Czech Republic, India, Mauritius, Mexico, Malaysia, Paraguay, Tanzania, Trinidad and Tobago, and Vietnam, to name a few. ICSID has focused on training, knowledge management and development of expertise in international investment arbitration. An important contribution to this effort was the launch of our new website in December 2014. The philosophy behind this website was that it should allow parties, government officials and the public to understand every aspect of the ICSID process. This goal has been accomplished. The new website contains much enhanced search capacity, a number of new databases, an online subscription feature, *curricula vitae* of arbitrators and conciliators, descriptions of every step in the process, and instructional videos featuring ICSID arbitrators and counsel. It is a comprehensive research tool that will greatly assist facility users.

At the same time, the *ICSID Review—Foreign Investment Law Journal* experienced increased readership since expanding to three issues per year. The 30th anniversary of the journal will be commemorated next year with a series of special focus issues. The Centre will also publish a 50th anniversary text looking at the impact of the 50 leading cases in investment arbitration.

Another aspect of ICSID's outreach has been its contribution to the information available for public discussion about the scope and operation of investment dispute resolution. ICSID has a unique perspective in this area, seeing cases progress on a day-to-day basis. We have shared our experience in the hopes that on-going discussion about investment law and arbitration will take place on a well-informed basis and will assist States that are revising their investment treaties or negotiating new treaties. In particular, we have contributed to the ongoing work on investment law and dispute settlement of other international organizations such as UNCITRAL, UNCTAD, the OECD and the E15 process of the World Economic Forum. In the next years ICSID will continue to support its Member States as they address international investment disciplines.

Finally, I wish to acknowledge the work of each staff member of the ICSID Secretariat and to thank them for their enthusiasm, determination, and efforts to ensure ICSID remains the leader in this field. Similarly, Member States and facility users have contributed to the Centre's success through continued dedication and support, and this is deeply appreciated. I am also most grateful for the confidence of Member States in allowing me the privilege of leading the Centre at this important moment. The next 50 years at ICSID are poised to bring further change, expansion and innovation, and we look forward to being a part of this vital work.



## CHAPTER 2

# MEMBERSHIP

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 platforms for information and collaboration in the field of international investment law and arbitration.

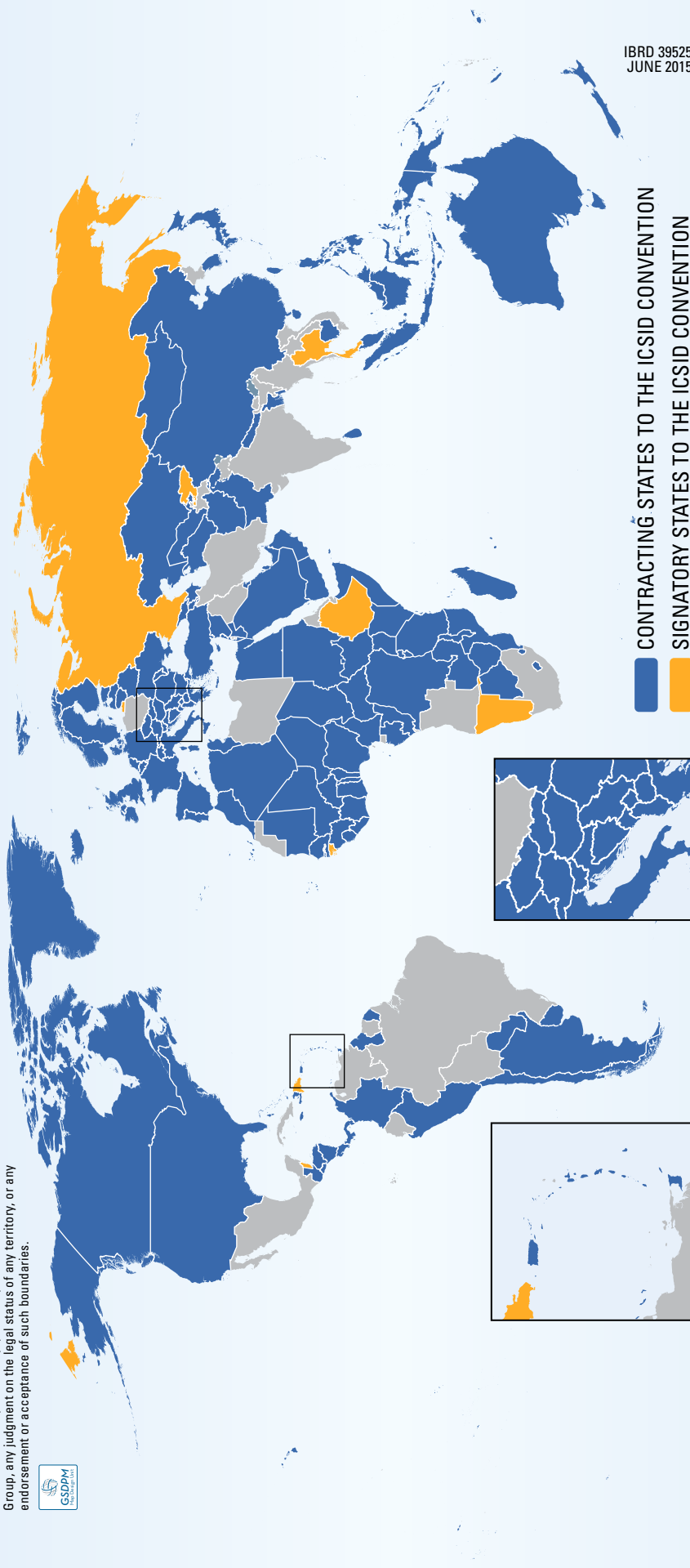
State support for the ICSID Convention is broad and diverse. As of June 30, 2015, there were 159 signatory States to the ICSID Convention. Of these, 151 States were ICSID Contracting States by virtue of their having deposited instruments of ratification, acceptance or approval of the ICSID Convention with the World Bank, which is the depositary of the ICSID Convention.

During FY2015, the Republic of San Marino joined ICSID by depositing its instrument of ratification of the Convention on April 18, 2015. The Convention entered into force for San Marino on May 18, 2015.



*Meg Kinnear, ICSID Secretary-General, Mr. Dario Galassi, Director of the Department of Foreign Affairs of San Marino, and Milanka Kostadinova, ICSID Counsel, at ICSID's Headquarters, Washington, D.C., April 18, 2015, Otylia Babiak, World Bank*

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

# LIST OF CONTRACTING STATES AND OTHER SIGNATORIES OF THE CONVENTION

AS OF JUNE 30, 2015

The 159 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 151 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.

State	Signature	Deposit of Ratification	Entry into Force of Convention
Afghanistan	Sep. 30, 1966	June 25, 1968	July 25, 1968
Albania	Oct. 15, 1991	Oct. 15, 1991	Nov. 14, 1991
Algeria	Apr. 17, 1995	Feb. 21, 1996	Mar. 22, 1996
Argentina	May 21, 1991	Oct. 19, 1994	Nov. 18, 1994
Armenia	Sep. 16, 1992	Sep. 16, 1992	Oct. 16, 1992
Australia	Mar. 24, 1975	May 2, 1991	June 1, 1991
Austria	May 17, 1966	May 25, 1971	June 24, 1971
Azerbaijan	Sep. 18, 1992	Sep. 18, 1992	Oct. 18, 1992
Bahamas, The	Oct. 19, 1995	Oct. 19, 1995	Nov. 18, 1995
Bahrain	Sep. 22, 1995	Feb. 14, 1996	Mar. 15, 1996
Bangladesh	Nov. 20, 1979	Mar. 27, 1980	Apr. 26, 1980
Barbados	May 13, 1981	Nov. 1, 1983	Dec. 1, 1983
Belarus	July 10, 1992	July 10, 1992	Aug. 9, 1992
Belgium	Dec. 15, 1965	Aug. 27, 1970	Sep. 26, 1970
Belize	Dec. 19, 1986		
Benin	Sep. 10, 1965	Sep. 6, 1966	Oct. 14, 1966
Bosnia and Herzegovina	Apr. 25, 1997	May 14, 1997	June 13, 1997
Botswana	Jan. 15, 1970	Jan. 15, 1970	Feb. 14, 1970
Brunei Darussalam	Sep. 16, 2002	Sep. 16, 2002	Oct. 16, 2002
Bulgaria	Mar. 21, 2000	Apr. 13, 2001	May 13, 2001
Burkina Faso	Sep. 16, 1965	Aug. 29, 1966	Oct. 14, 1966
Burundi	Feb. 17, 1967	Nov. 5, 1969	Dec. 5, 1969
Cabo Verde	Dec. 20, 2010	Dec. 27, 2010	Jan. 26, 2011
Cambodia	Nov. 5, 1993	Dec. 20, 2004	Jan. 19, 2005
Cameroon	Sep. 23, 1965	Jan. 3, 1967	Feb. 2, 1967
Canada	Dec. 15, 2006	Nov. 1, 2013	Dec. 1, 2013

State	Signature	Deposit of Ratification	Entry into Force of Convention
Central African Republic	Aug. 26, 1965	Feb. 23, 1966	Oct. 14, 1966
Chad	May 12, 1966	Aug. 29, 1966	Oct. 14, 1966
Chile	Jan. 25, 1991	Sep. 24, 1991	Oct. 24, 1991
China	Feb. 9, 1990	Jan. 7, 1993	Feb. 6, 1993
Colombia	May 18, 1993	July 15, 1997	Aug. 14, 1997
Comoros	Sep. 26, 1978	Nov. 7, 1978	Dec. 7, 1978
Congo, Democratic Rep. of	Oct. 29, 1968	Apr. 29, 1970	May 29, 1970
Congo, Rep. of	Dec. 27, 1965	June 23, 1966	Oct. 14, 1966
Costa Rica	Sep. 29, 1981	Apr. 27, 1993	May 27, 1993
Côte d'Ivoire	June 30, 1965	Feb. 16, 1966	Oct. 14, 1966
Croatia	June 16, 1997	Sep. 22, 1998	Oct. 22, 1998
Cyprus	Mar. 9, 1966	Nov. 25, 1966	Dec. 25, 1966
Czech Republic	Mar. 23, 1993	Mar. 23, 1993	Apr. 22, 1993
Denmark	Oct. 11, 1965	Apr. 24, 1968	May 24, 1968
Dominican Republic	Mar. 20, 2000		
Egypt, Arab Rep. of	Feb. 11, 1972	May 3, 1972	June 2, 1972
El Salvador	June 9, 1982	Mar. 6, 1984	Apr. 5, 1984
Estonia	June 23, 1992	June 23, 1992	July 23, 1992
Ethiopia	Sep. 21, 1965		
Fiji	July 1, 1977	Aug. 11, 1977	Sep. 10, 1977
Finland	July 14, 1967	Jan. 9, 1969	Feb. 8, 1969
France	Dec. 22, 1965	Aug. 21, 1967	Sep. 20, 1967
Gabon	Sep. 21, 1965	Apr. 4, 1966	Oct. 14, 1966
Gambia, The	Oct. 1, 1974	Dec. 27, 1974	Jan. 26, 1975
Georgia	Aug. 7, 1992	Aug. 7, 1992	Sep. 6, 1992
Germany	Jan. 27, 1966	Apr. 18, 1969	May 18, 1969
Ghana	Nov. 26, 1965	July 13, 1966	Oct. 14, 1966
Greece	Mar. 16, 1966	Apr. 21, 1969	May 21, 1969
Grenada	May 24, 1991	May 24, 1991	June 23, 1991
Guatemala	Nov. 9, 1995	Jan. 21, 2003	Feb. 20, 2003
Guinea	Aug. 27, 1968	Nov. 4, 1968	Dec. 4, 1968
Guinea-Bissau	Sep. 4, 1991		
Guyana	July 3, 1969	July 11, 1969	Aug. 10, 1969
Haiti	Jan. 30, 1985	Oct. 27, 2009	Nov. 26, 2009



State	Signature	Deposit of Ratification	Entry into Force of Convention
Honduras	May 28, 1986	Feb. 14, 1989	Mar. 16, 1989
Hungary	Oct. 1, 1986	Feb. 4, 1987	Mar. 6, 1987
Iceland	July 25, 1966	July 25, 1966	Oct. 14, 1966
Indonesia	Feb. 16, 1968	Sep. 28, 1968	Oct. 28, 1968
Ireland	Aug. 30, 1966	Apr. 7, 1981	May 7, 1981
Israel	June 16, 1980	June 22, 1983	July 22, 1983
Italy	Nov. 18, 1965	Mar. 29, 1971	Apr. 28, 1971
Jamaica	June 23, 1965	Sep. 9, 1966	Oct. 14, 1966
Japan	Sep. 23, 1965	Aug. 17, 1967	Sep. 16, 1967
Jordan	July 14, 1972	Oct. 30, 1972	Nov. 29, 1972
Kazakhstan	July 23, 1992	Sep. 21, 2000	Oct. 21, 2000
Kenya	May 24, 1966	Jan. 3, 1967	Feb. 2, 1967
Korea, Rep. of	Apr. 18, 1966	Feb. 21, 1967	Mar. 23, 1967
Kosovo, Rep. of	June 29, 2009	June 29, 2009	July 29, 2009
Kuwait	Feb. 9, 1978	Feb. 2, 1979	Mar. 4, 1979
Kyrgyz Republic	June 9, 1995		
Latvia	Aug. 8, 1997	Aug. 8, 1997	Sep. 7, 1997
Lebanon	Mar. 26, 2003	Mar. 26, 2003	Apr. 25, 2003
Lesotho	Sep. 19, 1968	July 8, 1969	Aug. 7, 1969
Liberia	Sep. 3, 1965	June 16, 1970	July 16, 1970
Lithuania	July 6, 1992	July 6, 1992	Aug. 5, 1992
Luxembourg	Sep. 28, 1965	July 30, 1970	Aug. 29, 1970
Macedonia, former Yugoslav Rep. of	Sep. 16, 1998	Oct. 27, 1998	Nov. 26, 1998
Madagascar	June 1, 1966	Sep. 6, 1966	Oct. 14, 1966
Malawi	June 9, 1966	Aug. 23, 1966	Oct. 14, 1966
Malaysia	Oct. 22, 1965	Aug. 8, 1966	Oct. 14, 1966
Mali	Apr. 9, 1976	Jan. 3, 1978	Feb. 2, 1978
Malta	Apr. 24, 2002	Nov. 3, 2003	Dec. 3, 2003
Mauritania	July 30, 1965	Jan. 11, 1966	Oct. 14, 1966
Mauritius	June 2, 1969	June 2, 1969	July 2, 1969
Micronesia, Federated States of	June 24, 1993	June 24, 1993	July 24, 1993
Moldova	Aug. 12, 1992	May 5, 2011	June 4, 2011
Mongolia	June 14, 1991	June 14, 1991	July 14, 1991
Montenegro	July 19, 2012	April 10, 2013	May 10, 2013

State	Signature	Deposit of Ratification	Entry into Force of Convention
Morocco	Oct. 11, 1965	May 11, 1967	June 10, 1967
Mozambique	Apr. 4, 1995	June 7, 1995	July 7, 1995
Namibia	Oct. 26, 1998		
Nepal	Sep. 28, 1965	Jan. 7, 1969	Feb. 6, 1969
Netherlands	May 25, 1966	Sep. 14, 1966	Oct. 14, 1966
New Zealand	Sep. 2, 1970	Apr. 2, 1980	May 2, 1980
Nicaragua	Feb. 4, 1994	Mar. 20, 1995	Apr. 19, 1995
Niger	Aug. 23, 1965	Nov. 14, 1966	Dec. 14, 1966
Nigeria	July 13, 1965	Aug. 23, 1965	Oct. 14, 1966
Norway	June 24, 1966	Aug. 16, 1967	Sep. 15, 1967
Oman	May 5, 1995	July 24, 1995	Aug. 23, 1995
Pakistan	July 6, 1965	Sep. 15, 1966	Oct. 15, 1966
Panama	Nov. 22, 1995	Apr. 8, 1996	May 8, 1996
Papua New Guinea	Oct. 20, 1978	Oct. 20, 1978	Nov. 19, 1978
Paraguay	July 27, 1981	Jan. 7, 1983	Feb. 6, 1983
Peru	Sep. 4, 1991	Aug. 9, 1993	Sep. 8, 1993
Philippines	Sep. 26, 1978	Nov. 17, 1978	Dec. 17, 1978
Portugal	Aug. 4, 1983	July 2, 1984	Aug. 1, 1984
Qatar	Sep. 30, 2010	Dec. 21, 2010	Jan. 20, 2011
Romania	Sep. 6, 1974	Sep. 12, 1975	Oct. 12, 1975
Russian Federation	June 16, 1992		
Rwanda	Apr. 21, 1978	Oct. 15, 1979	Nov. 14, 1979
Samoa	Feb. 3, 1978	Apr. 25, 1978	May 25, 1978
San Marino	Apr. 11, 2014	Apr. 18, 2015	May 18, 2015
Sao Tome and Principe	Oct. 1, 1999	May 20, 2013	June 19, 2013
Saudi Arabia	Sep. 28, 1979	May 8, 1980	June 7, 1980
Senegal	Sep. 26, 1966	Apr. 21, 1967	May 21, 1967
Serbia	May 9, 2007	May 9, 2007	June 8, 2007
Seychelles	Feb. 16, 1978	Mar. 20, 1978	Apr. 19, 1978
Sierra Leone	Sep. 27, 1965	Aug. 2, 1966	Oct. 14, 1966
Singapore	Feb. 2, 1968	Oct. 14, 1968	Nov. 13, 1968
Slovak Republic	Sep. 27, 1993	May 27, 1994	June 26, 1994
Slovenia	Mar. 7, 1994	Mar. 7, 1994	Apr. 6, 1994

State	Signature	Deposit of Ratification	Entry into Force of Convention
Solomon Islands	Nov. 12, 1979	Sep. 8, 1981	Oct. 8, 1981
Somalia	Sep. 27, 1965	Feb. 29, 1968	Mar. 30, 1968
South Sudan	Apr. 18, 2012	Apr. 18, 2012	May 18, 2012
Spain	Mar. 21, 1994	Aug. 18, 1994	Sept. 17, 1994
Sri Lanka	Aug. 30, 1967	Oct. 12, 1967	Nov. 11, 1967
St. Kitts & Nevis	Oct. 14, 1994	Aug. 4, 1995	Sep. 3, 1995
St. Lucia	June 4, 1984	June 4, 1984	July 4, 1984
St. Vincent and the Grenadines	Aug. 7, 2001	Dec. 16, 2002	Jan. 15, 2003
Sudan	Mar. 15, 1967	Apr. 9, 1973	May 9, 1973
Swaziland	Nov. 3, 1970	June 14, 1971	July 14, 1971
Sweden	Sep. 25, 1965	Dec. 29, 1966	Jan. 28, 1967
Switzerland	Sep. 22, 1967	May 15, 1968	June 14, 1968
Syria	May 25, 2005	Jan. 25, 2006	Feb. 24, 2006
Tanzania	Jan. 10, 1992	May 18, 1992	June 17, 1992
Thailand	Dec. 6, 1985		
Timor-Leste	July 23, 2002	July 23, 2002	Aug. 22, 2002
Togo	Jan. 24, 1966	Aug. 11, 1967	Sep. 10, 1967
Tonga	May 1, 1989	Mar. 21, 1990	Apr. 20, 1990
Trinidad and Tobago	Oct. 5, 1966	Jan. 3, 1967	Feb. 2, 1967
Tunisia	May 5, 1965	June 22, 1966	Oct. 14, 1966
Turkey	June 24, 1987	Mar. 3, 1989	Apr. 2, 1989
Turkmenistan	Sep. 26, 1992	Sep. 26, 1992	Oct. 26, 1992
Uganda	June 7, 1966	June 7, 1966	Oct. 14, 1966
Ukraine	Apr. 3, 1998	June 7, 2000	July 7, 2000
United Arab Emirates	Dec. 23, 1981	Dec. 23, 1981	Jan. 22, 1982
United Kingdom of Great Britain and Northern Ireland	May 26, 1965	Dec. 19, 1966	Jan. 18, 1967
United States of America	Aug. 27, 1965	June 10, 1966	Oct. 14, 1966
Uruguay	May 28, 1992	Aug. 9, 2000	Sep. 8, 2000
Uzbekistan	Mar. 17, 1994	July 26, 1995	Aug. 25, 1995
Yemen, Republic of	Oct. 28, 1997	Oct. 21, 2004	Nov. 20, 2004
Zambia	June 17, 1970	June 17, 1970	July 17, 1970
Zimbabwe	Mar. 25, 1991	May 20, 1994	June 19, 1994



*Pedro Nikken, Gabrielle Kaufmann-Kohler, and Jeswald W. Salacuse, Tribunal members arriving for a hearing, Washington, D.C., August 6, 2014, Benjamin Garel, World Bank*

## CHAPTER 3

# PANELS OF ARBITRATORS AND OF CONCILIATORS

The ICSID Convention requires the Centre to maintain a Panel of Arbitrators and a Panel of Conciliators. According to Article 13 of the Convention, each Contracting State is entitled to designate up to four persons to each Panel. The designees may be nationals or non-nationals of the designating State and are nominated 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 FY2015, 19 ICSID Contracting States made designations to the ICSID Panels: Austria, Belgium, Cyprus, El Salvador, Gabon, Ghana, Iceland, Japan, Korea, Lebanon, Malaysia, Oman, Paraguay, Saint Lucia, Switzerland, Timor-Leste, Tunisia, Ukraine, and Uzbekistan. In all, 77 persons were designated or re-designated to the Panels. At the end of FY2015, there were 610 individuals on the ICSID Panels of Arbitrators and of Conciliators.

The names of designees to the ICSID Panels made in FY2015 are provided on the following page.

## AUSTRIA

### *Panels of Arbitrators and of Conciliators*

Designations effective December 16, 2014:

August Reinisch, Christoph Schreuer

### *Panel of Arbitrators*

Designations effective December 16, 2014:

Alexander Marquardt, Werner Melis

### *Panel of Conciliators*

Designations effective December 16, 2014:

Markus Burgstaller, Dr. J. Hanns Pichler

## BELGIUM

### *Panel of Arbitrators*

Designation effective January 28, 2015:

Gaëtan Verhoosel

### *Panel of Conciliators*

Designation effective January 28, 2015:

Joost Pauwelyn

## CYPRUS

### *Panels of Arbitrators and of Conciliators*

Designations effective July 1, 2014:

Andreas J. Jacovides, Christos Mavrellis,

Andreas Michaelides, Polys Polyviou

## EL SALVADOR

### *Panel of Arbitrators*

Designations effective February 4, 2015:

Luis A. Parada, Mario Enrique Sáenz,

Humberto Sáenz Marinero

## GABON

### *Panel of Arbitrators*

Designations effective September 4, 2014:

Jean Paul Angoennah Essyngone,

Marie-Madeleine Mborantsuo, Etienne Nsie,

Guy Rossatanga-Rignault

### *Panel of Conciliators*

Designations effective September 4, 2014:

Norbert Issialh, Honoré Moundounga,

Modeste Obiang Ndong, Guillaume Pambou

Tchivounda

## GHANA

### *Panel of Arbitrators*

Designation effective September 2, 2014:

Emmanuel Opoku Awuku

## ICELAND

### *Panels of Arbitrators and of Conciliators*

Designations effective January 5, 2015:

Guðmundur Eiríksson, Thórdís Ingadóttir,

Finnur Magnússon, Björg Thorarensen

## JAPAN

### *Panel of Arbitrators*

Designations effective December 2, 2014:

Hiroshi Fukuda, Kazunori Ishiguro,

Hiroshi Oda, Isomi Suzuki

### *Panel of Conciliators*

Designations effective December 2, 2014:

Masato Dogauchi, Noboru Kashiwagi,

Takatoshi Kato, Yoshihisa Nomi

## KOREA, REPUBLIC OF

### *Panel of Arbitrators*

Designations effective May 19, 2015:

Kap-You (Kevin) Kim, Hi-Taek Shin,

Byung Chol Yoon

### *Panel of Conciliators*

Designations effective May 19, 2015:

Kyu Sang Chung, Sung Kyu Lee, Chang Seok Oh,

Woong-Soon Song

## LEBANON

*Panels of Arbitrators and of Conciliators*  
Designation effective February 5, 2015:  
Raëd Mounir Fathallah

## MALAYSIA

*Panels of Arbitrators and of Conciliators*  
Designations effective December 17, 2014:  
Cecil W. M. Abraham, Azmel Haji Maamor,  
Azmi Mohd Ali, Steve Shim Lip Kiong

## OMAN

*Panels of Arbitrators and of Conciliators*  
Designations effective June 30, 2014:  
Sara Mohammed Reza Al Abduwani,  
Faisal Saud Al Nabhani

## PARAGUAY

*Panel of Arbitrators*  
Designation effective September 8, 2014:  
José Antonio Moreno Rodríguez

## SAINT LUCIA

*Panels of Arbitrators and of Conciliators*  
Designations effective May 7, 2015:  
Franco Ferrari, Jonathan J. Gass,  
Dominique Hascher, D. Brian King

## SWITZERLAND

*Panel of Arbitrators*  
Designations effective February 11, 2015:  
Andreas Bucher, Thomas Cottier, Gabrielle  
Kaufmann-Kohler, Paolo Michele Patocchi

### *Panel of Conciliators*

Designations effective February 11, 2015:  
Marino Baldi, Laurence Boisson De Chazournes,  
Pierre-Yves Tschanz, Andreas Ziegler

## TIMOR-LESTE

*Panel of Conciliators*  
Designation effective May 17, 2015:  
Timothy J. Feighery

## TUNISIA

*Panel of Arbitrators*  
Designations effective January 2, 2015:  
Ghazi Gherairi, Donia Hedda Ellouze,  
Mohamed Fadhel Mahfoudh, Taoufik Ouanes

### *Panel of Conciliators*

Designations effective January 2, 2015:  
Abdessatar Ben Moussa, Sami Bostanji,  
Ferhat Horchani, Mohamed Sayari

## UKRAINE

*Panels of Arbitrators and of Conciliators*  
Designations effective February 5, 2015:  
German Galuschenko, Vladimir G. Krokhmal

### *Panel of Arbitrators*

Designations effective February 5, 2015:  
Tatyana Slipachuk, Sergei Voitovich

## UZBEKISTAN

*Panel of Arbitrators*  
Designation effective August 27, 2014:  
Carolyn B. Lamm



*Charles N. Brower, David A.R. Williams, and Jan Paulsson, Tribunal members, Milanka Kostadinova, ICSID Counsel, and Party Representatives, at a hearing in Hrvatska Elektroprivreda d.d. v. Republic of Slovenia, Paris, France, March 26, 2015, Yumiko Takahashi, World Bank*



## CHAPTER 4

# OPERATIONS OF THE CENTRE

### 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). Its primary purpose is to provide facilities and services to support 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. It also offers a full range of related services in support of dispute resolution, including acting as appointing authority, naming consolidation tribunals under certain treaties, and deciding party challenges of arbitrators or conciliators.

### 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 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 in recent years.

### Other Cases

The ICSID Secretariat also administers international dispute settlement proceedings under rules other than the ICSID Convention or the ICSID Additional Facility. In particular, the Secretariat often assists parties and tribunals with investment arbitrations conducted pursuant to the UNCITRAL Arbitration Rules. It also provides 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 nine investor-State arbitrations under the UNCITRAL Rules and administered one *ad hoc* investor-State arbitration under a bilateral investment treaty.

### 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 year, Requests for Arbitration continued to be processed within 21 days of being filed at ICSID.

The next procedural step is constitution of the arbitral tribunal. The ICSID Arbitration Rules offer the disputing parties significant flexibility regarding the number of arbitrators and the method of their appointment. In most instances, tribunals consist of three arbitrators: one arbitrator appointed by each party, and the third, presiding arbitrator, appointed by agreement of the parties or of the party-appointed arbitrators. The parties may ask the Centre to assist with the appointment of arbitrators, either in accordance with a previous agreement or pursuant to the

default provisions in the ICSID Rules. In FY2015, 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 remedy 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.

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CONDUCT OF AN ICSID CONVENTION ARBITRATION

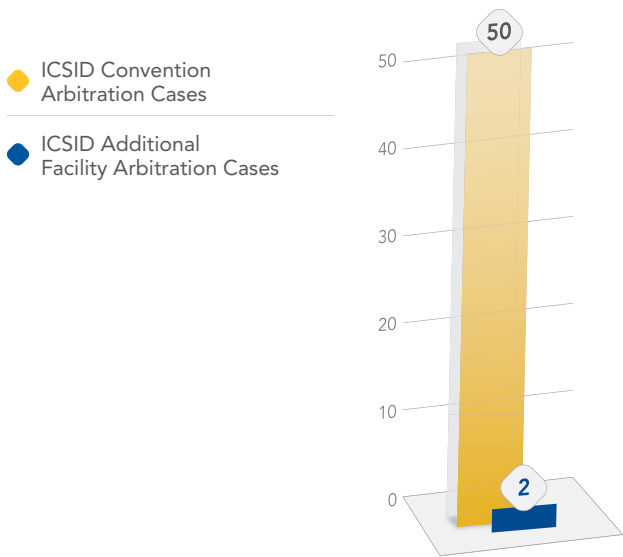


Arbitration under the ICSID Additional Facility is similar in process to ICSID Convention arbitration with a few notable differences. In particular, parties must obtain approval of access to the Additional Facility prior to instituting proceedings, and post-award remedies under the ICSID Additional Facility 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

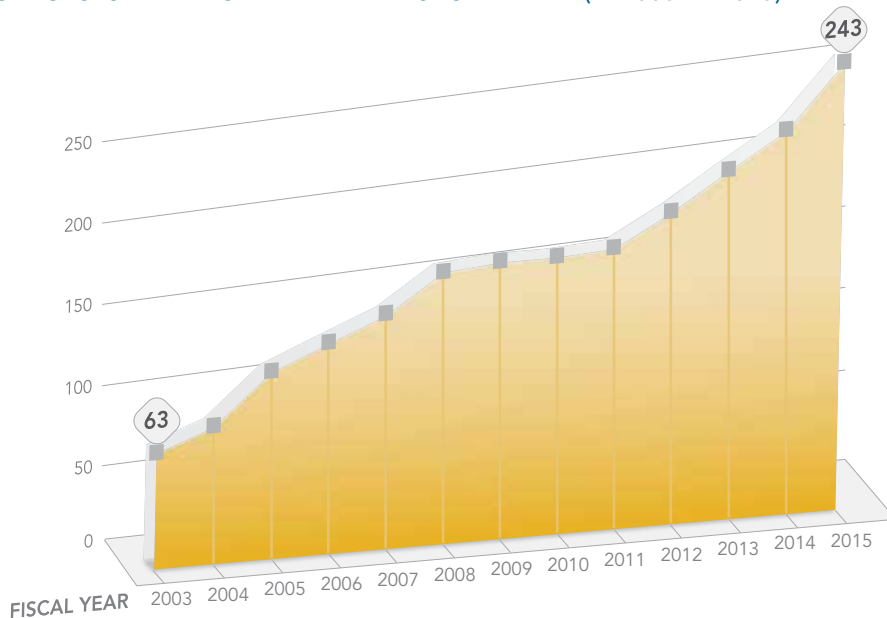
Fifty-two new ICSID cases were registered in FY2015. This is the highest number of cases registered at ICSID in a single fiscal year and represents an increase of 30% compared to the number of cases registered in FY2014. All of the new cases registered were arbitrations: 50 proceedings are conducted under the ICSID Convention and two under the Additional Facility Rules.

NEW CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2015



Over the course of the fiscal year, the Centre administered a new record of 243 ICSID cases. This number exceeds the previous high mark by 34 cases, and represents 46% of the 525 ICSID cases ever administered by the Centre.

## ICSID CASES ADMINISTERED BY THE SECRETARIAT (FY2003–FY2015)

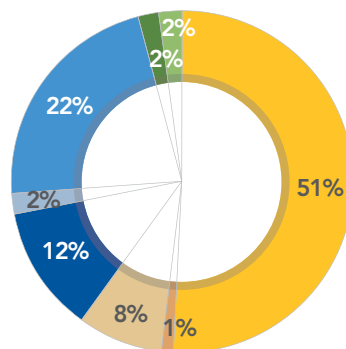


## Basis of Consent to ICSID Proceedings

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 FY2015 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES

- ◆ Bilateral Investment Treaty (BIT)
- ◆ Dominican Republic-United States-Central America Free Trade Agreement (DR-CAFTA)
- ◆ Investment Contract between the Investor and the Host-State
- ◆ Investment Law of the Host-State
- ◆ North American Free Trade Agreement (NAFTA)
- ◆ Energy Charter Treaty (ECT)
- ◆ Canada-Peru Free Trade Agreement
- ◆ Central America-Panama Free Trade Agreement

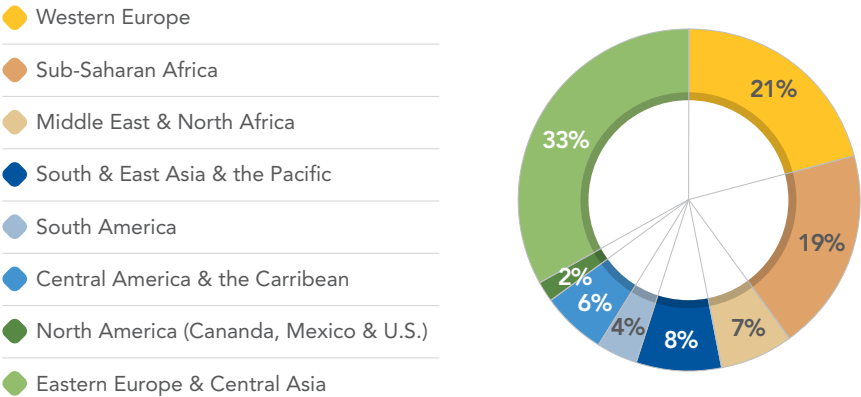


The preceding chart reflects the instruments containing the ICSID dispute settlement provision relied upon by the requesting parties. Of the new cases registered in FY2015, the majority (33 cases) asserted ICSID jurisdiction on the basis of a bilateral investment treaty (BIT). Fourteen cases were brought on the basis of the Energy Charter Treaty (ECT). Investors asserted the Centre’s jurisdiction under investment contracts in five further cases, and eight cases relied on investment laws. In six cases, investors sought to establish ICSID jurisdiction on the bases of the Canada-Peru Free Trade Agreement, the Central America-Panama Free Trade Agreement, the United States-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA), and the North American Free Trade Agreement (NAFTA). In two cases, instruments referring to ICSID arbitration were invoked via the most-favored nation provisions in the Unified Agreement for the Investment of Arab Capital in the Arab States (UAIA) and the General Agreement on Trade in Services (GATS). Twelve cases relied, respectively, on two bases for jurisdiction. One further case invoked three bases for jurisdiction.

State Parties to ICSID Proceedings Registered in FY2015

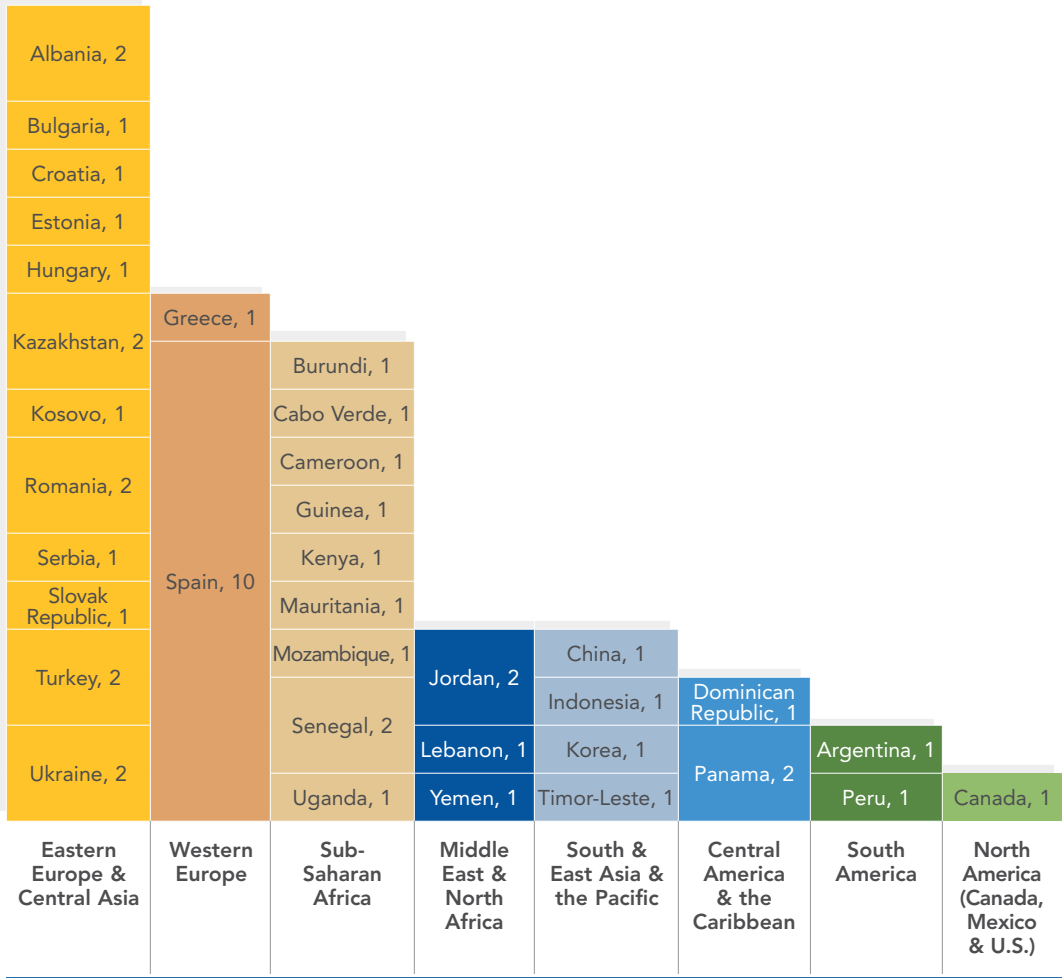
State parties involved in ICSID disputes registered in FY2015 remained diverse. They included States from every major geographic region of the world. As in the previous fiscal year the Eastern Europe and Central Asia region had the greatest number of newly registered ICSID cases (33%), followed by cases naming State parties located in Western Europe (21%), and Sub-Saharan Africa (19%). The proportion of new cases involving State parties from South America continued to decrease from 7% in FY2014 to 4% in FY2015.

GEOGRAPHIC DISTRIBUTION OF NEW CASES REGISTERED IN FY2015 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY STATE PARTY INVOLVED



Twelve Eastern European and Central Asian States were named as respondent in 17 cases. Eleven cases were brought against two States in Western Europe. States from Sub-Saharan Africa were involved in ten cases, and four cases were instituted against three States in the Middle East and North Africa region. Two cases involved two States in South America. Three further cases were brought against two States in the Central America and Caribbean region. One case was brought against a State in North America, and four cases were brought against four States in the South and East Asia and the Pacific region.

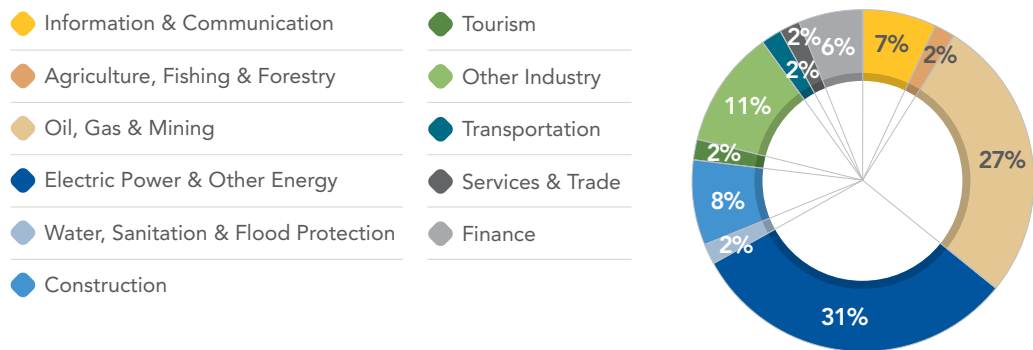
GEOGRAPHIC DISTRIBUTION OF NEW CASES REGISTERED IN FY2015 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY STATE PARTY INVOLVED — FURTHER DETAILS



### Economic Sectors Involved in New Proceedings

The investment disputes commenced in FY2015 involved a variety of economic sectors. Based on World Bank industry sector codes, the electric power and other energy sector was dominant, with 31% of cases registered in FY2015. Twenty-seven percent of the cases involved the oil, gas, and mining sector. Eleven percent of the cases involved a variety of industries, such as pharmaceuticals, manufacturing and voucher services. Six percent of cases involved the financial sector, eight percent involved the construction industry and seven percent involved the information and communication sectors. The remaining cases were represented in equal parts and involved agriculture, fishing and forestry; tourism; trade and services; transportation; and water, sanitation and flood protection (2% each).

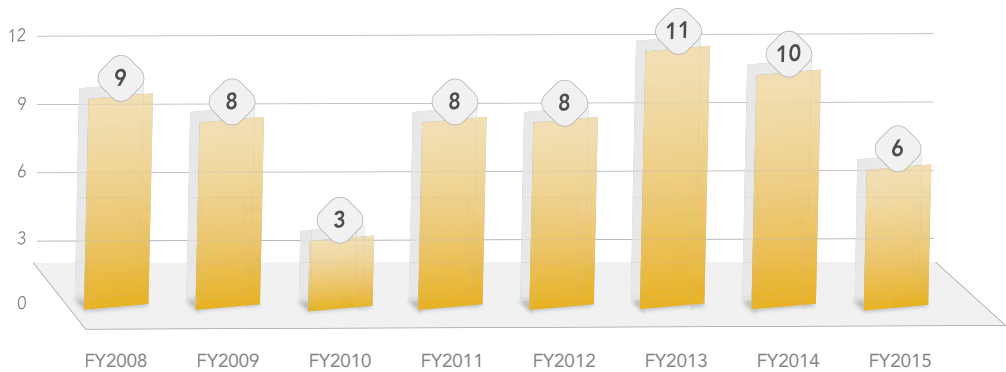
DISTRIBUTION OF NEW CASES REGISTERED IN FY2015 UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES, BY ECONOMIC SECTOR



### Post-Award Remedy Applications

In FY2015, the Centre registered eight applications for post-award remedies under the ICSID Convention. Among these, two were applications for revision. The number of registered annulment applications continued to decrease. Six such applications were registered in FY2015, which is a 40% reduction compared to FY2014. Two of the annulment applications were brought by the Claimant/investor, and four were initiated by the State/Respondent in the underlying arbitration.

NUMBER OF ANNULMENT APPLICATIONS REGISTERED BY ICSID (FY2008–FY2015)



To date, 470 ICSID Convention arbitrations have been registered at ICSID; only six awards have been annulled in full, and seven have been annulled in part.

ANNULMENT PROCEEDINGS UNDER THE ICSID CONVENTION





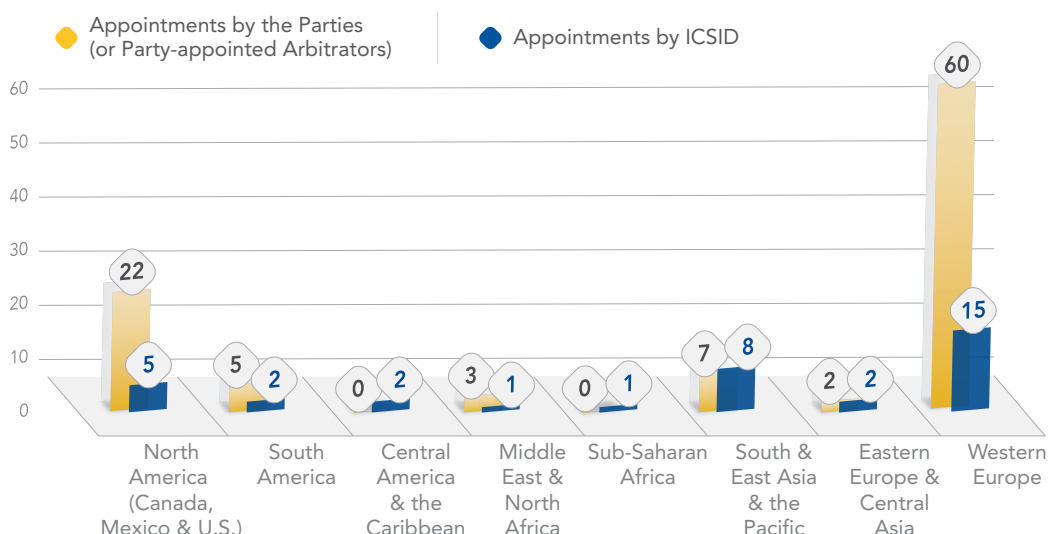
## Constitution of Tribunals and *ad hoc* Committees in ICSID Cases

In the course of the fiscal year, 47 tribunals and seven *ad hoc* Committees were constituted or reconstituted in proceedings before the Centre. A total of 135 individual appointments were made by the parties and by ICSID.

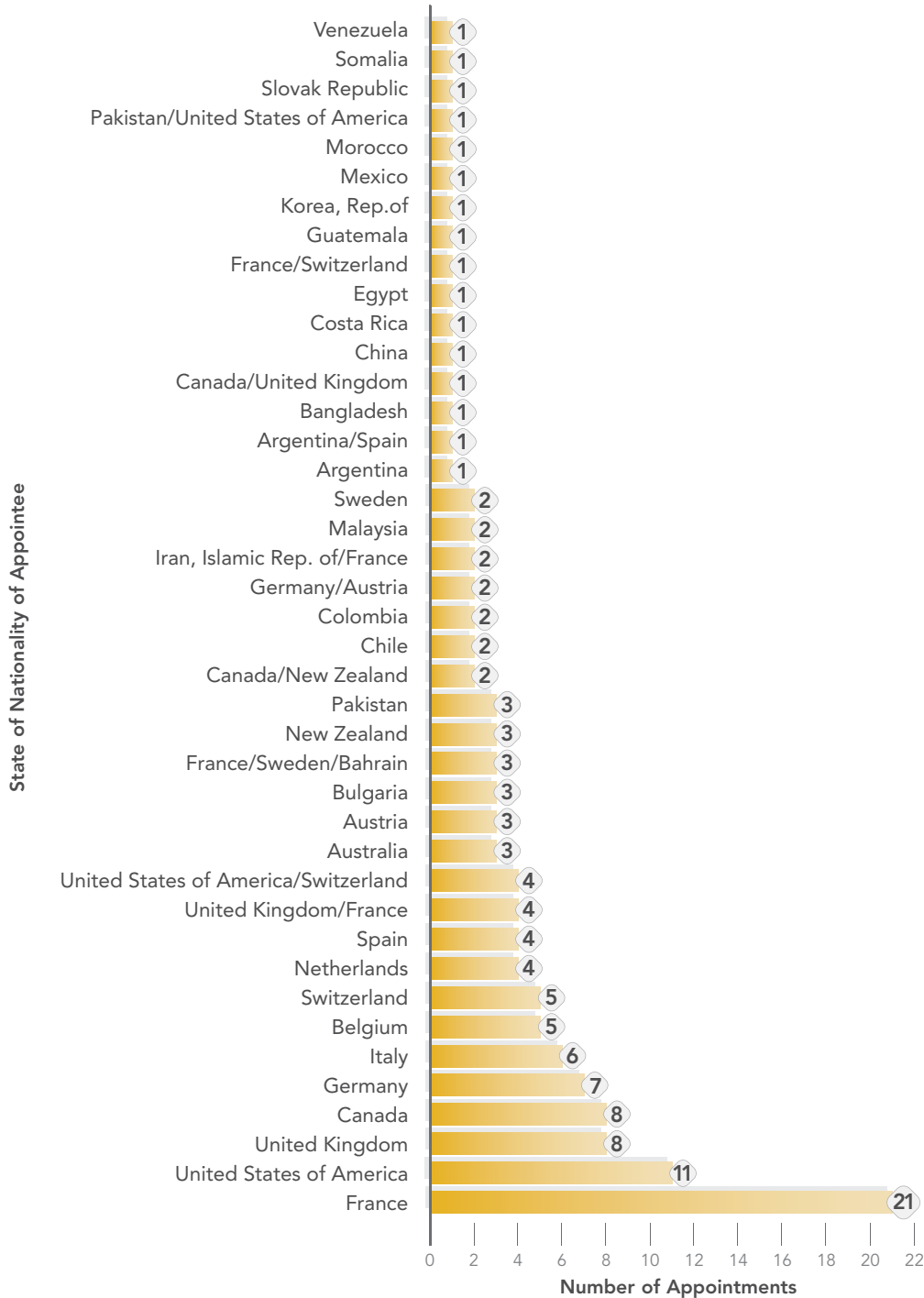
In FY2015, the pool of arbitrators, conciliators and *ad hoc* Committee members continued to expand. Overall, 83 individuals from 34 different countries were appointed to serve as arbitrators, conciliators, or *ad hoc* Committee members in ICSID cases in FY2015. In terms of diversity, about 20% of the new appointees were nationals of developing countries. The percentage of women appointees continued to increase to 16% in FY2015, which is almost a 50% increase over FY2014.

In a continuation of the trend from previous years, about three-quarters (74%) of the appointments were made either by the parties or by the party-appointed arbitrators, while the other 26% were made by ICSID. In total, the Centre acted as appointing authority 36 times in FY2015 and appointed 31 individuals of 24 different nationalities. About 33% of the appointments by ICSID involved nationals of developing economies, and 9% involved women.

### ARBITRATORS, CONCILIATORS AND *AD HOC* COMMITTEE MEMBERS APPOINTED IN FY2015 IN CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES — DISTRIBUTION OF APPOINTMENTS BY ICSID AND BY THE PARTIES (OR PARTY-APPOINTED ARBITRATORS), BY GEOGRAPHIC REGION



STATE OF NATIONALITY OF ARBITRATORS, CONCILIATORS AND AD HOC COMMITTEE MEMBERS APPOINTED IN FY2015 IN CASES REGISTERED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES



## Challenges to Arbitrators, Counsel and Experts

During the fiscal year, parties to ICSID proceedings proposed the disqualification of 11 arbitrators. Seven of these proposals were declined, one arbitrator resigned following the filing of the proposal, and three of these challenges are currently pending a decision. One proposed disqualification of an arbitrator filed in the previous fiscal year was declined in FY2015.

In one case a tribunal decided a disqualification proposal concerning the other party's counsel. In one further case, a party filed a proposal for the disqualification of the other party's expert and the proposal was subsequently decided by the Tribunal.

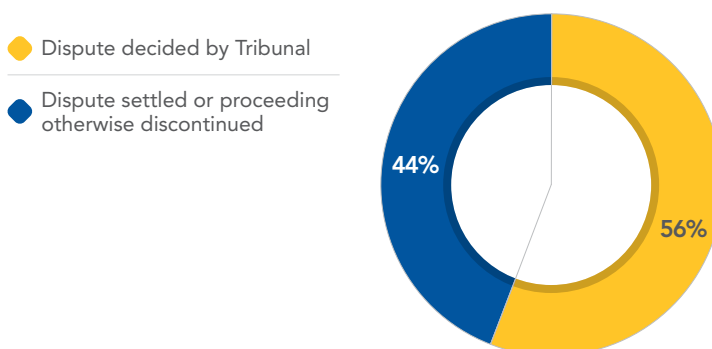
## Cases concluded in FY2015

Fifty-three proceedings were concluded during the fiscal year, 38 of which were arbitrations, one was a conciliation case, and 14 were post-award proceedings. This is the highest number of concluded proceedings in the Centre's history. Ten of the post-award proceedings were annulments, which were either discontinued or the application was rejected by the *ad hoc* Committee. One revision, one interpretation and one rectification proceeding were also concluded with a decision by the tribunal. One further case in which the dispute was resubmitted to a tribunal was discontinued at the request of the parties during the fiscal year.

In the 38 concluded arbitrations and the one resubmission proceeding, 22 disputes were decided by a tribunal, and 16 cases were discontinued or settled.

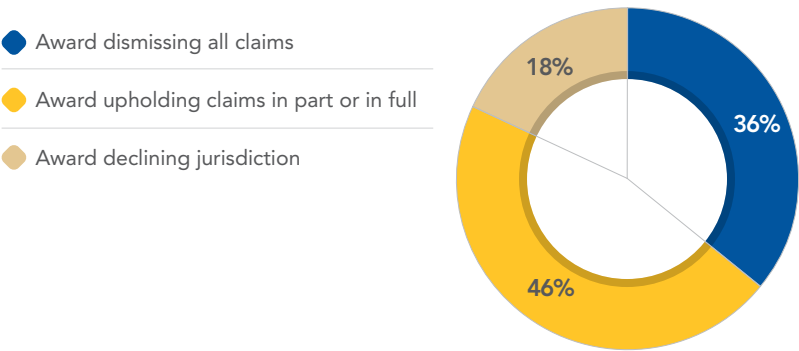
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### ARBITRATION PROCEEDINGS UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES CONCLUDED IN FY2015 — OUTCOMES



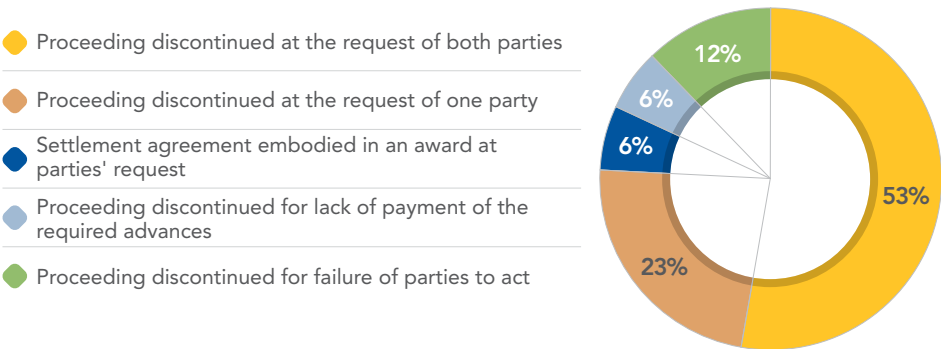
Of the 22 cases decided by a tribunal, four awards declined jurisdiction, eight tribunals rejected all of the investors’ claims, and ten upheld the investors’ claims in part.

DISPUTES DECIDED BY ARBITRAL TRIBUNALS UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2015 — FINDINGS



Of the 16 arbitration cases that were discontinued or settled, nine were discontinued following a request by both parties, three were discontinued at the request of one party, and in one further case, the parties’ settlement agreement was embodied in an award. In addition, one case was discontinued for lack of payment of the required advances, and two cases were discontinued for failure of the parties to act.

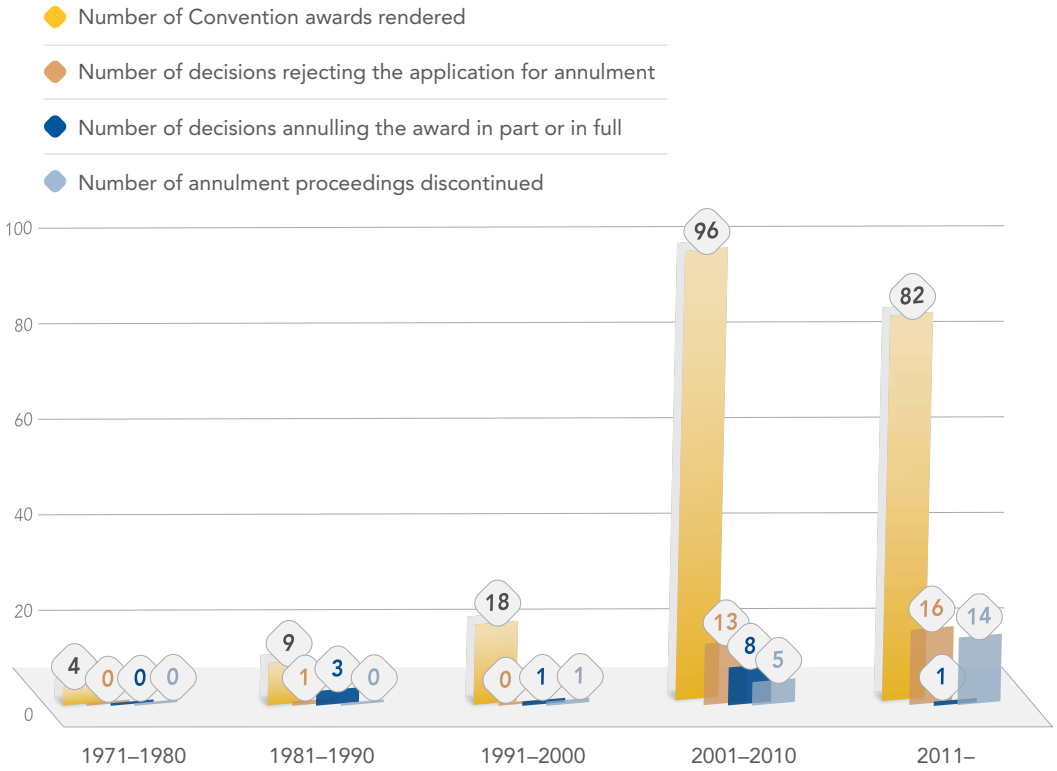
DISPUTES SETTLED OR PROCEEDINGS OTHERWISE DISCONTINUED UNDER THE ICSID CONVENTION AND ADDITIONAL FACILITY RULES IN FY2015 — BASIS



The majority of arbitration proceedings concluded in FY2015 lasted on average 39 months from the date of the tribunal’s constitution. During the fiscal year, the Centre continued to implement practices to reduce the duration and cost of arbitrations while respecting the due process rights of the parties. These include: (i) requiring arbitrators to submit calendars indicating their long-term availability when accepting their appointment; (ii) updating parties on a regular basis concerning the costs expended to date; (iii) encouraging tribunal members to establish a budget at the outset of a case outlining anticipated arbitrator fees and expenses; (iv) encouraging tribunal consultations immediately prior to hearings and deliberations immediately after hearings; and (v) requiring tribunals to report to the parties on the timing of outstanding decisions or awards.

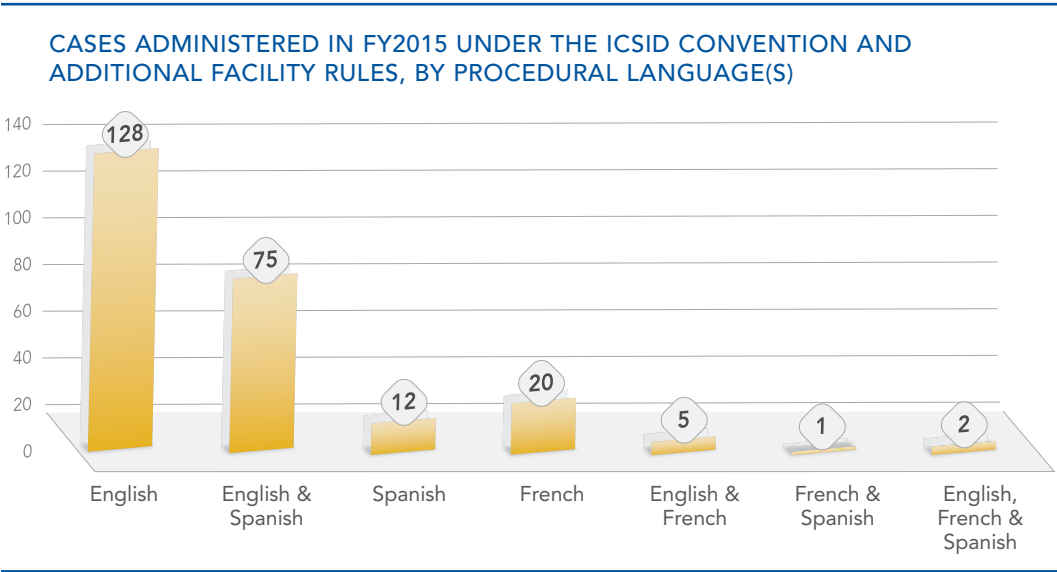
Ten annulment proceedings were also concluded in FY2015. In five cases, the *ad hoc* Committee rejected the application for annulment of the award. Four annulment proceedings were discontinued at the request of one or both parties, and one annulment proceeding was discontinued for lack of payment of the required funds.

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



### Matters of Procedure in ICSID Cases in FY2015

Of the 243 ICSID cases administered in FY2015, 128 were conducted in English, 20 in French and 12 in Spanish, which are the three official languages of the Centre. Eighty-one proceedings were conducted simultaneously in two official languages, with the English-Spanish combination continuing to be the most frequent. Two further cases were administered in all three official languages.



In the course of the year, 134 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; 46% of all sessions and hearings in FY2015 were held in this manner.

During the fiscal year, 23 awards and 432 decisions and procedural orders were issued by arbitral tribunals, conciliation commissions and *ad hoc* Committees. This is a noteworthy increase in jurisprudence developed under the ICSID Rules. The Centre publishes these rulings on its website, with the parties’ permission. Where parties do not consent to publish awards, the Centre published excerpts of the legal reasoning of the tribunal as permitted 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](http://www.worldbank.org/icsid).

## INSTITUTIONAL MATTERS

ICSID worked on numerous institutional projects in FY2015. These included providing support to the ICSID Administrative Council, expanding the Centre's network of institutional cooperation agreements, and collaborating with 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

Pursuant to Article 4 of the ICSID Convention, the Administrative Council is composed of one representative of each Contracting State. The World Bank governor appointed by a Member State usually sits as its representative on the ICSID Administrative Council, unless the State makes a different designation. The President of the World Bank Group is *ex officio* Chairman of the Administrative Council.

At the end of FY2015, 151 Contracting States were represented on the ICSID Administrative Council. The Republic of San Marino is the most recent State to ratify the ICSID Convention and obtain ICSID membership. Decisions of the Administrative Council are taken by vote. Each representative has one vote, which carries equal weight. The Chairman of the Administrative Council has no vote.

The Administrative Council must meet at least once a year. On October 10, 2014, the President of the World Bank Group, Dr. Jim Yong Kim, presided over the 48th Annual Meeting of the Council, which was held in Washington, D.C. The Resolutions adopted by the Administrative Council at its 48th Annual Meeting are reproduced in Chapter 6.

### ICSID Secretariat

The ICSID Secretariat is led by a Secretary-General. The Secretary-General is assisted by five Team Leaders, who head three case management teams, an institutional affairs team, and a general administration and financial management team. The ICSID Secretariat carries out the daily operations of the Centre.

As of June 30, 2015, the Secretariat consists of 56 staff members from 30 countries, making it one of the most diverse organizations within the World Bank Group. Most 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 nearly two dozen other languages, including, Akan, Amharic, Arabic, Bulgarian, Cantonese, Czech, Finnish, German, Italian, Kirundi, Kinyarwanda, Malay, Mandarin, Polish, Russian, Swahili, Swedish, Tagalog, Wolof and Yoruba. During the fiscal year, ICSID continued to align its workforce with the growing caseload, mainly by recruiting additional counsel and paralegals.

During FY2015, ICSID welcomed Professor Andrea Bjorklund as its first Scholar in Residence to work on a number of special assignments with the ICSID Secretariat, including projects to commemorate the forthcoming 50th Anniversary of the ICSID Convention. ICSID also welcomed two summer interns from Egypt and the United Kingdom to carry out research on a range of issues, and assist on a number of institutional projects.

## ICSID Panels

As indicated in Chapter 3 of this report, the ICSID Convention entitles each Contracting State to designate up to four persons to the Panels of Arbitrators and of Conciliators, respectively. Individuals of any nationality may be designated to the Panels by a Contracting State. The arbitrators and conciliators listed on the Panels are available for selection to ICSID Tribunals, Commissions and *ad hoc* Committees.

The ICSID Secretariat continues its efforts to ensure that the Panels are updated and enlarged. In the course of FY2015, the Secretary-General held numerous meetings with government officials to encourage Contracting States with vacant or expired nominations to make designations. At these meetings, the Secretary-General emphasized the vital role of the Panels in the international investment arbitration system and the legal and practical criteria for selection of qualified candidates. In April 2015, the Secretary-General invited over 100 Contracting States with vacant or expired nominations to make designations to the ICSID Panels. By the end of FY2015, a number of Contracting States responded with updated designations to the ICSID Panels, and others are in the process of selecting nominees.

A list of members of the ICSID Panels of Arbitrators and of Conciliators nominated in FY2015 and the nominating State is found in Chapter 3. The full list of members of the ICSID Panels is available on the ICSID website.

## State Visits

As part of the Secretary-General's membership engagement initiative, ICSID continues working with Contracting States and reaching out to States that are not yet ICSID members. In the course of FY2015, the ICSID Secretary-General met with government officials from different States at ICSID's headquarters in Washington, D.C. and abroad. Such meetings were held with government officials from Austria, Barbados, China, Colombia, Croatia, the Czech Republic, Equatorial Guinea, the European Union, Finland, France, Georgia, Hungary, Indonesia, Korea, Laos, Latvia, Malaysia, Mexico, Peru, the Philippines, Poland, San Marino, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, Spain, Switzerland, the United Arab Emirates, the United Kingdom, the United States of America, and Vietnam.





*Meg Kinnear, ICSID Secretary-General and Mr. Phan Chi Hieu, Deputy Minister of Justice of Vietnam, Hanoi, Vietnam, November 26, 2014, Do Thi Thuy Duong*

In Fall 2014, the Secretary-General, accompanied by ICSID Legal Counsel, visited several countries in Asia, met with government and private sector officials, and provided training on the ICSID process.

In February 2015, the ICSID Secretariat provided a tailored overview on ICSID practice and procedure to 15 different States in Latin America, Spain and Mozambique. The Secretary-General also discussed current issues in international investment arbitration with participants.

Throughout FY2015, the Secretary-General held a series of informational meetings with representatives of 28 ICSID Contracting States appointed to the World Bank Executive Directors offices. The Secretary-General also briefed the World Bank Board of Executive Directors in February 2015 on the ICSID arbitration process.

### **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. ICSID's first cooperation agreement was signed in 1968 with the Permanent Court of Arbitration in The Hague. In FY2015, ICSID entered into a renewed cooperation agreement with the Kuala Lumpur Regional Centre for Arbitration.



*Martina Polasek, ICSID Counsel, speaking at the Kuala Lumpur Regional Centre for Arbitration, Kuala Lumpur, Malaysia, November 20, 2014, KLRC*

ICSID now has 13 such agreements in place, including agreements with the Australian Centre for International Commercial Arbitration in Melbourne; the Australian Commercial Disputes Centre in Sydney; the Cairo Regional Centre for International Commercial Arbitration; the Centre for Arbitration and Conciliation at the Chamber of Commerce in Bogota; the China International Economic and Trade Arbitration Commission; the German Institution of Arbitration; the Gulf Cooperation Council Commercial Arbitration Centre in Bahrain; the Hong Kong International Arbitration Centre; the Lagos Regional Centre for International Commercial Arbitration; Maxwell Chambers in Singapore; the Permanent Court of Arbitration in The Hague; and the Singapore International Arbitration Centre.

### Cooperation with Other International Organizations

ICSID continued to collaborate with other multilateral institutions on investment law and dispute settlement issues during FY2015. For instance, on September 17, 2014, ICSID Legal Counsel participated in the work of 61st Session of the UNCITRAL Working Group II on Arbitration and Conciliation in Vienna, Austria. During the week of the session, ICSID Counsel also sat on a panel that discussed the future of international investment arbitration. On November 17-18, 2014, ICSID counsel made a presentation at the third Asia-Pacific Alternate Dispute Resolution Conference on the Practice of UNCITRAL Arbitration Rules.

In cooperation with United Nations Conference on Trade and Development (UNCTAD), ICSID was one of the organizing partners of the 2014 UNCTAD World Investment Forum: a biennial, high-level and multi-stakeholder gathering designed to facilitate discussion and action on the world's key and emerging investment-related challenges held from October 13 to 16, 2014. On October 16, 2014, the ICSID Secretary-General co-moderated a panel on reform of the international investment agreements regime. The panel considered key areas arising from international investment agreements (IIAs) and investment dispute settlement.



*World Leaders' Investment Summit II, Palais des Nations, UNCTAD World Investment Forum, Geneva, Switzerland, October 15, 2014, UNCTAD*

In early 2015, 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 March 2015, the Secretary-General participated in a Freedom of Investment roundtable hosted by the Organisation for Economic Co-operation and Development (OECD).

In June 2015, the Secretary-General participated in the second 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 to engage stakeholders and experts in a dialogue on investment and trade law and policy.

In the course of FY2015, 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 the advisory bodies 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 the 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 5 of this Report.

## Best Practices

During FY2015, 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 expedited 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. For example, in FY2015, the Secretariat completed the review of a Request for Arbitration in an average of 21 days from the date the file was received. Similarly, when ICSID was asked to appoint arbitrators under Article 38 of the ICSID Convention, the process was in most cases completed within six weeks from the date the parties filed the request to appoint. Tribunals are normally constituted within one day of receiving confirmation that all members have accepted their appointments.

In FY2015, ICSID also adopted practices to provide parties with enhanced, real-time information about the status of a case, including case budget and the progress of a tribunal in drafting decisions and awards. Similar practices have been adopted for annulment and conciliation proceedings.



## Technology

In FY2015, ICSID continued to use information technology to enhance its ability to deliver cost-effective, high-quality services. The Centre launched a new website to support its activities. Among other things, the new site features an enhanced and more user-friendly interface, more robust databases and a more refined search engine. In addition, a significant amount of new content about ICSID and its dispute settlement mechanisms has been added. The updated site provides real-time updates on cases, news and events and a subscription feature to notify the public about recent case developments. It also features online databases of bilateral investment treaties, a bibliography on investment law and procedure, the panels of arbitrators and of conciliators, and arbitrators, conciliators and committee members' *curricula vitae*. More information on our online resources can be found in Chapter 5 of this report. During the year, ICSID continued its effort to support transparency of the arbitration process by encouraging the publication of awards, decisions, and procedural orders and information about the status of each case. Over 1,710 individual entries were posted on the website in this fiscal year.

Finally, ICSID also introduced a number of innovative in-house financial systems, including a system to expedite refunds to parties in concluded cases.



*José Emilio Nunes Pinto, Eduardo Siqueiros T., and Bernardo M. Cremades, Tribunal members, and Party Representatives, at a hearing in Pluspetrol Perú Corporation and others v. Perupetro S.A., Washington, D.C., November 7, 2014, Benjamin Garel, World Bank*

## CHAPTER 5

# OUTREACH

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

### PUBLICATIONS

#### *ICSID Review—Foreign Investment Law Journal*

Since 1986, ICSID has published the world's leading independent journal on international investment law and arbitration. In FY2014, the *Review* began its expansion from two to three issues per year and began accepting online submissions. During FY2015, the *Review* completed the transition with the publication of its Fall 2014, Winter 2015 and Spring 2015 issues. Every issue contains three sections: case comments, articles and notes. The case comments analyze significant decisions under the ICSID Convention, Additional Facility, or other rules. The articles address diverse topics related to investment law and arbitration in depth, while the notes consider current issues in investment arbitration law and procedure on a more specific basis. In addition, important primary sources of international investment law are included in the *ICSID Review*. As the journal develops in its new form, it continues to pursue innovations in content designed to reinforce its position as the leading reference on investment arbitration.

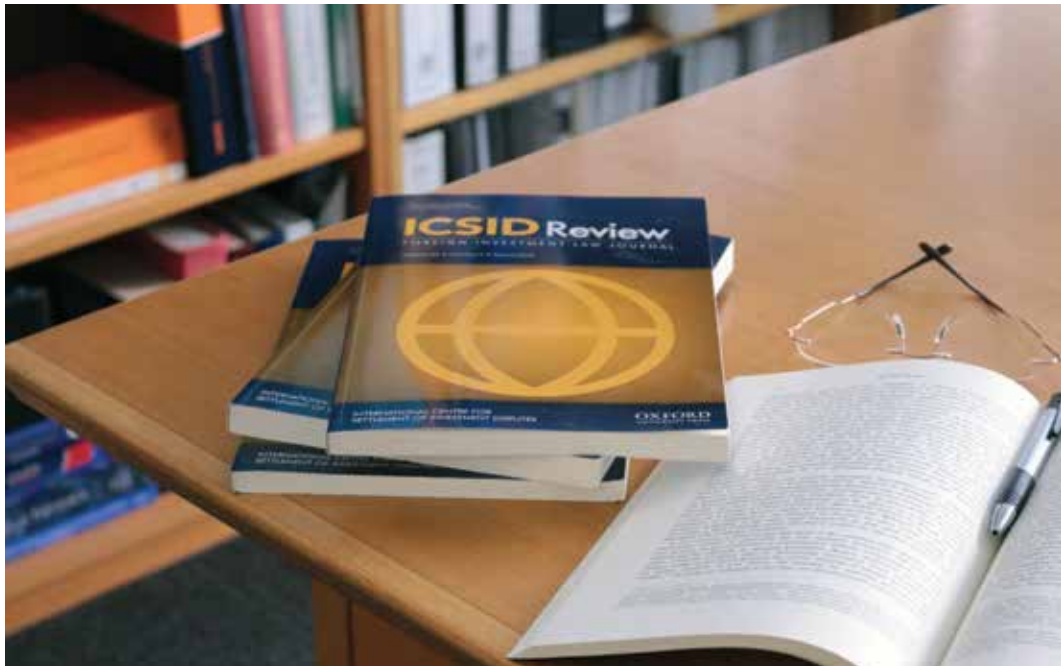
The Fall 2014 issue included a special section dedicated to the 20th anniversary of the Energy Charter Treaty; a Resolution of the Institute of International Law concerning international investment arbitration and investment treaty obligations; a discussion of contractual waivers of investment arbitration; and an analysis of deference and indirect expropriation in international investment law.

The Winter 2015 issue covered a variety of topics, and included a note on place of arbitration and an article on procedural requirements of denial of benefits clauses in investment treaties, both written by ICSID Counsel; a discussion on the recent trends in the treatment of applications for disqualification in ICSID proceedings; and an analysis of the proposed bilateral investment treaty between China and the European Union. This issue also contained the Maxwell Lecture on *After ICCA Singapore, After ICCA Miami: The Next Questions*.

The Spring 2015 issue was largely devoted to an agora on various aspects of the *Yukos Universal Limited (Isle of Man) v. The Russian Federation* arbitral proceedings and the resulting awards, as well as a brief overview of the related proceedings before the European Court of Human Rights (ECtHR). This issue also contained an analysis of Indonesia's bilateral investment treaty framework, and a discussion on investment treaty arbitration in Australia.

ICSID also held the fifth annual Student Writing Competition of the *ICSID Review*. The winner was selected by a panel of experts and the student's paper entitled *The Admissibility of Evidence in ICSID Arbitration: Considering the Validity of WikiLeaks Cables as Evidence* was published in the Winter 2015 issue. The 2015 Competition is currently underway. The Student Writing Competition furthers an important aspect of the Centre's mission by encouraging analysis of current issues in international investment law.

As part of its ongoing efforts to promote and develop international law, ICSID arranged with Oxford University Press (OUP) to offer ICSID Member States a free trial access period to issues of the *ICSID Review* and other OUP journals.



*ICSID Review—Foreign Investment Law Journal*

## Collections

In FY2015, 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: Cabo Verde, the Dominican Republic, Mexico, Mozambique and Panama (Release 2015-1). Three updated supplements to the *Investment Treaties* collection were published containing the texts of 60 bilateral investment agreements and protocols, concluded by 56 countries from all regions of the world between 1992 and 2011 (Releases 2014-2, 2014-3 and 2015-1).

## The ICSID Caseload—Statistics

In FY2015, the Centre published Issues 2014-2 and 2015-1 of the *ICSID Caseload—Statistics* online in English, French and Spanish. In these issues, the Centre continued its practice of profiling the ICSID caseload by reporting quantitative analyses on the cases registered and administered by the ICSID Secretariat; the basis of consent to ICSID jurisdiction invoked in registered arbitration and conciliation cases; the geographic distribution of ICSID cases by State party to the dispute; the economic sectors involved in ICSID disputes; the outcomes in ICSID arbitration and conciliation proceedings; the nationality and geographic origins of arbitrators, conciliators and *ad hoc* Committee members appointed in ICSID proceedings; and the outcomes in annulment proceedings under the ICSID Convention. Issue 2015-2, updating the information to June 30, 2015, was published in July 2015.

During Fall 2014, ICSID also generated statistics as of October 1, 2014 specific to the South & East Asia & the Pacific Region, published in English. Likewise, in Spring 2015, ICSID generated the second edition of its special focus issue on statistics specific to the European Union published in English, French and Spanish.

## Anniversary Book

To commemorate ICSID's 50th anniversary, ICSID has begun work on the publication of a book of papers written by leading arbitrators, practitioners and academics concerning landmark cases in international investment law. This book will be published in Fall 2015.



## EVENTS AND PRESENTATIONS

During FY2015, ICSID held several of its own events and co-sponsored a number of conferences with other international arbitration bodies and multilateral organizations. Over 90 presentations took place in a number of countries in different regions of the world, including Austria, Barbados, Canada, China, Colombia, the Czech Republic, Denmark, Ecuador, France, India, Italy, Korea, Malaysia, Mauritius, Mexico, Paraguay, the Philippines, Portugal, Singapore, Spain, Switzerland, Tanzania, Trinidad and Tobago, the United States of America, and Vietnam. These presentations were given at international conferences, regional focus events, lectures and academic events, and other events, as described in the following sections.

### International Conferences

ICSID staff served as panelists and speakers at international investment arbitration conferences organized by the African Institute of International Law, the American Bar Association, the American Society of International Law, the Arbitration Center of the Portuguese Chamber of Commerce and Industry, the summer Arbitration Academy in Paris, the Latin American Association for Arbitration, the Canadian Bar Association, the Center for Arbitration of the Construction Industry in Mexico, the Danish Institute of Arbitration, the Hispanic National Bar Association (HNBA), the International Association of Young Lawyers in Prague (AIJA), the International Bar Association (IBA), the International Chamber of Commerce (ICC), the International Law Institute, the Italian Association for Arbitration, the Kuala Lumpur Regional Centre for Arbitration, the Mauritius International Arbitration Conference, Maxwell Chambers, the Organisation for Economic Co-operation and Development (OECD), and the Vienna International Arbitration Centre (VIAC). In several instances, ICSID served as the organizer or co-organizer of the conference. A number of these conferences are highlighted below.

On July 11, 2014, ICSID Legal Counsel participated in the VIII Congress of the Commercial Arbitration Center of the Portuguese Chamber of Commerce and Industry in Lisbon, Portugal. The panel addressed the setting aside of arbitral awards, particularly discussing the annulment mechanism available under the ICSID Convention.

On July 15 and 16, 2014, ICSID Legal Counsel delivered presentations on ICSID arbitration practice to students, government officials and lawyers taking part in the Arbitration Academy in Paris, France.

On August 10–12, 2014, ICSID Legal Counsel participated in the 13th Annual Caribbean Commercial Law Workshop in Port of Spain, Trinidad, on ICSID arbitration in the context of the Caribbean region.

On September 1, 2014, ICSID Legal Counsel moderated a panel on investor-State arbitration during the Conference on Energy Disputes held in Copenhagen by the Danish Institute of Arbitration.

On October 18, 2014, ICSID Legal Counsel participated in a conference on evidence in international arbitration in Barcelona, Spain.

On October 30, 2014, the ICSID Secretary-General gave a keynote speech on challenges to arbitrators at the 4th Investment Treaty Arbitration Conference organized by the Ministry of Finance of the Czech Republic in Prague.



*Mairée Uran-Bidegain, ICSID Counsel, presenting at Arbitration Academy, Paris, France, July 15, 2014, Julie Carretier-Cohen*



On November 14, 2014, ICSID partnered with the American Arbitration Association/International Centre for Dispute Resolution (AAA/ICDR) and the International Chamber of Commerce for the 31st Joint Colloquium on International Arbitration. This event took place in New York. The Colloquium provided a forum for discussion on the role of the institutions *vis-a-vis* participant conduct; recent developments and trends in the international energy sector, the corporate world and international dispute resolution; and recent developments in all institutions.

On November 17, 2014, the ICSID Secretary-General gave a presentation on current issues and trends in investment arbitration at an event co-sponsored by Maxwell Chambers and by the Centre of International Law of the National University in Singapore.

On February 27, 2015, ICSID co-hosted the 18th Annual International Arbitration Day in cooperation with the International Bar Association. The conference was dedicated to ICSID's 50th Anniversary: A Retrospective and a Forecast of the Future of Investment Arbitration. The ICSID Secretary-General gave the opening remarks on the current perspective on ICSID and ICSID Legal Counsel co-moderated all of the sessions. Some highlights of the sessions included: a historical overview of the drafting the Convention and ICSID's early years, a discussion of the relationship of investment arbitration and bilateral investment treaties, procedural issues in investment arbitration, and the future of investment arbitration.

On March 16, 2015, the ICSID Secretary-General chaired a panel on strengthening public confidence 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, 2015, 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 in Washington, D.C.

On June 2, 2015, ICSID Legal Counsel gave an overview on investment arbitration, sovereignty and protection of investment at the Annual Conference of the Latin America Association of Arbitration in Bogota, Colombia.

Similarly, on June 10, 2015, ICSID Counsel participated in a panel of investment arbitration at a conference organized by the Spanish Arbitration Club Congress in Madrid, Spain.



*Gonzalo Flores, ICSID Counsel, speaking on a panel organized by the Spanish Arbitration Club Congress, Madrid, Spain, June 10, 2015, Manuel Seixas, Lalinpress*

## ICSID Regional Focus

As part of ICSID's global outreach initiative to increase awareness of international dispute resolution, the Secretary-General and ICSID Legal Counsel addressed numerous groups of government officials, judges, lawyers and other interested groups at meetings held at ICSID's offices in Washington, D.C. and in locations abroad. In particular, the Secretary-General and ICSID Legal Counsel gave presentations on the ICSID process in Barbados, Canada, China, Korea, Malaysia, Mauritius, the Philippines, Singapore, the United States of America, and Vietnam. A number of the regional presentations are highlighted below.

In Fall 2014, the ICSID Secretary-General and ICSID Legal Counsel traveled to six countries in Asia to participate in conferences and provide training on the ICSID process. During this tour, they gave a full introductory training course that took participants from the region through each step of an arbitration proceeding under the ICSID Convention at the National University of Singapore (NUS), the Kuala Lumpur Regional Centre for Arbitration (KLRC) in Malaysia, the Philippine Judicial Academy in Manila, and the Tsinghua University School of Law in Beijing, China.



*Anneliese Fleckenstein and Mairée Uran-Bidegain, ICSID Counsel, presenting during a training session, Washington, D.C., February 25, 2015, Benjamin Garel, World Bank*

On February 25–26, 2015, the ICSID Secretariat organized a two-day training session conducted in Spanish for government officials and embassy representatives. More than 60 participants from 15 States in Latin America, as well as from Spain and Mozambique, joined ICSID in an overview of the fundamentals of the dispute resolution process at ICSID, and held a roundtable for discussion of current issues in international investment arbitration.



On May 4, 2015, the ICSID Secretary-General and Legal Counsel gave an introduction to ICSID process in Ottawa, Canada. ICSID Staff guided government officials and members of the public through each stage of the arbitration. Earlier in 2015, the ICSID Secretary-General addressed the Canadian Bar Association on the practical effects of Canada signing the Washington Convention and joining ICSID as a Contracting State.

In FY2015, ICSID Legal Counsel also participated in two training workshops titled: Bilateral Investment Treaties and Arbitration: Introduction and General Principles of Foreign Investment at the African Institute of International Law in Arusha, Tanzania. The first workshop took place on February 16-17, 2015 in English, and the second on June 1-2, 2015 in French.

### 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 educate academic audiences and legal practitioners interested in developing their awareness of investment arbitration.

Specifically, ICSID Legal Counsel presented overviews of investment arbitration and ICSID procedure to students at the American University Washington College of Law, Athabasca University in Alberta,



Columbia University, Georgetown University Law Center, the George Washington University Law School, Government Law College in Mumbai, Harvard Law School, Howard University Law School, Ludwig Maximilians University of Munich, McGill University Faculty of Law in Montreal, the National University of Singapore-Centre for International Law, Universidad Iberoamericana in Mexico City, the University of Richmond School of Law, University of Rome, University of West Indies in Barbados, Vellore Institute of Technology University Law School in Chennai, and Washington & Lee University. ICSID Legal Counsel also participated on career panels, networking sessions, and moot competitions for law students at local universities and organizations.

During the summer of 2014, the Secretary-General addressed the 2014 graduating Master of Business Administration class of the School of Foreign Service of Georgetown University in Washington D.C.

## Other Events

ICSID co-sponsored a number of other events aimed at engaging the World Bank Group legal community and the broader arbitral community in notable developments in international investment law and dispute settlement procedures.



On October 22, 2014, ICSID sponsored a session on Economic Treaties: New Directions in EU Trade Policies during 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). Panelists identified challenges and lessons learned in the negotiation, implementation, and operation of recent trade and investment policies and agreements. As part of the LJD Week events, ICSID Staff also presented an overview of the ICSID process for World Bank Group staff on October 24, 2014.

On February 26, 2015, in cooperation with the Woodrow Wilson International Center for International Scholars, ICSID hosted a launch event for a new book edited by Jean Kalicki and Anna Joubin-Bret on investor-State dispute settlement reform proposals published by TDM-OGEMID and Brill Nijhoff.

Similarly, on May 14, 2015, ICSID, in collaboration with the American Society of International Law, hosted the book launch of *Ethics in International Arbitration* by Catherine A. Rogers published by OUP.



Martina Polasek, ICSID Counsel, introducing panelists at book launch event, Washington, D.C., May 14, 2015, Benjamin Garel, World Bank



## YOUNG ICSID

Young ICSID continues to encourage professional development among international investment dispute resolution practitioners under the age of 45. As of June 30, 2015, Young ICSID has received over 400 enrollment applications from all regions of the world. On October 30, 2014, during the 4th Investment Treaty Arbitration Conference in Prague, Young ICSID co-hosted a workshop during which faculty discussed and debated the role of the State as a client and opponent in investment arbitration. Furthermore, in February 2015, Young ICSID co-hosted, alongside Young ICCA, ICDR Young & International, ICC Young Arbitrators Forum, Young Arbitrators Sweden and Young International Arbitration Group, a discussion on perspectives on the use of arbitral secretaries in London, United Kingdom.

## 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 for ICSID to publish the full award. During FY2015, ICSID published numerous awards, decisions, and orders in cases concluded in 2014 and early 2015. The Centre continued to contact ICSID parties in concluded cases to seek their authorization to publish all rulings. This ongoing initiative supports the Centre's outreach mission by enhancing public understanding of ICSID proceedings and investment law, and offering free access to ICSID case law.

### Database of Arbitrators, Conciliators and *ad hoc* Committee Members

The enhanced ICSID website now also 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.

### Database of Bilateral Investment Treaties

In FY2015, as part of ICSID's mandate to promote and develop international law, 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 other investment treaties. This list includes other treaties relevant to investment, including multilateral and bilateral free trade agreements with investment provisions.

### Bibliography on Investment Law and Procedure

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 FY2015, the bibliography contained more than 4,000 entries.

### Public Hearing Broadcasts

The Centre continued to offer parties the option to webcast proceedings in cases administered by ICSID. In FY2015, ICSID arranged to broadcast the hearing on jurisdiction and the merits in *Spence International Investments et al. v. Republic of Costa Rica* (ICSID Case No. UNCT/13/2), a Dominican Republic-Central America-United States Free Trade Agreement (CAFTA)/UNCITRAL rules proceeding. The hearing was held on April 20, 21 and 24, 2015, in Washington, D.C.

### 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.

## ICSID OFFICIAL DOCUMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

*ICSID Schedule of Fees* (January 1, 2013) (English, French and Spanish)

*ICSID Annual Report (1967–2014)* (English, French and Spanish)

## 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](mailto:jnls.cust.serv@oup.com) at US\$84 for individuals (print and online combined) and US\$205, US\$236, or US\$256 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](mailto: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, Issues 2010-1, 2010-2, 2011-1, 2011-2, 2012-1, 2012-2, 2013-1, 2014-1, 2014-2, 2015-1, 2015-2* (contains a profile of the ICSID caseload; semi-annual updates) (English, French and Spanish) (Internet edition only)

*The ICSID Caseload—Statistics (Special Focus - European Union)* (contains statistics on ICSID cases involving European Union States and investors as of March 2014 and April 2015) (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 1, 2014) (English) (Internet edition only)

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

## ICSID STAFF PUBLICATIONS

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, forthcoming 2015)

Meg Kinnear, *Foreword*, in *Reshaping the Investor-State Dispute Settlement System: Journeys for the 21st Century*, (Jean E. Kalicki and Anna Joubin-Bret ed., Brill Nijhoff Publishers, April 2015)

Meg Kinnear, *Foreword*, in *Enforcement of Investment Treaty Arbitration Awards: A Global Guide*, (Julien Fouret, Globe Law and Business, February 2015)

Meg Kinnear, *ICSID and the International Investment Treaty Arbitration: Progress and Prospects*, in *China and International Investment Law, Twenty Years of ICSID Membership* (Wenhua Shan ed., Brill Nijhoff Publishers, October 2014)

Meg Kinnear and Monty Taylor, *The History and Practice of the International Centre for Settlement of Investment Disputes*, *Australian Dispute Resolution Bulletin*, Vol. 1, No. 5 (Lexis Nexis, October 2014)

Meg Kinnear, *Challenges of Arbitrators at ICSID—An Overview*, 108 *Proceedings of the Annual Meeting (ASIL)* 412-416 (2014)

Frauke Nitschke and Kamel Ait-El-Hadj, *Determining the Place of Arbitration in ICSID Additional Facility Proceedings*, 30(1) *ICSID Rev–FILJ* 243-249 (2015)

Frauke Nitschke and Eloïse Obadia, *Institutional Arbitration and the Role of the Secretariat*, in *Litigating International Investment Disputes: A Practitioner's Guide* (Chiara Giorgetti ed., Brill Nijhoff Publishers, July 2014)

Kendra Magraw, *Investor-State Disputes and the Rise of Recourse to State Party Pleadings As Subsequent Agreements or Subsequent Practice under the Vienna Convention on the Law of Treaties*, 30(1) *ICSID Rev–FILJ* 142-171 (2015)

Lindsay Gastrell and Paul-Jean Le Cannu, *Procedural Requirements of 'Denial of Benefits' Clauses in Investment Treaties: A Review of Arbitral Decisions*, 30(1) *ICSID Rev–FILJ* 78-97 (2015)

Natalí Sequeira, *Investment Arbitration at the International Centre for Settlement of Investment Disputes*, 2 *Colloquia Papers on International Arbitration* 1-18 (2014)

Ruqiyah B. Musa and Martina Polasek, *The Origins and Specificities of the ICSID Enforcement Mechanism*, in *Enforcement of Investment Treaty Arbitration Awards: A Global Guide* (Julien Fouret, Globe Law and Business, February 2015)



2014 ICSID Administrative Council Meeting,  
Washington, D.C., October 10, 2014, Grant Ellis, World Bank

## CHAPTER 6

# FORTY-EIGHTH ANNUAL MEETING OF THE ADMINISTRATIVE COUNCIL

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 48th Annual Meeting of the Administrative Council took place on October 10, 2014, in Washington, D.C., on the occasion of the Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund.

At its 48th Meeting, the Administrative Council approved the Centre's 2014 Annual Report, adopted the Centre's administrative budget for FY2015, and re-elected Meg Kinnear to the post of Secretary-General for a second term.

The Resolutions adopted at the Meeting are reproduced on page 57.





**AC(48)/RES/125—**

**Approval of the Annual Report**

The Administrative Council  
RESOLVES

To approve the 2014 Annual Report on the operation of the Centre.

**AC(48)/RES/126—**

**Adoption of Budget for Fiscal Year 2015**

The Administrative Council  
RESOLVES

To adopt, for the period July 1, 2014 to June 30, 2015, the budget set forth in paragraph 2 of the Report and Proposal of the Secretary-General on the Budget for Fiscal Year 2015, dated June 27, 2014.

**AC(48)/RES/127—**

**Election of the Secretary-General**

The Administrative Council  
RESOLVES

- (a) that Ms. Meg Kinnear be re-elected to the post of Secretary-General for a second term of six years, that is, from February 18, 2015 to February 18, 2021.
- (b) to express its appreciation to Ms. Kinnear for her excellent service to the Centre during her first term as its Secretary-General.







## CHAPTER 7

# FINANCE

ICSID's administrative expenditures in FY2015 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 FY2015 are set forth in the following pages.

# FINANCIAL STATEMENTS

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

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2015 AND JUNE 30, 2014

	2015	2014
<b>Assets:</b>		
Cash (Note 2)	\$ 9,146,634	\$ 7,229,113
Share of cash and investments in the Pool (Notes 2 and 3)	34,811,393	31,523,162
Due from parties to arbitration/conciliation proceedings (Note 2)	511,594	825,039
Other receivables	69,654	64,048
Other assets, net (Notes 2 and 4)	373,938	480,014
<b>Total assets</b>	<b>\$ 44,913,213</b>	<b>\$ 40,121,376</b>
<b>Liabilities and net assets:</b>		
Liabilities:		
Payable to International Bank for Reconstruction and Development (Note 2)	\$ 1,674,580	\$ 1,607,338
Advance from International Bank for Reconstruction and Development (Note 5)	—	189,719
Advance received for miscellaneous services	—	13,000
Deferred revenue (Note 2)	2,192,000	2,217,167
Accrued expenses related to arbitration/conciliation proceedings (Note 2)	6,628,660	6,805,659
Advances from parties to arbitration/conciliation proceedings (Note 2)	28,694,327	25,542,542
<b>Total liabilities</b>	<b>39,189,567</b>	<b>36,375,425</b>
<b>Net assets, unrestricted (Note 6)</b>	<b>5,723,646</b>	<b>3,745,951</b>
<b>Total liabilities and net assets</b>	<b>\$ 44,913,213</b>	<b>\$ 40,121,376</b>

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

## STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	2015	2014
<b>Support and revenues:</b>		
Revenues/fees from arbitration/conciliation proceedings (Notes 2 and 8)	\$ 37,686,122	\$ 34,182,606
In-kind contributions (Notes 2 and 10)	2,932,799	3,004,840
Net investment income (Note 2)	66,570	62,469
Sales of publications	62,713	70,664
<b>Total support and revenues</b>	<b>40,748,204</b>	<b>37,320,579</b>
<b>Expenses:</b>		
Expenses related to arbitration/conciliation proceedings (Notes 2 and 9)	30,192,508	27,516,213
Administrative expenses (Note 10)	8,405,355	8,332,714
Amortization expenses (Notes 2, 4 and 10)	106,076	69,768
Net investment income applied to arbitration/conciliation proceedings (Note 2)	66,570	62,469
<b>Total expenses</b>	<b>38,770,509</b>	<b>35,981,164</b>
<b>Change in net assets</b>	<b>1,977,695</b>	<b>1,339,415</b>
<b>Net assets, beginning of the year</b>	<b>3,745,951</b>	<b>2,406,536</b>
<b>Net assets, end of the year</b>	<b>\$ 5,723,646</b>	<b>\$ 3,745,951</b>

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

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

	2015	2014
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,977,695	\$ 1,339,415
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization	106,076	69,768
Decrease/(Increase) in due from parties to arbitration/ conciliation proceedings	313,445	(238,957)
Increase in other receivables	(5,606)	(63,968)
Increase in payable to International Bank for Reconstruction and Development	67,242	321,985
(Decrease)/Increase in advance received for miscellaneous services	(13,000)	13,000
(Decrease)/Increase in deferred revenue	(25,167)	346,142
(Decrease)/Increase in accrued expenses related to arbitration/conciliation proceedings	(176,999)	427,400
Increase in advances from parties to arbitration/ conciliation proceedings	3,151,785	5,810,956
<b>Net cash provided by operating activities</b>	<b>5,395,471</b>	<b>8,025,741</b>
<b>Cash flows from investing activities:</b>		
Increase in share in pooled investments	(3,288,231)	(5,999,398)
Purchase of other assets	—	(173,860)
<b>Net cash used in investing activities</b>	<b>(3,288,231)</b>	<b>(6,173,258)</b>
<b>Cash flows from financing activities:</b>		
Payment of advance from International Bank for Reconstruction and Development	(189,719)	(189,719)
<b>Cash provided by financing activities</b>	<b>(189,719)</b>	<b>(189,719)</b>
<b>Net increase in cash</b>	<b>1,917,521</b>	<b>1,662,764</b>
<b>Cash at beginning of the year</b>	<b>7,229,113</b>	<b>5,566,349</b>
<b>Cash at end of the year</b>	<b>\$ 9,146,634</b>	<b>\$ 7,229,113</b>

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

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND JUNE 30, 2014

### 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 10.

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

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

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

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

*Share of the cash and investments in the Pool:* Investments in the Pool are held for trading and are reported at fair value. Resulting gains or losses are reported as an increase or a reduction in Net investment income in the 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 unbilled expenses incurred by arbitrators, conciliators and committee members, and related revenues, for ongoing cases at each year end. The nature of the cases handled by the Centre requires the use of external arbitrators, conciliators and committee members, who charge fees for their services based on time spent on the cases. The estimation process uses information received from those individuals about unbilled time spent on the cases through the end of the fiscal year. In some instances the determination of fees and expenses incurred in ongoing cases is based on estimated time spent by them in relation to the progress of the case and the number of hearings and sessions held during the year. Actual results of case-related fees earned and expenses incurred but unbilled during the year may differ materially from management's estimates.

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

*Revenues/fees from arbitration/conciliation proceedings:* The Centre's direct expenses attributable to proceedings are borne by the parties in accordance with the Centre's Regulations. These direct expenses, which include fees and expenses of arbitrators, conciliators and Committee members, as well as costs associated with meeting rooms and support services for conducting proceedings, are paid from advances from the parties (see Note 9). 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 8):

*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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

*Administration fees:* The Centre charges \$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 the 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 arbitration/conciliation proceedings, which can be used for expenses related to the parties' respective arbitration/conciliation proceedings. After the completion of the proceedings, if there is an excess of advances and investment income over expenditures for the proceedings, then the surplus is refunded to the parties in proportion to the amounts advanced by them to the Centre.

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

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

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



*Relevant accounting and reporting developments:* In May 2014, the FASB issued ASU 2014-09 (Topic 606) and the IASB issued IFRS 15 Revenue from Contracts with Customers jointly with the FASB. The ASU and IFRS 15 provide a common framework for revenue recognition for U.S. GAAP and IFRS, and 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. IFRS 15 will be effective for annual periods beginning on after January 1, 2017, with early application permitted. ICSID is currently evaluating the impact of this ASU and IFRS on its financial statements.

*International Accounting Standards Board (IASB):* In July 2014 the IASB issued IFRS 9 Financial instruments, which replaces the existing guidance in IAS 39, Financial Instruments- Recognition and Measurement. IFRS 9 includes new requirements on classification and measurement of financial assets and liabilities; and introduces a new single impairment model, based on expected credit losses, applicable to all financial instruments. IFRS 9 also includes the new hedging model that was issued by the IASB in November 2013. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. ICSID is currently evaluating the impact of the standard on its financial statements.

### NOTE 3 — SHARE OF CASH AND INVESTMENT 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,

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

and asset-backed securities. Additionally, the Pool includes equity securities, derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool. The Pool may also include securities pledged as collateral under repurchase agreements, receivables from resale agreements and derivatives for which it has accepted collateral.

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

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

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

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

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

<b>Hierarchy level</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Level 1	\$ 6,736,886	\$ 2,442,033
Level 2	28,074,507	29,081,129
<b>Total</b>	<b>\$ 34,811,393</b>	<b>\$ 31,523,162</b>

As of June 30, 2015 and June 30, 2014, 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, 2015, 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 \$106,076 for the year ended June 30, 2015 (2014: \$69,768). None of these assets are considered impaired.

#### **NOTE 5 — ADVANCE FROM IBRD**

During the year ended June 30, 2008, IBRD agreed to lend up to \$917,000 to the Centre to enable it to acquire software and develop information systems. The loan bears no interest and is repayable in full within four years upon completion of the development of the information systems. The Centre had borrowed \$758,876 and it repaid the fourth and final installment of \$189,719 during the year ended June 30, 2015 (2014: \$189,719).

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 6 — NET ASSETS, UNRESTRICTED

Net assets, unrestricted represents accumulated surplus in the amount of \$5,723,646 (2014: \$3,745,951). The amount may be carried forward indefinitely.

### NOTE 7 — 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, 2015 is equivalent to the gross value of the remaining assets amounting to \$43,777,681 (2014: \$38,566,323). 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, 2015 and June 30, 2014.

<u>Counterparty credit ratings</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
AA- or greater	68%	63%
A- or greater	100%	100%

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

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

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

## NOTE 8 — REVENUES/FEES FROM ARBITRATION/CONCILIATION PROCEEDINGS

Revenues from arbitration/conciliation proceedings comprise:

	<u>2015</u>	<u>2014</u>
Drawdown of Advances from parties*	\$ 30,192,508	\$ 27,516,213
Administration fees	5,750,752	4,990,005
Case registration and other fees	1,742,862	1,676,388
<b>Total</b>	<b>\$ 37,686,122</b>	<b>\$ 34,182,606</b>

\*The Centre recognizes revenue to the extent expenses related to arbitration/conciliation proceedings are incurred. The details of such expenses are provided in Note 9.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 9 — EXPENSES RELATED TO ARBITRATION/CONCILIATION PROCEEDINGS

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

	2015	2014
Arbitrators' fees and expenses	\$ 25,126,072	\$ 22,387,949
Arbitration/conciliation meeting costs	4,582,426	4,663,998
Travel expenses	363,073	297,996
Other costs	120,937	166,270
<b>Total</b>	<b>\$ 30,192,508</b>	<b>\$ 27,516,213</b>

### NOTE 10 — 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:

	2015	2014
Recorded value of services provided by IBRD		
Staff services (including benefits)	\$ 6,577,641	\$ 6,317,147
Administrative services and facilities:		
Contractual services	134,882	263,725
Administrative services	434,176	284,561
Communications and information technology	585,989	803,452
Office accommodations	547,906	519,002
Travel	124,761	144,827
<b>Total administrative services and facilities</b>	<b>8,405,355</b>	<b>8,332,714</b>
Amortization expense	106,076	69,768
<b>Total recorded value of services provided by IBRD</b>	<b>8,511,431</b>	<b>8,402,482</b>
Less: Proceeds from fees and sale of publications	5,578,632	5,397,642
<b>In-kind contributions</b>	<b>\$ 2,932,799</b>	<b>\$ 3,004,840</b>

## NOTE 11 — AUTHORIZATION OF FINANCIAL STATEMENTS

ICSID's management has evaluated subsequent events through August 24, 2015, the date the financial statements were approved and authorized for issue.



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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the International Centre for Settlement of Investment Disputes, which comprise the statements of financial position as of June 30, 2015 and 2014, 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, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles and International Financial Reporting Standards as issued by the International Accounting Standards Board.

KPMG LLP

August 24, 2015

KPMG LLP is a Delaware limited liability partnership,  
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# ISCAR VAL REPORT 2015