

UNCITRAL ARBITRATION
PERMANENT COURT OF ARBITRATION

AKGUN INSAAT MAKINA SANAYII VE DIS TICARET LTD. STI.
Claimant

v.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
Respondent

Claimant's Submission on Costs

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1. INTRODUCTION

- 1.1. Pursuant to the Tribunal's directions set out in Tribunal's communications dated 3 and 16 September 2025, Claimant respectfully files its submission on costs.
- 1.2. By its Final Award on the Merits (Save as to Costs) dated 29 August 2025 ("Final Award"), the Tribunal resolved the issues of jurisdiction, liability, and quantum in Claimant's favour. Claimant accordingly seeks full reimbursement of its arbitration costs under Articles 40–43 of the 2013 UNCITRAL Arbitration Rules. In the alternative, should the Tribunal depart from the default rule of full cost-shifting, Claimant requests no less than 75% recovery.
- 1.3. This submission is structured as follows:
 - 1.3.1. Section 2 explains why Respondent must bear Claimant's costs in full. It first sets out the governing standard under the UNCITRAL Arbitration Rules (Section A), then demonstrates Claimant's prevailing party status (Section B), establishes the reasonableness of Claimant's costs (Section C), and shows how Respondent's repeated misconduct further justifies full cost-shifting (Section D).
 - 1.3.2. Section 3 addresses Claimant's suggested approach to allocating costs in the event the Tribunal elects to award only partial cost recovery. Claimant emphasizes that its costs must be assessed holistically on an aggregate basis. The issue-based breakdown provided on 5 August 2025 at the Tribunal's request does not provide an adequate basis for allocation. Even under that phased framework, however, Claimant would still be entitled to at least 75% recovery.
 - 1.3.3. Section 4 sets out Claimant's entitlement to post-award interest on costs to ensure full reparation and compliance.
 - 1.3.4. Section 5 contains Claimant's prayer for relief.
- 1.4. Full cost-shifting is the presumptive rule under UNCITRAL Article 42, and nothing in these proceedings warrants departure from it. On the contrary, Respondent's conduct—marked by obstruction, procedural violations, and disingenuous advocacy—makes this a compelling case for full recovery.

2. RESPONDENT MUST BEAR CLAIMANT'S COSTS IN FULL

A. Governing Standard Under the UNCITRAL Arbitration Rules

- 2.1. Claimant is entitled to recover its reasonable costs in these proceedings. The Tribunal has determined that Respondent breached its obligation to accord Fair and Equitable Treatment (“FET”) under the Treaty. Having prevailed on a substantive Treaty claim and been awarded damages pursuant to that claim, Claimant is entitled to full reparation, which includes the reimbursement of the legal, expert and arbitration costs it was forced to incur to vindicate its rights. Such an award is consistent with the UNCITRAL Arbitration Rules, the principle that “costs follow the event,” and the weight of arbitral authority.
- 2.2. The UNCITRAL Arbitration Rules Article 42 establishes a principal rule that the losing party pays the costs of the prevailing party:

The costs of the arbitration shall in principle be borne by the unsuccessful party or parties. However, the arbitral tribunal may apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.¹

- 2.3. The costs covered under this provision encompass the fees and expenses of the arbitrators, the fees of the PCA, expert and witness fees and expenses as well as legal fees and expenses.²
- 2.4. This rule reflects the widely accepted “costs follow the event” principle in investor-state arbitration, under which costs are generally allocated to the party whose conduct necessitated the arbitration.³ This principle ensures that a

¹ UNCITRAL Arbitration Rules, Art. 42(1).

² *Id.*, Art. 40(2).

³ See **CLA-197**, *Qatar National Bank (Q.P.S.C.) v. Republic of South Sudan and Bank of South Sudan*, ICSID Case No. ARB/20/40, Award, 7 May 2024 (“*Qatar National Bank v. South Sudan*”), ¶ 44 (noting that “the trend in ICSID cases is for costs to follow the outcome”); **CLA-045**, *Bernhard von Pezold and Others v. Republic of Zimbabwe*, ICSID Case No. ARB/10/15, Award, 28 July 2015 (“*Pezold v. Zimbabwe*”), ¶ 1002; **CLA-004**, *Eureko B.V. v. Republic of Poland*, Ad Hoc Arbitration, Partial Award dated 19 August 2005, ¶ 261; **CLA-029**, *ADC Affiliate Limited and ADC & ADMC Management Limited v. Republic of Hungary*, ICSID Case No. ARB/03/16, Award, 2 October 2006, (“*ADC v. Hungary*”), ¶¶ 531-533; **CLA-032**, *Gemplus, S.A., SLP, S.A. and Gemplus Industrial, S.A. de C.V. v. United Mexican States*, ICSID Case No. ARB(AF)/04/3 & ARB(AF)/04/4, Award, 16 June 2010 (“*Gemplus v. Mexico*”), ¶¶ 17-22–17-24. See also **CLA-191**, M. Hodgson, *Costs in Investment Treaty Arbitration: The Case for Reform*, TDM 1 (2014) (“Hodgson”), p. 7 (pointing out that the costs-follow-the-event approach reflects the general trend of tribunals in recent years and shall indeed be preferred); **CLA-192**, J.R. Profaizer et. al., *The Guide to Damages in International Arbitration- Costs*, GAR (4th ed, 1 February 2021) (“Profaizer”), p. 3 (noting that the costs-follow-the-event approach “has become the prevailing approach in international arbitrations in recent years”); **CLA-193**, J.P. Hugues Arthur, *Where do we*

prevailing party is, as far as possible, restored to the position it would have occupied had it not been required to pursue international arbitration.⁴ Hence, it is generally consistent with the broad aim of damages in international law which is to wipe out the consequences of the unlawful act.⁵

2.5. As one prominent scholar has noted, where

the investor is forced to achieve its remedy for breach of treaty through a costly arbitration process, it will be left substantially out of pocket if it does not also recover its reasonable costs.⁶

2.6. Similarly, the tribunal in *Union Fenosa* emphasized that the purpose of the “costs follow the event” principle is to ensure that a successful claimant is not financially penalised for pursuing meritorious claims through arbitration.⁷

2.7. In the present case, the amount of Claimant’s arbitration costs is of the same order of magnitude as the compensation awarded, such that failure to award costs would undermine the very remedial purpose of the proceedings.

2.8. Significantly, recent ICSID jurisprudence has often adhered to the “costs follow the event” principle, even though under the ICSID framework, tribunals enjoy wide discretion in allocating costs, and the “costs follow the event” principle is not the default rule.⁸ Thus, some ICSID tribunals apportion some of claimants’ costs despite claimants’ prevailing status: in the ICSID context, such awards

Stand? Where Should we go? An Assessment of Recent Costs Allocation Trends in International Commercial and Investment Arbitration (“Arthur”), TDM 6 (2015), pp. 3, 8-10 (observing that in recent years investor-State arbitration case law on costs allocation has been evolving towards shifting the costs to a losing party).

⁴ See **CLA-197**, *Qatar National Bank v. South Sudan*, ¶¶ 44, 48; **CLA-030**, *Gold Reserve Inc. v. Bolivarian Republic of Venezuela*, ICSID Case No. ARB(AF)/09/1, Award, 22 September 2014 (“*Gold Reserve v. Venezuela*”), ¶ 860. See also **CLA-192**, Profaizer, p. 3; **CLA-195**, Stephan W. Schill, *Arbitration Risk and Effective Compliance Cost-Shifting in Investment Treaty Arbitration*, TDM 1 (2010) (“Schill on Costs”), pp. 684-685; **CLA-065**, THE GUIDE TO DAMAGES IN INTERNATIONAL ARBITRATION (3rd ed., Law Business Research, 2018) (“GAR GUIDE ON DAMAGES, 2018”), p. 318.

⁵ See, e.g., **CLA-065**, GAR GUIDE ON DAMAGES, 2018, p. 96.

⁶ **CLA-191**, Hodgson, p. 7.

⁷ **CLA-173**, *Unión Fenosa Gas, S.A. v. Arab Republic of Egypt*, ICSID Case No. ARB/14/4, Award, 31 August 2018 (“*Unión Fenosa Gas v. Egypt*”), ¶ 12.15. See also **CLA-029**, *ADC v. Hungary*, ¶ 533; **CLA-072**, *Southern Pacific Properties (Middle East) Limited v. Arab Republic of Egypt*, ICSID Case No. ARB/84/3, Award, 20 May 1992, ¶ 207; **CLA-037**, *PSEG Global Inc. and Konya Ilgin Elektrik Üretim ve Ticaret Limited Sirketi v. Republic of Turkey*, ICSID Case No. ARB/02/5, Award, 19 January 2007, ¶ 352.

⁸ See, e.g., **CLA-197**, *Qatar National Bank v. South Sudan*, ¶¶ 42-45; *Gemplus v. Mexico*, ¶¶ 17-21–17-22; **CLA-124**, Ioannis Kardassopoulos and Ron Fuchs v. Republic of Georgia, ICSID Case Nos. ARB/05/18 and ARB/07/15, Award, 3 March 2010 (“*Kardassopoulos v. Georgia*”), ¶¶ 687, 689; **CLA-193**, Arthur, pp. 7-8.

are already generous and signal a significant departure from a historically more even allocation of costs among parties to arbitrations within the ICSID system.⁹

- 2.9. By contrast, Article 42 of the UNCITRAL Arbitration Rules codifies a presumption that the unsuccessful party bears the costs of arbitration. This principle establishes full cost-shifting as the default rule and requires an express justification for any departure. Affording the prevailing party only a partial recovery of costs *may be* considered in cases where the prevailing party has pursued blatantly unmeritorious claims or where the quantum awarded departs significantly from any quantum claim that a party has asserted. However, that is not the case here. Although the Tribunal did not find that Respondent violated each of the Treaty provisions that Claimant pleaded, it upheld Claimant's charge that Respondent violated its FET obligation—a core treaty obligation. Moreover, the Tribunal accorded serious consideration to Claimant's other claims before ultimately demurring on those claims. Thus, the unsuccessful claims cannot be said to be blatantly unmeritorious. Ultimately, the Tribunal's decision not to uphold certain additional heads of claim does not alter Claimant's success on the core issue of Respondent's liability, nor would those additional claims have materially changed the damages outcome.
- 2.10. As to quantum, the Tribunal awarded damages based on Claimant's sunk costs—one of the expressly pleaded and substantiated alternative valuation methodologies. While the Tribunal did not grant Claimant's higher quantum scenarios based on lost profits or loss of opportunity, the awarded amount aligns with one of Claimant's submitted valuation approaches. Accordingly, Claimant prevailed on a recognised and properly advanced theory of loss and received compensation consistent with that theory.
- 2.11. Moreover, Claimant defeated Respondent's counterclaims, which further reinforces its status as the prevailing party. Finally, as Claimant will explain below, Respondent's failure to reimburse Claimant its sunk costs when Claimant sought such costs prior to resorting to arbitration,¹⁰ alongside Respondent's repeated misconduct and disingenuous tactics during the course

⁹ See **CLA-193**, Arthur, pp. 8-10; **CLA-030**, *Gold Reserve v. Venezuela*, ¶ 860.

¹⁰ *Infra* ¶ 2.21 and footnote 23.

of the arbitration¹¹ compel the Tribunal to give full effect to the default rule and award Claimant's costs in their entirety.

- 2.12. Accordingly, Claimant submits that the presumption of full cost-shifting to the unsuccessful party under Article 42 applies and should be given full effect in this case. As demonstrated in Section B, Claimant is the prevailing party, which alone is sufficient for the Tribunal to award full costs in its favour. This case presents a straightforward application of the principal rule, and no further inquiry is required. However, should the Tribunal consider it appropriate to examine additional factors, Claimant submits in the following sections that the allocation of Claimant's costs to Respondent is reasonable (Section C) and justified by Respondent's conduct in these proceedings (Section D).

B. Claimant Is the Prevailing Party

- 2.13. Claimant succeeded on all principal issues in dispute. In particular, the Tribunal affirmed jurisdiction over Claimant's claims, found Respondent breached the FET standard, awarded Claimant USD 4,955,131 plus pre-award and post-award interest, and dismissed all of Respondent's counterclaims.
- 2.14. Indeed, prevailing party status in arbitration is determined by a party's overall success in the proceedings. It is well established that a party need not succeed on every claim or recover the full amount of damages sought to be considered the prevailing party. Arbitral practice consistently affirms that cost recovery is warranted where a party has substantially succeeded, even if some claims or procedural applications were unsuccessful, or where the damages awarded are modest in comparison to those claimed.¹²
- 2.15. For example, in *DTEK Krymenergo v. Russia*, an arbitration conducted under the UNCITRAL Arbitration Rules, the tribunal deemed the respondent state to

¹¹ *Infra* Section 2.D.

¹² See, e.g., **CLA-030**, *Gold Reserve v. Venezuela*, ¶ 862 (shifting the claimant's costs to the respondent in light of the fact that the outcome of the case was "substantially" in favor of claimant); **CLA-068**, *Tethyan Copper Company Pty Limited v. Islamic Republic of Pakistan*, ICSID Case No. ARB/12/1, Award, 12 July 2019 ("*Tethyan v. Pakistan*, Award"), ¶ 1852 (shifting the claimant's costs to the respondent in light of claimant's "on balance" success); **CLA-045**, *Pezold v. Zimbabwe*, ¶¶ 1002-1003 (noting that "if a party has clearly prevailed, there is no reason in principle why that party should not be paid his costs by the unsuccessful party"); **CLA-124**, *Kardassopoulos v. Georgia*, ¶ 689 (noting that the case law of international tribunals demonstrates that "there is no reason in principle why a successful claimant in an investment treaty arbitration should not be paid its costs"); **CLA-192**, *Profaizer*, p. 3-4 (referring to consideration of "parties' ultimate success" for the purpose of cost allocation); **CLA-195**, *Schill on Costs*, p. 669, 673 (noting that the "decisive" factor in the shifting of costs to the state is the investor's success).

be the “unsuccessful party” on the basis that the claimant had prevailed on multiple jurisdictional objections, succeeded on its principal liability claim, and obtained a damages award—albeit lower than the amount originally claimed.¹³ Accordingly, the tribunal ordered the respondent to bear the entirety of the claimant’s arbitration costs.¹⁴ Notably, upon finding a breach, the tribunal declined to address additional liability claims that would not have altered the quantum, treating them as moot.¹⁵ This reflects a common practice among tribunals: where one breach suffices to establish liability and determine compensation, further findings are unnecessary. Importantly, such outcomes are still treated as full merits victories and do not undermine the prevailing party’s status for purposes of cost allocation.¹⁶

- 2.16. In *Bear Creek v. Peru*, the tribunal held that the claimant was the successful party, having prevailed on jurisdiction, established liability for expropriation, and obtained an award of damages. This conclusion was reached notwithstanding Claimant’s unsuccessful request for provisional measures, the dismissal of its other treaty claims (including FET, FPS, and claim for protection against unreasonable/discriminatory measures), and the fact that the damages awarded represented only approximately 3% of the amount claimed.¹⁷ The tribunal nevertheless awarded Claimant 75% of its arbitration costs, confirming that partial success on liability and quantum does not eclipse prevailing party status for the purposes of cost allocation.¹⁸
- 2.17. Similarly, in *Natland v. Czech Republic*, the tribunal found the claimants to be the prevailing parties on the basis that they had established the tribunal’s jurisdiction, demonstrated a breach of the FET standard under the applicable BIT (despite the dismissal of other claims), and secured an award of damages, even though the amount awarded was significantly lower than claimed.¹⁹ As a

¹³ **CLA-198**, *JSC DTEK Krymenergo v. The Russian Federation*, PCA Case No. 2018-41, Award, 1 November 2023 (“*DTEK v. Russia*”), ¶ 1024.

¹⁴ *Id.*, ¶¶ 1025-1026, 1029.

¹⁵ *Id.*, ¶ 833.

¹⁶ See, e.g., **CLA-185**, *Veteran Petroleum Limited (Cyprus) v. The Russian Federation*, PCA Case No. AA 228, Final Award, 18 July 2014 (“*Veteran Petroleum v. Russia*”), ¶ 1585.

¹⁷ **CLA-199**, *Bear Creek Mining Corporation v. Republic of Peru*, ICSID Case No. ARB/14/21, Award, 30 November 2017 (“*Bear Creek v. Peru*”), ¶ 730.

¹⁸ *Id.*, ¶¶ 731, 736.

¹⁹ **CLA-200**, *Natland Investment Group N.V. et al. v. The Czech Republic*, PCA Case No. 2013-35, Final Award, 15 December 2023 (“*Natland v. Czech Republic*”), ¶ 736.

result, the tribunal awarded 75% of claimants' legal fees and the entirety of their arbitration costs against the respondent state.²⁰

- 2.18. These precedents confirm that even in circumstances of partial success, tribunals consistently deem claimants the prevailing party and shift the majority of costs to the respondent, with 75% serving as a floor. The present arbitration, however, is not only governed by the UNCITRAL Rules, where the presumption is full cost-shifting, it also features two additional elements that set it apart. First, Claimant not only prevailed on jurisdiction, liability, and damages, but also successfully defeated Respondent's counterclaims—an issue not present in *Bear Creek* or *Natland*. Second, Respondent engaged in repeated misconduct and disingenuous tactics throughout the proceedings, which materially and unnecessarily increased Claimant's costs.²¹ These aggravating circumstances—absent in the earlier cases—justify moving beyond the 75% recovery awarded in those precedents. Accordingly, while *Bear Creek* and *Natland* establish the minimum to which Claimant is entitled, the particular circumstances here compel full reimbursement.
- 2.19. The Tribunal's decision not to uphold liability under every Treaty provision Claimant invoked, and its decision to award damages based on sunk costs rather than lost profits or loss of opportunity, does not affect the prevailing party analysis. All of Claimant's claims were grounded in the same underlying conduct by Respondent, which the Tribunal has deemed wrongful and in breach of Ethiopia's treaty obligations. Thus, although the Tribunal may not have found that the conduct at issue breached the Treaty in each of the ways that Claimant alleged, it cannot be said that any of Claimant's complaints about Respondent's conduct were frivolous or baseless.
- 2.20. Further, because the Tribunal awarded Claimant damages in line with one of Claimant's three alternative quantum requests, it cannot be said that Claimant failed to advance a reasonable quantum claim. The Tribunal's choice to award sunk costs, rather than higher-value claims for lost profits or loss of opportunity, reflects an exercise of discretion—not a failure on Claimant's part to advance a credible damages case. In sum, neither of Respondent's "victories" changes

²⁰ *Id.*, ¶¶ 734, 739(e). See also **CLA-185**, *Veteran Petroleum v. Russia*, ¶¶ 1869, 1887 (where the UNCITRAL tribunal recognized the claimant as the prevailing party notwithstanding that it upheld only one treaty breach and significantly reduced the claimed damages; it accordingly shifted 100% of claimant's arbitration costs to the respondent and ordered it to reimburse 75% of the claimant's legal fees).

²¹ *Infra* Section 2.D.

the fact that Respondent's conduct caused Claimant to initiate this Arbitration to receive the amount of compensation to which it is entitled because of Respondent's Treaty breach.

- 2.21. The entire arbitration costs are a direct consequence of Respondent's wrongful conduct as found by this Tribunal. An award on costs is necessary to restore Claimant to the position it would have been in but for Respondent's breach. Without a full costs award, Claimant would be denied full reparation, contrary to the principle articulated in the *Chorzów Factory* case that reparation must "wipe out all the consequences" of an internationally wrongful act.²² Here the Tribunal has determined that Respondent breached its FET obligation to Claimant and that breach is reflected in Claimant's loss of nearly USD 5 million in out-of-pocket expenditures plus interest that the Tribunal awarded to Claimant. But the legal costs that Claimant has incurred are of a piece with those out-of-pocket expenditures because they represent a further liability that Claimant has incurred in order to fulfil its rights. This is underscored by the fact that Claimant repeatedly requested that Respondent reimburse its out-of-pocket costs after Respondent notified Claimant that it would not permit the industrial zone project to proceed on the original site.²³ Respondent's refusal to do so not only forced Claimant to arbitrate but also ultimately led to the damages award now rendered. Had Respondent complied at the time, it could

²² **CLA-063**, *Case Concerning the Factory at Chorzów (German v. Poland)*, Decision on the Merits, 13 September 1928, PCIJ Rep. Series A. – No. 17, p. 47. See also Final Award (Save as to Costs) dated 29 August 2025 ("Final Award"), ¶¶ 1073-1074.

²³ **C-084**, Details of the Meeting with President Dr. Mulatu Teshome dated 9 December 2014, p. 1 (recording Akgun's request for reimbursement of all costs due to the impossibility of realizing the project); **C-086**, Details of the Meeting with President Dr. Mulatu Teshome dated 11 December 2014, p. 1 (noting the Prime Minister's prior promise to reimburse Akgun's expenses incurred on the site) and p. 2 (reflecting Akgun's position that repayment of all expenses for the ETIZ site in Sendafa was a condition for accepting new land); **C-036**, Notice from Akgun Construction to Ministry of Industry dated 27 March 2015, ¶ 13.2 (demanding compensation for "[t]otal expenses incurred by AKGUN, such as costs of site plan design studies, feasibility studies, EIA studies, construction machinery and equipment"); **C-089**, Handwritten notes of meeting with Ethiopian State Minister Tadesse Haile dated 20 August 2015, p. 5 (recording that the State Minister stated the Government could not approve reimbursement of Akgun's expenses); **C-088**, Letter from Akgun Construction to President Dr. Mulatu Teshome et al. dated 2 November 2015, p. 1 (referencing prior governmental promises to repay expenses) and p. 3 (reiterating Akgun's request for reimbursement); Witness Statement of Yusuf Akgun dated 17 October 2021 ("Yusuf Akgun 1st Statement"), ¶ 5.26 (describing a subsequent meeting with State Minister Tadesse Haile in November 2015, during which the Minister unequivocally confirmed that "Ethiopia would not compensate [Akgun] for the damages ... suffered").

have avoided both the principal damages and the legal cost exposure it now faces.

- 2.22. Ultimately, in determining the allocation of costs, the relevant question is not whether each individual claim or argument advanced by the prevailing party succeeded, but whether such claims were reasonably made.²⁴ As arbitral jurisprudence confirms, costs may be awarded where claims are brought in good faith and supported by a plausible legal and factual foundation.²⁵ In this case, all of Claimant's claims were bona fide and substantiated. The Tribunal found that Claimant advanced a credible account of events, successfully overcame Respondent's unreasonable jurisdictional objections and counterclaims, established a Treaty breach, and was awarded compensation. These findings, along with the background facts discussed above, compel the conclusion that Claimant is entitled to recover its arbitration costs. There are no equitable or procedural considerations in this case warranting a departure from the default rule under Article 42 of the UNCITRAL Rules. On the contrary, Claimant initiated this arbitration in good faith, pursued bona fide claims, and conducted itself efficiently and cooperatively throughout. As further discussed below, Respondent, by contrast, engaged in conduct that unnecessarily increased costs and prolonged and complicated these proceedings. In these circumstances, the presumption of full cost-shifting must be given full effect.

C. Reasonableness of Claimant's Costs

- 2.23. Claimant incurred approximately USD 8,054,065.97 in total costs in connection with these proceedings. This figure is consistent with cost averages in investor-state dispute settlement cases²⁶ and is further justified by the scale, complexity, and duration of this arbitration.
- 2.24. The proceedings spanned more than six years—from March 2019 through at least September 2025—and comprised every stage typical of a complex

²⁴ **CLA-191**, Hodgson, p. 5; **CLA-173**, *Unión Fenosa Gas v. Egypt*, ¶ 12.15.

²⁵ See, e.g., **CLA-065**, GAR GUIDE ON DAMAGES, 2018, p. 323 (noting that “where the tribunals found that the prevailing claimant acted reasonably in pursuing its claim in arbitration and was left with no choice other than to enter into arbitration, given the unreasonable position adopted by the other side, such circumstances were considered in support of allocating legal fees”).

²⁶ See **CLA-173**, *Unión Fenosa Gas v. Egypt*, ¶¶ 12.16-12.17 (finding claimant's costs of USD 10M as reasonable); **CLA-200**, *Natland v. Czech Republic*, ¶¶ 709 and 733 (finding both parties' arbitration costs—EUR 9.7 million for claimants and USD 8.3 million for the respondent, including legal fees for the merits and quantum phases—reasonable); **CLA-199**, *Bear Creek v. Peru*, ¶¶ 721, 732-735 (considering the claimant's costs of approximately USD 8M as reasonable); **CLA-198**, *DTEK v. Russia*, ¶ 1027 (finding claimant's total

investor–state arbitration: extensive written submissions on jurisdiction, merits, and quantum, as well as the comparatively atypical issue of state counterclaims; a document production phase; a nine-day evidentiary hearing; the preparation and examination of six witnesses and six experts (three per Party); and multiple rounds of post-hearing submissions. Claimant alone submitted four substantive pleadings (Notice of Arbitration, Statement of Claim, Statement of Reply, and Rejoinder on Jurisdiction and Counterclaims) together with two rounds of post-hearing briefing and one costs breakdown in which it diligently addressed all questions posed by the Tribunal. In total, Claimant’s written submissions to the Tribunal amounted to 1,170 pages,²⁷ accompanied by 37,233 pages of supporting material. By contrast, Respondent submitted 583 pages in written submissions along with 5,501 pages of supporting material. Notably, Respondent submitted only three substantive pleadings—a 10-page Response to the Notice of Arbitration, its Statement of Defence, and a Rejoinder—without preparing an equivalent to Claimant’s Rejoinder on Jurisdiction and Counterclaims. This imbalance underscores the disproportionate procedural burden borne by Claimant, which necessarily translated into higher costs.

- 2.25. The asymmetry was even more pronounced during document production. Respondent produced only 9 documents (totalling 241 pages) in response to Claimant’s requests, while Claimant produced 260 documents (totalling 1,737 pages) in response to Respondent’s requests. Owing to Respondent’s non-cooperation, Claimant was compelled to undertake extensive additional efforts to locate, review, and organize evidence—including materials that should have been readily available from Respondent itself. These efforts materially increased Claimant’s costs and illustrate that Claimant’s expenditures were the direct consequence of both the inherent demands of the case and Respondent’s obstructive conduct.²⁸

arbitration costs of USD 9.4 million reasonable); **CLA-025**, *Deutsche Bank AG v. Democratic Socialist Republic of Sri Lanka*, ICSID Case No. ARB/09/2, Award, 31 October 2012 (“*Deutsche Bank v. Sri Lanka*”), ¶¶ 576-577, 588-589 (finding claimant’s costs of USD 7.9M as reasonable); **CLA-029**, *ADC v. Hungary*, ¶¶ 527, 535 (upholding claimant’s costs of USD 7.6M as reasonable).

²⁷ The page count for written submissions includes Claimant’s opening and closing presentation slides, as well as Respondent’s opening slides. Claimant was unable to locate any closing presentation slides submitted by Respondent.

²⁸ *Infra* Section 2.D.iii.1.

- 2.26. Throughout the proceedings, Claimant conducted itself efficiently and diligently. It consistently sought a cost-effective resolution, cooperated with the Tribunal and opposing counsel, and complied with all procedural directions and deadlines.
- 2.27. The structure of Claimant's legal representation was also tailored for efficiency and specialization. While Claimant engaged four entities, their respective roles were distinct and non-duplicative:
- 2.27.1. Jones Swanson and Fishman Haygood: Lead counsel, jointly responsible for drafting submissions and presenting the case at the hearing;
 - 2.27.2. Ilhan & Yavuzturk Attorneys at Law: Local counsel, tasked with evidence gathering, witness coordination, and client liaison;
 - 2.27.3. Charles Owen Verrill: Strategic consultant, advising on discrete matters based on his ISDS experience involving African states.
- 2.28. Claimant notes that while Jones Swanson and Fishman Haygood shared responsibility for written and oral advocacy, the legal fees incurred by Jones Swanson are higher.²⁹ This difference is attributable to two principal factors:
- 2.28.1. A greater number of attorneys from Jones Swanson were involved throughout the course of the proceedings, including three who had departed the firm by the time of the hearing, thus contributing to a longer cumulative billing period; and
 - 2.28.2. Jones Swanson deployed specialized personnel with expertise in international arbitration and investment treaty disputes, which is reflected in correspondingly higher hourly rates.³⁰

²⁹ See Annex A.

³⁰ The following rates reflect a snapshot of billing practices during a representative period that contributed significantly to the cumulative billing across this arbitration. While billing rates varied over time and it is therefore difficult to identify a single prevailing rate for the duration of the proceedings, the rates set out below illustrate the differential between the two firms during the same period. Jones Swanson's hourly billing rates at that time were: Founding Member – USD 850; Managing Member – USD 500; Of Counsel – USD 400; and Paralegal – USD 150. During the same period, Fishman Haygood charged: Senior Partner – USD 675; Partner – USD 375; Junior Partner – USD 325; Associate – USD 285; and Paralegal – USD 150.

- 2.29. These factors explain the differential in costs and are consistent with the complexity and demands of this multi-year arbitration.
- 2.30. It is common in ISDS for claimants to be represented by multiple firms—often two or more to ensure cost-conscious delegation—and Claimant’s team structure reflects this standard practice.³¹
- 2.31. Moreover, the fact that Claimant’s costs exceeded those of Respondent does not render them unreasonable.³² Higher claimant-side costs are typical in investor-state arbitration proceedings, reflecting the evidentiary and legal burdens borne by claimants, as well as differing billing practices between sovereigns and private parties.³³
- 2.32. Besides, Respondent’s submission of its costs is opaque: it reports a total of USD 4,380,945, divided only among “jurisdiction,” “FET,” “expropriation,” and “miscellaneous” categories, without any distinct allocation for counterclaims or damages.³⁴ It is thus unclear whether substantial portions of Respondent’s costs were omitted altogether or artificially subsumed under the listed headings. This lack of transparency stands in contrast to Claimant’s itemized submission and should not be held against Claimant when assessing the reasonableness of its own costs.³⁵
- 2.33. Even on Respondent’s own figures, Claimant’s costs are only approximately 45% higher—not double or triple—which cannot reasonably be characterized

³¹ **CLA-200**, *Natland v. Czech Republic*, ¶¶ 709, 733 (listing claimed costs for six distinct firms all of which the tribunal deemed reasonable); **CLA-199**, *Bear Creek v. Peru*, ¶¶ 721, 734-735 (listing claimed costs for four distinct firms, which the tribunal treated as reasonable); **CLA-197**, *Qatar National Bank v. South Sudan*, p. i (listing four firms among Parties’ representatives), ¶¶ 49-50 (finding the legal costs to be reasonable).

³² See, e.g., **CLA-199**, *Bear Creek v. Peru*, ¶ 734 (noting that “[t]he higher fees and expenses for Claimant’s international counsel [as compared to the fees and expenses of Peru’s counsel] are not unreasonable”); **CLA-025**, *Deutsche Bank v. Sri Lanka*, ¶¶ 576-577, 589 (finding claimant’s costs of USD 7.9 million reasonable, despite respondent’s costs being USD 2.8 million); **CLA-029**, *ADC v. Hungary*, ¶¶ 527, 535 (upholding claimant’s costs of USD 7.6 million as reasonable, notwithstanding respondent’s costs of USD 4.3 million).

³³ **CLA-032**, *Gemplus v. Mexico*, ¶ 17-25; **CLA-029**, *ADC v. Hungary*, ¶¶ 533, 535 (observing that “[i]t is not unusual for claimants to spend more on costs than respondents given, among other things, the burden of proof”); **CLA-173**, *Unión Fenosa Gas v. Egypt*, ¶ 12.16 (recognising that international arbitrations are “often more expensive for a claimant (who bears the burden of proving its claim) than for a respondent and that there are sometimes special factors in costing a law firm’s services to a respondent State”); **CLA-192**, *Profaizer*, p. 5 (noting that claimants generally “spend more pursuing their claims than respondents”).

³⁴ Respondent’s Breakdown on Costs dated 5 August 2025.

³⁵ Compare Respondent’s Breakdown on Costs dated 5 August 2025 with Claimant’s Breakdown on Costs dated 5 August 2025.

as “manifestly excessive.”³⁶ Claimant’s costs are also reasonable in light of its demonstrated efforts to mitigate the dispute and to invite Respondent to engage in settlement discussions—efforts which Respondent declined. First, in 2015, Respondent refused Claimant’s request for reimbursement of its out-of-pocket expenditures—an effort consistent with Claimant’s repeated efforts to reach a resolution short of arbitration.³⁷ Second, at the outset of these proceedings, Respondent declined to propose any form of monetary compensation during the initial settlement discussions. Finally, in the months preceding the hearing, Respondent expressly rejected any invitation to engage in constructive dialogue.³⁸ Respondent’s consistent refusal to engage in meaningful settlement discussions not only necessitated the initiation of arbitration, but also prolonged the dispute and increased the associated costs. These circumstances underscore that Claimant’s costs are directly attributable to Respondent’s conduct throughout the dispute.

- 2.34. Finally, the quantum of costs incurred is proportionate to the scale, duration and complexity of the dispute as well as the conduct of the proceedings. It also reflects the importance of the matter to the Claimant, both financially and reputationally. Crucially, a significant portion of Claimant’s costs were generated not by the inherent demands of the case, but by Respondent’s frivolous arguments, egregious misconduct and disingenuous tactics, as detailed in the following section. This direct causal link further underscores the overall reasonableness of Claimant’s costs.

D. Respondent’s Misconduct Justifies Cost Allocation in Claimant’s Favor

- 2.35. Claimant submits that Respondent’s conduct throughout these proceedings provides an additional and independent basis for apportioning the costs of arbitration in Claimant’s favour.
- 2.36. Tribunals have not hesitated to award full cost recovery where respondents’ unreasonable or improper conduct compounded the burden on claimants and unnecessarily increased the costs of the proceedings. For example, in *Von Pezold v. Zimbabwe*, the tribunal ordered the respondent to bear the entirety of the claimants’ arbitration costs, expressly citing Zimbabwe’s dilatory tactics and

³⁶ **CLA-192**, Profaizer, pp. 5-6; **CLA-065**, GAR GUIDE ON DAMAGES, 2018, p. 325.

³⁷ *Supra* note 23.

³⁸ *Infra* Section 2.D.iii.2.

procedural misconduct.³⁹ Similar approaches have been endorsed by other investor–state arbitrations, especially where respondents engaged in obstructive behavior that frustrated the efficient conduct of the proceedings.⁴⁰

2.37. Procedural Order No. 1 expressly directs the Tribunal to consider the Parties’ conduct of the arbitration when determining costs. In particular, paragraph 19 entitled “Conduct of the Parties” states:

19.1. Parties shall conduct themselves in a manner consistent with the efficient use of time and resources. The Tribunal shall take into account when using its discretion to allocate costs any unreasonable behaviour by a Party.

19.2. Unreasonable behaviour could include, but is not limited to, (i) excessive document requests; (ii) excessive legal argument; (iii) excessive cross-examination; (iv) dilatory tactics; (v) exaggerated claims; (vi) failure to comply with procedural orders and directions; (vii) unjustified interim applications; and (viii) unjustified failure to meet the deadlines contained in this, or any other, order.⁴¹

2.38. Likewise, Article 42 of the UNCITRAL Arbitration Rules requires the Tribunal to consider “the circumstances of the case” in allocating costs, which necessarily encompasses the manner in which each Party has conducted itself during the arbitration.⁴²

2.39. In this case, Respondent, *inter alia*,

- (i) raised frivolous and superfluous claims, including unfounded and belated jurisdictional objections and baseless counterclaims lacking in detail;
- (ii) employed disingenuous tactics in its case presentation;

³⁹ **CLA-045**, *Pezold v. Zimbabwe*, ¶¶ 1006-1008.

⁴⁰ See **CLA-065**, GAR GUIDE ON DAMAGES, 2018, p. 322; **CLA-194**, Queen Mary University and White & Case, *2012 International Arbitration Survey: Current and Preferred Practices in the Arbitral Process*, p. 41; **CLA-029**, *ADC v. Hungary*, ¶¶ 533, 536-539, 542; **CLA-132**, *Oxus Gold plc v. Republic of Uzbekistan*, UNCITRAL, Final Award, 17 December 2015, ¶¶ 1038, 1040; **CLA-025**, *Deutsche Bank v. Sri Lanka*, ¶¶ 588-590. See also **CLA-195**, Schill on Costs, p. 669 (considering cost-shifting as “a way to induce efficient litigation behavior.”)

⁴¹ See Procedural Order No. 1 dated 4 December 2020 (“PO1”), ¶ 19.

⁴² UNCITRAL Arbitration Rules, Art. 42(1).

- (iii) failed to comply with its procedural obligations; and
- (iv) continued development of an industrial zone on the disputed land that was in a purportedly environmentally sensitive location, which further evidences bad faith and undermines its defences.

2.40. Respondent's failures are discussed in more detailed below.

(i) Ethiopia Presented Unfounded and Superfluous Jurisdictional Objections and Counterclaims

- 2.41. Respondent advanced a series of unfounded and unreasonable objections to the jurisdiction of this Tribunal.⁴³ Its challenges to the existence of Claimant's investment and to the nature of Claimant's claims were wholly without merit, contradicted prevailing investment treaty jurisprudence, and were ultimately dismissed in full by the Tribunal.⁴⁴
- 2.42. Respondent's counterclaims similarly lacked both legal and factual foundation. They were inadequately pleaded, unsupported by evidence, and inconsistent with the requirements of the UNCITRAL Arbitration Rules.⁴⁵ Ethiopia sought to rely on novel and ill-conceived jurisdictional theories, disregarding well-established principles of investment arbitration and public international law. It failed to (i) articulate a clearly defined dispute, (ii) substantiate its allegations with credible evidence, or (iii) demonstrate any breach of the 2012 ETIZ Agreement by Claimant.⁴⁶ Respondent also advanced a speculative and unsound approach to quantifying its alleged damages.⁴⁷
- 2.43. In consequence of these deficiencies, Claimant was compelled not only to rebut Respondent's counterclaims but effectively to reconstruct and clarify Respondent's case to address every conceivable argument.⁴⁸ This exercise imposed a significant and wholly unnecessary burden on Claimant, materially

⁴³ See Claimant's Statement of Reply and Defence to Respondent's Jurisdictional Objections and Counterclaims dated 22 October 2021 ("Statement of Reply"), Section 3; Claimant's Statement of Rejoinder on Jurisdictional Objections and Counterclaims dated 25 March 2022 ("Claimant's Rejoinder"), Section 3.

⁴⁴ Final Award, ¶¶ 351-365, 390-394.

⁴⁵ Statement of Reply, ¶¶ 7.72-7.73.

⁴⁶ Statement of Reply, ¶¶ 7.72-7.99; Hearing Tr., Day 2, 56:14-65:15.

⁴⁷ Statement of Reply, ¶¶ 7.100-7.113; Hearing Tr., Day 2, 56:16-67:24.

⁴⁸ Statement of Reply, ¶¶ 7.74-7.99. See also *id.*, ¶¶ 5.113-5.121, 5.189 (discussing similar procedural failures in Respondent's case on the merits).

increasing the time, effort, and expense required to defend against claims that the Tribunal ultimately rejected in their entirety.⁴⁹

(ii) Ethiopia Employed Disingenuous Tactics in Presenting Its Case

- 2.44. Respondent conducted these proceedings in a disingenuous manner, aimed at evading liability for its unlawful conduct. As detailed in Claimant's Statement of Reply, Ethiopia ignored material facts inconvenient to its case,⁵⁰ relied on demonstrably inaccurate contentions, and adopted contradictory positions.⁵¹ Its central defence based on the EIA process bore little resemblance to contemporaneous realities on the ground or to the parties' actual course of dealing.⁵² The Tribunal ultimately confirmed that Respondent acted inconsistently and frustrated Claimant's legitimate expectations in relation to the EIA process.⁵³
- 2.45. Respondent also presented its case as a difficult-to-discern moving target. Its Final List of Issues departed substantially from both its Preliminary List of Issues and its written pleadings, and its oral submissions diverged from its earlier written case.⁵⁴ This created uncertainty and unnecessary complexity for Claimant in preparing its case.
- 2.46. Respondent's presentation of its case at the hearing also suffered from dismissive and absolutist rhetoric which was wholly inconsistent with the record and turned out to be at odds with the Tribunal's Final Award.
- 2.47. For example, Respondent's closing submission urged that "a finding of liability of any type ... mocks justice itself" and asked the Tribunal to consider the "unnecessary legal proceedings that the claimant put Ethiopia through" when

⁴⁹ Final Award, ¶¶ 598-608.

⁵⁰ Statement of Reply, ¶¶ 1.5-1.6.

⁵¹ *Id.*, ¶ 1.7.

⁵² *Id.*, Section 2; Claimant's Rejoinder, Section 2; Hearing Tr., Day 1, 3:18-66:9; Hearing Tr. Day 9, 2:15-61:11.

⁵³ Final Award, ¶¶ 692-707, 723-728.

⁵⁴ *Compare* Respondent's Final List of Issues dated 22 April 2022 *with* Respondent's Preliminary List of Issues dated 31 March 2021.

awarding costs,⁵⁵ while insisting that “not a single legal action was taken outside ... lawful authority.”⁵⁶

- 2.48. Next, Respondent mischaracterized and overstated Claimant’s case on multiple occasions. At the hearing, it repeatedly framed Claimant’s case as an “abuse of process” and even a vehicle for “frivolous contractual claims,”⁵⁷ and asserted that Claimant suffered “not a single” violation under international law.⁵⁸ Given the Tribunal’s breach findings, those characterisations were inflated advocacy rather than a fair engagement with the evidence.
- 2.49. Respondent also engaged in opportunistic document use mid-hearing: it introduced the UN-Habitat report (R-72) at the hearing (“a new piece of evidence”), using it to argue transparency and public knowledge.⁵⁹ Whatever the admissibility, this late pivot required Claimant to respond on the fly. These reactive measures imposed unnecessary burdens and costs on Claimant, which were a direct consequence of Respondent’s procedural choices rather than any delay or inefficiency on Claimant’s part.
- 2.50. Furthermore, at the hearing, Respondent’s counsel repeatedly resorted to disparaging and inappropriate rhetoric directed at Claimant and its principals, particularly Mr. Akgun. Ethiopia portrayed Claimant as lacking the competence and integrity to carry out the ETIZ project, asserting, for example, that the Akgun family had no “requisite know-how and skill” to fulfil their obligations and had “unreasonably walked away” from accommodations offered by the Government, while further accusing Claimant of “deceiving its counterparts” in relation to environmental obligations.⁶⁰
- 2.51. Respondent accused Claimant of having “the audacity to appear before a learned tribunal in the Peace Palace and to wash its hands like Pontius Pilate,” while alleging it sought “permission to pollute the water supply system of the African capital.”⁶¹ Counsel further portrayed Claimant’s claims as “straining to

⁵⁵ Hearing Tr., Day 9, 145:5-9.

⁵⁶ Hearing Tr., Day 9, 145:18-20.

⁵⁷ Hearing Tr., Day 2, 23:12-14, 24:2.

⁵⁸ Hearing Tr., Day 2, 13:11-12.

⁵⁹ Hearing Tr., Day 5, 1:22-5:4.

⁶⁰ Hearing Tr., Day 2, 31:3-5; Hearing Tr., Day 9, 146:7-9, 146:18-25.

⁶¹ Hearing Tr., Day 1, 146:12-147:14.

overcome the boundaries of frivolity” and claimed that Claimant invited the Tribunal “to add [its] weight to the wrong side of the balance.”⁶²

- 2.52. Such accusations are particularly unwarranted given that the Akgun family had successfully operated a PVC factory in Ethiopia for several years without any demonstrated record of environmental non-compliance.⁶³ They are also at odds with the fact that Ethiopian officials specifically engaged Akgun to develop the ETIZ project because of their favourable impression of the Ikitelli Organized Industrial Zone in Istanbul—a project in which Mr. Akgun played a direct and prominent role.⁶⁴ Ethiopia presented no evidence to contradict these facts, nor did it establish that Claimant’s environmental practices were deficient.
- 2.53. More egregiously, Respondent’s expert, Prof. Murcott, drew an inflammatory comparison between Akgun’s actions in Ethiopia and the Russian Federation’s military aggression against Ukraine⁶⁵—a wholly inappropriate analogy that not only lacked relevance but amounted to a gratuitous personal attack against Claimant and its principals.
- 2.54. All these statements are not only inappropriate and hyperbolic, they misrepresent the nature of the dispute, are wholly inconsistent with the evidentiary record and amount to baseless ad hominem attacks. Indeed, the Tribunal ultimately upheld Claimant’s claims, confirmed Respondent’s breach of the FET standard, and awarded damages. Such gratuitous personal attacks, especially those invoking religious and moral imagery to discredit Mr. Akgun, exceed the bounds of acceptable advocacy and further exemplify Respondent’s disingenuous tactics in presenting its case. They reflect a deliberate strategy to vilify Claimant rather than engage with the legal merits of the dispute and should be treated accordingly in the Tribunal’s cost assessment.
- 2.55. As discussed, Tribunals routinely treat counsel conduct and advocacy rhetoric as relevant to cost allocation decisions.⁶⁶ Accordingly, the disparaging and

⁶² Hearing Tr., Day 1, 147:15-21; 148:22-25.

⁶³ Witness Statement of Yunus Akgun dated 19 November 2020, ¶¶ 2.1-2.2; Yusuf Akgun 1st Statement, ¶ 3.3; Final Award, ¶ 188; Hearing Tr., Day 2, 83:7-85:19.

⁶⁴ Claimant’s Statement of Claim dated 20 November 2020, ¶¶ 2.31-2.33; Statement of Reply, ¶¶ 2.2-2.4; Yusuf Akgun 1st Statement, ¶¶ 2.1-2.7, 4.1-4.3; Hearing Tr., Day 9, 6:1-22.

⁶⁵ Hearing Tr., Day 4, 20:5-17.

⁶⁶ See *supra* ¶ 2.36.

unsubstantiated character arguments leveled against the Akgun family—labelling them incompetent, deceitful, or uncooperative—go beyond permissible advocacy and reflect disingenuous tactics. The Tribunal should ensure that such misconduct be factored into the cost allocation, either by awarding full costs or applying a punitive uplift on any partial amount.

(iii) Ethiopia Failed to Comply with Procedural Obligations

- 2.56. Respondent failed to comply with several of its procedural obligations in these proceedings. It disregarded the Tribunal's orders on document production and frustrated the document production process (Section 1); failed to engage in good faith mediation contrary to the Tribunal's express direction (Section 2); violated Procedural Order No. 1 in other respects (Section 3), and delayed payment of its share of the advance on costs (Section 4).

1) Document Production Related Violations

- 2.57. Paragraph 11.8 of Procedural Order No. 1 provides:

Documents which are ordered by the Tribunal to be produced must be so produced promptly and in accordance with the Tribunal's instructions. Parties should endeavour to ensure that the disclosure process is orderly and not disruptive.

- 2.58. Respondent disregarded this provision and unilaterally curtailed its disclosure obligations. Its conduct compelled Claimant to submit numerous detailed emails and applications identifying deficiencies in Respondent's production.⁶⁷ This in turn disrupted the preparation of Claimant's Reply, increased Claimant's costs, and unnecessarily complicated the proceedings.
- 2.59. Despite the Tribunal's clear directions on document production,⁶⁸ Respondent failed to: (i) produce documents it acknowledged existed; (ii) produce documents the Tribunal expressly ordered it to disclose; and (iii) respond to numerous of Claimant's requests.⁶⁹ Even after Claimant highlighted

⁶⁷ **C-161**, Emails between Molly Wells, Counsel for Claimant and Jackson Shaw Kern, Counsel for Respondent dated 8-22 September 2021 ("Document Production Related Correspondence"); Claimant's application to the Tribunal dated 22 September 2021; Claimant's application to the Tribunal dated 3 December 2021.

⁶⁸ Tribunal Communication No. 28 dated 2 August 2021, Annex A, Claimant's Stern Schedule (Final Decision).

⁶⁹ **C-161**, Document Production Related Correspondence, Ms. Wells' email of 8 September 2021.

deficiencies, Respondent ignored most of them, leaving its document production deficient and its related obligations unperformed.⁷⁰

- 2.60. Respondent eventually agreed to produce one responsive document—the Kilinto Industrial Zone Environmental Impact Assessment (“Kilinto EIA”)—but, in its correspondence with Claimant, it sought to redact portions of that document.⁷¹ Respondent asserted that the redactions were necessary because the document allegedly contained “matters beyond the scope of the request” as well as “confidential information and irrelevancies unrelated to the matters before this Tribunal.”⁷² It further contended that “the EIA concerns matters unrelated to the Kilinto Industrial Park itself, such as information about other past projects” which is “unrelated and extraneous information ... uncovered by the order.”⁷³
- 2.61. Claimant disputed Respondent’s position, noting that the Kilinto EIA was squarely within the Tribunal’s order.⁷⁴ Claimant therefore made a formal application to the Tribunal requesting that Respondent be directed to produce the document in unredacted form, together with other outstanding documents.⁷⁵
- 2.62. The Tribunal directed Respondent to produce the outstanding documents but permitted the Kilinto EIA to be produced in redacted form, accepting Respondent’s representations.⁷⁶ Respondent submitted the redacted Kilinto

⁷⁰ *Id.*, Mr. Kern’s email of 10 September 2021 and Ms. Wells’ email of 13 September 2021.

⁷¹ *Id.*, Mr. Kern’s email of 15 September 2021.

⁷² *Id.*

⁷³ *Id.*, Mr. Kern’s email of 21 September 2021. Respondent repeated its representation in its email to the Tribunal dated 7 October. See Email from Jackson Shaw Kern, Counsel for Respondent to the Tribunal dated 7 October 2021 (stating “Respondent confirms that the passages intended to be redacted are completely and entirely unrelated to the Kilinto Industrial Park in any way, shape, or form, so as to fall outside of the Tribunal’s narrow order.”).

⁷⁴ **C-161**, Document Production Related Correspondence, Ms. Wells’ email of 22 September 2021.

⁷⁵ Claimant’s application to the Tribunal dated 22 September 2021, pp. 2-5. At the time, Respondent still had not produced other outstanding responsive documents, such as the letter through which the Kilinto EIA was approved by the Ethiopian government.

⁷⁶ Tribunal Communication No. 33 dated 30 September 2021, ¶ 16; Procedural Order No. 2 dated 18 October 2021 (“PO2”), ¶¶ 1-2.

EIA only on the day of Claimant's Reply filing, thereby depriving Claimant of a fair opportunity to comment on it in its submission.⁷⁷

- 2.63. Claimant independently located and introduced into the record an unredacted version of the Kilinto EIA.⁷⁸ This revealed that Respondent's redactions concerned material information directly within the scope of production, but detrimental to Respondent's case. In doing so, Respondent not only misrepresented the nature of the information to Claimant but also misled the Tribunal, securing acceptance of its redaction request on grounds that were knowingly untrue.
- 2.64. In its 3 December 2021 letter to the Tribunal, Claimant demonstrated that the redacted passages were neither "unrelated" nor "confidential," but instead provided critical baseline information regarding the area of the Kilinto Industrial Park.⁷⁹ These passages exposed the pretextual nature of Respondent's criticisms of Claimant's EIA, confirming that most industries in and around Addis Ababa lacked wastewater treatment systems.⁸⁰
- 2.65. Claimant further established that the version of the Kilinto EIA produced by Respondent was not the final version, as later confirmed by Respondent itself.⁸¹ The final version, obtained independently by Claimant, contained substantive differences. Respondent therefore failed to discharge its disclosure obligations *vis-à-vis* Claimant regarding the Kilinto EIA.
- 2.66. In its November 2022 submission, Claimant requested that the Tribunal draw adverse inferences from Respondent's disclosure violations, particularly in connection with its deficient document production regarding the Kilinto EIA.⁸² Although this request was not addressed in the Final Award, the underlying conduct remains a deliberate and serious breach of Respondent's procedural

⁷⁷ **C-162**, Email from Jackson Shaw Kern, Counsel for Respondent to Counsel for Claimant dated 22 October 2021. Claimant further notes that Respondent's explanations, as set out in its email, failed to comply with the Tribunal's directions in PO2. See Claimant's application to the Tribunal dated 3 December 2021, p. 3.

⁷⁸ **C-107**, Updated Environmental and Social Impact Assessment for Kilinto Industrial Park dated March 2017 ("Kilinto EIA").

⁷⁹ Claimant's application to the Tribunal dated 3 December 2021, pp. 3-6.

⁸⁰ See **C-107**, Kilinto EIA, pp. 43-47, 88-90 (discussing existing water pollution problem and linking the same to industries' failure to include any wastewater treatment facility at all).

⁸¹ Respondent's email to Claimant and Tribunal dated 5 December 2021 (confirming C-107 was the responsive version and NOT the version Respondent produced as responsive).

⁸² Claimant's Post Hearing Submission dated 11 November 2022, ¶¶ 6.23, 6.29.

obligations. The 2010 IBA Rules on the Taking of Evidence—which serve as an express source of guidance for this Tribunal⁸³—set forth a good faith standard governing document production:

If the Arbitral Tribunal determines that a Party has failed to conduct itself in good faith in the taking of evidence, the Arbitral Tribunal may, in addition to any other measures available under these Rules, take such failure into account in its assignment of the costs of the arbitration, including costs arising out of or in connection with the taking of evidence.⁸⁴

- 2.67. As explained, Respondent's misconduct directly prejudiced Claimant's ability to present its case and undermined the integrity of the arbitral process. At a minimum, the Tribunal should ensure that these violations do not go without consequence. The appropriate safeguard is to reflect Respondent's misconduct in the allocation of costs, thereby reaffirming that parties must respect their disclosure obligations. Claimant accordingly requests the Tribunal to issue an adverse costs award.

2) Failure to Engage in Good Faith Mediation

- 2.68. Paragraph 7.1 of Procedural Order No. 1 provides:

Parties are encouraged to keep in mind at all times the possibility of mediation, even if previous attempts have failed. At the first Case Management Conference, Parties will be asked whether they have considered or made efforts at settlement or mediation, and whether they believe such efforts at this time would be productive.⁸⁵

- 2.69. In accordance with this procedural guidance, the Parties engaged in preliminary settlement discussions at the outset of the proceedings. However, those discussions proved unproductive. Ethiopia did not participate in good faith; it appeared at the negotiation table without proposing any form of monetary compensation or viable basis for compromise.

⁸³ PO1, ¶ 3.1.

⁸⁴ IBA Rules on the Taking of Evidence in International Arbitration dated 29 May 2010, ¶ 9(7).

⁸⁵ PO1, ¶ 7.1.

- 2.70. On 15 March 2022—well in advance of the May hearing and prior to filing its final written submission in these proceedings⁸⁶—Claimant made another good-faith effort to initiate mediation. In its correspondence, Claimant stated:

As you'll recall, approximately 2 years ago the parties conducted some preliminary discussions concerning potential settlement of the Akgun dispute, as the Tribunal had suggested in Section 7 of Procedural Order No. 1. At that time, it was the parties' determination that further discussions should be adjourned until the matter had been further briefed. With Claimant's rejoinder to be submitted on 25 March, the matter will be fully briefed. Per P.O. #1 and our prior discussions, we therefore write to see whether you and your client Ethiopia would be interested in meeting in advance of the May hearing to conduct any further discussions concerning potential dispute settlement.⁸⁷

- 2.71. Respondent's reply amounted to a categorical rejection of any genuine dialogue. Ethiopia conditioned any settlement exclusively on the full withdrawal of all claims by Claimant and reimbursement of all arbitration costs incurred by Respondent to date. It stated:

Thank you very much for reaching out to us to explore the possibility of an agreed settlement. While we are not opposed to the idea, we believe that the only way that this makes procedural sense is if the Parties' agreement is rendered as a consent award by the Tribunal under Article 36(1) of the UNCITRAL Rules with all its preclusive effects.

Assuming that you are agreeable to the above mechanics of disposition, which indeed is the only proper procedural step at this stage, substantively, the resolution that is acceptable to the Respondent is the dismissal of all claims and payment of all costs by the Claimant. If the Claimant were to accept this, the Respondent will likewise consider withdrawing its Counterclaims. We believe that any discussions for anything short of that would only prolong the process and add more costs on both Parties.⁸⁸

⁸⁶ Claimant filed its Rejoinder on Jurisdictional Objections and Counterclaims on 25 March 2022, more than a week after it reached out to Respondent.

⁸⁷ **C-163**, Emails between James R. Swanson, Counsel for Claimant and Zewdineh B. Haile, Counsel for Respondent dated 15-16 March 2022 ("Settlement Related Correspondence"), Mr. Swanson's email of 15 March 2022.

⁸⁸ **C-163**, Settlement Related Correspondence, Mr. Haile's email of 16 March 2022.

- 2.72. This response was incompatible with the spirit and purpose of Paragraph 7 of Procedural Order No. 1. Rather than exploring an amicable resolution, Respondent adopted a position that effectively demanded capitulation. This posture reveals not only a refusal to mediate, but also a tactical decision to avoid meaningful engagement while maintaining procedural appearances.
- 2.73. Claimant's counsel interpreted Respondent's position as a clear indication that Ethiopia was not genuinely interested in seeking an amicable resolution. In its reply, Claimant noted that Respondent's demand amounted to a request for "voluntary capitulation" and observed that the Parties' divergent views on the merits would soon be resolved through the Tribunal's Award.⁸⁹ Respondent did not respond further.

3) Other Violations of Procedural Order No. 1

- 2.74. Procedural Order No. 1 expressly provided that "[e]ach Party will be confined to one expert per discipline unless permission is granted by the Tribunal for additional experts."⁹⁰ Respondent disregarded this instruction and acted in breach of its procedural obligations.
- 2.75. Without seeking leave from the Tribunal, Respondent appointed two experts—Dr. Anabo and Dr. Damtie—to opine on the same discipline of Ethiopian environmental law. Claimant, by contrast, complied with PO1 and appointed only one expert, Professor Tekle. Respondent's decision to proceed in defiance of the Tribunal's order not only caused unfair prejudice to Claimant, which was required to respond to overlapping and duplicative expert evidence, but also increased the costs of this arbitration on both sides. Respondent thereby gained an unwarranted tactical advantage, while Claimant was forced to incur additional costs to reorganize the hearing schedule and to prepare to address multiple experts on a single issue.⁹¹ Such conduct reflects disregard for the Tribunal's procedural framework and further justifies an allocation of costs against Respondent.

⁸⁹ *Id.*, Mr. Swanson's email of 16 March 2022.

⁹⁰ PO1, ¶ 13.1.

⁹¹ See Email from Ben Reichard, Counsel for Claimant to the Tribunal dated 7 April 2022; Procedural Order No. 3 dated 3 May 2022, ¶¶ 7-17.

4) Advance Payment Delays

- 2.76. Respondent failed to discharge its obligation to pay its share of the advance on costs within the deadlines prescribed by the Tribunal and the PCA. It delayed both the initial advance payment⁹² and, more significantly, the payment of the supplementary advances on costs.
- 2.77. By letter dated 7 March 2022, the PCA, on the Tribunal's instruction, directed the Parties to make a supplementary deposit of USD 750,000 (i.e., USD 375,000 per Party).⁹³ The payment was expressly required "to ensure sufficient funds for the preparation of the upcoming hearing" and was due by 6 April 2022.⁹⁴ Claimant complied in full and on time.⁹⁵ Respondent, however, failed to do so, with the result that the Tribunal's and PCA's expenses in preparing for the hearing were covered entirely from Claimant's advance.
- 2.78. The Tribunal itself was obliged to raise this issue with Respondent during the hearing, at which time Respondent gave assurances that payment would be made.⁹⁶ Yet Respondent only remitted its share on 6 June 2022—two months after the prescribed deadline and after the hearing had already concluded.⁹⁷
- 2.79. Respondent also significantly delayed payment of the second supplementary deposit on costs, required while the Tribunal was in the process of drafting the Final Award. On 23 May 2023, the PCA, again at the Tribunal's instruction, directed the Parties to make an additional deposit of USD 300,000 (i.e., USD 150,000 per Party), due by 22 June 2023.⁹⁸ While Claimant paid its share on 21 June 2023,⁹⁹ within the prescribed deadline, Respondent delayed its

⁹² Letter from PCA to Parties dated 23 July 2020 (setting out the deadline of 24 August 2020); Letter from PCA to Parties dated 10 September 2020 (confirming the payment of the Respondent's share beyond the deadline on 9 September 2020); Letter from PCA to Parties dated 24 August 2020 (confirming receipt of Claimant's share).

⁹³ Letter from PCA to Parties dated 7 March 2022.

⁹⁴ *Id.*

⁹⁵ Letter from PCA to Parties dated 1 April 2022 (confirming receipt of Claimant's share).

⁹⁶ Hearing Tr., Day 9, 258:1-12. Notably, Respondent refrained from explaining why its payment was greatly delayed and merely stated that the reason was "obvious."

⁹⁷ Letter from PCA to Parties dated 7 June 2022.

⁹⁸ Letter from PCA to Parties dated 23 May 2023.

⁹⁹ Letter from PCA to Parties dated 21 June 2023 (confirming receipt of Claimant's share).

payment until 19 September 2023¹⁰⁰—three months late. Respondent also delayed the payment of the final supplementary deposit on costs.¹⁰¹

- 2.80. These delays effectively shifted the financial burden of the Tribunal's and PCA's expenses onto Claimant during critical stages of the proceedings. Such conduct reflects disregard for the Tribunal's orders and constitutes procedural abuse that should weigh heavily in the Tribunal's allocation of costs.

(iv) Ethiopia Proceeded with Industrial Development on the Disputed ETIZ Site

- 2.81. As the Tribunal was preparing to issue its Final Award, Claimant uncovered disturbing new evidence that goes to the heart of Claimant's case and the veracity of Respondent's defences. Claimant obtained video and photographs indicating that Respondent had resumed and advanced industrial development on the ETIZ site during the pendency of these proceedings—at the very time that it was contending that the sensitivity of the Legedadi watershed precluded industrial development on the selected site and justified its termination of Akgun's project on the site. This conduct directly undermines the credibility of Respondent's defences and reinforces the legitimacy and magnitude of Claimant's damages claim.
- 2.82. The evidence reveals that within the parcel of land leased by Akgun—land for which the lease remains registered under Akgun's name—Respondent has proceeded with the construction of a large-scale industrial zone. While the configuration of the new construction does not appear to replicate the ETIZ project as Claimant initially envisioned, it nonetheless constitutes a substantial industrial development. Visual evidence, including Google Earth imagery, confirms the scale and location of the new development.¹⁰²

¹⁰⁰ Letter from PCA to Parties dated 27 September 2023 (confirming receipt of Respondent's share).

¹⁰¹ Letter from PCA to Parties dated 5 February 2025 (requesting the Parties to make a final supplemental deposit of USD 500,000.00 (USD 250,000.00 per Party) by Friday, 7 March 2025); Email from PCA to Parties dated 14 March 2025 (reiterating its request to the Respondent to make the payment, which was still outstanding as of the date of the email); Letter from PCA to Parties dated 14 March 2025 (confirming receipt of the Respondent's share on the same date).

¹⁰² **C-164**, Google Earth image of ETIZ site. *Compare with* **C-146**, Master Plan by Sadettin Ozdonmez dated 26 April 2012 and **C-069**, Environmental Impact Assessment Plan of ETIZ by GOTA dated 3 March 2014 (Main Document), p. 22. See *also* **C-165**, Video of ETIZ site; **C-166**, Pictures of ETIZ site.

- 2.83. The newly constructed zone is prominently visible starting at approximately 1:30 in the referenced video from the ETIZ site.¹⁰³ It is preceded by footage of the Afro Oil factory (buildings in blue)—ETIZ’s first and only registered tenant before Respondent terminated Akgun’s project—still in apparent operation.¹⁰⁴ Beginning at 2:55, the video also depicts the distinctive red-and-white police station originally constructed by Akgun, further corroborating the site’s identity.¹⁰⁵
- 2.84. This development, undertaken without awaiting the Tribunal’s resolution of the dispute, evidences Respondent’s disregard for the arbitral process and its underlying legal obligations. It reinforces Claimant’s contention that Respondent acted in bad faith when it evicted Akgun from the site and supports the conclusion that Respondent should bear the full costs of these proceedings.
- 2.85. In sum, Respondent’s procedural violations, dilatory tactics, and disparaging advocacy went beyond the bounds of legitimate defence. Tribunals have consistently taken such behaviour into account in costs allocation, both to compensate the prejudiced party and to safeguard the integrity of the arbitral process. To award less than full costs in these circumstances would risk normalising obstruction and misrepresentation in treaty arbitration, thereby undermining the Tribunal’s authority and the UNCITRAL framework.

3. APPROACH TO COSTS ALLOCATION

- 3.1. Claimant incurred total arbitration-related costs in the amount of USD 8,054,065.97.¹⁰⁶ For the reasons set out above—including Claimant’s prevailing party status, the reasonableness of the costs incurred, and Respondent’s conduct—Claimant respectfully requests that the Tribunal order full reimbursement.
- 3.2. In the alternative, should the Tribunal determine that full costs are not warranted, Claimant submits that—further to the baseline in comparable cases such as *Bear Creek* and *Natland*—no less than 75% of its total costs should be allocated to Respondent.

¹⁰³ **C-165**, Video of ETIZ site.

¹⁰⁴ **C-165**, Video of ETIZ site.

¹⁰⁵ *Id.* See also **C-166**, Pictures of ETIZ site (also depicting the red-and-white police station and the blue buildings of Afro Oil factory next to the site where massive construction is taking place).

¹⁰⁶ See Annex A.

- 3.3. Claimant emphasizes that the allocation of costs must be based on its aggregate costs, not on a mechanical issue-by-issue apportionment. The issue-specific breakdown submitted on 5 August 2025 was prepared solely in response to the Tribunal's procedural request.¹⁰⁷ As explained in Claimant's cover email of that date, the methodology employed—calculating percentages based on page counts devoted to particular issues in written submissions and hearing presentations—was necessarily artificial.¹⁰⁸ It does not precisely reflect how resources were actually deployed, given the integrated nature of advocacy across claims and phases. For this reason, Claimant submits that the 5 August breakdown cannot provide a like-for-like basis for cost allocation, and that the Tribunal should instead adopt the standard arbitral approach of allocating costs holistically, by reference to the overall expenses reasonably incurred by the prevailing party.
- 3.4. In practice, issue-by-issue apportionment is neither feasible nor appropriate in complex treaty arbitrations. Tribunals—including those in *Bear Creek* and *Natland*—routinely allocate costs on a holistic basis, rather than attempting to trace costs to individual issues or claims.¹⁰⁹ A holistic approach is especially warranted here, given Respondent's procedural misconduct, which artificially increased Claimant's costs across all phases. A holistic approach also ensures that Respondent cannot profit from its own misconduct. Given that Respondent's tactics inflated Claimant's costs across all phases of the case, disaggregating costs issue-by-issue would not only be artificial but would fail to capture the true source of the expenses incurred.
- 3.5. In any event, even under a phased framework, the result would support substantial cost recovery. Applying the Tribunal's requested breakdown as a reference point, Claimant would still be entitled to a minimum recovery of approximately USD 6 million—corresponding to 75% of its total costs—based on the following components:

¹⁰⁷ Claimant's costs breakdown dated 5 August 2025.

¹⁰⁸ Email from Svetlana Evliya, Counsel for Claimant to Tribunal dated 5 August 2025.

¹⁰⁹ **CLA-200**, *Natland v. Czech Republic*, ¶¶ 734-735; **CLA-199**, *Bear Creek v. Peru*, ¶¶ 730-731. See also **CLA-065**, GAR GUIDE ON DAMAGES, 2018, p. 320 (noting that “allocation based on the parties’ relative success should not be seen to reduce the cost decision to a purely arithmetical exercise, and in particular does not speak against awarding full costs where a party, while not fully, still very predominantly succeeded with its claim or defence.”)

- 3.5.1. 100% of costs related to jurisdiction, counterclaims, and the FET claim, as Claimant prevailed fully on these issues;
- 3.5.2. At least 40% of legal fees and costs related to damages, reflecting Claimant's success on one of three valuation methodologies (i.e. sunk costs, lost opportunity or lost profits), with an assumption that valuation methodology related fees constitute 90% of this category (30% per each) and interest-related arguments comprise the remaining 10%;
- 3.5.3. 100% of expert fees and expenses, given that Claimant used all of the experts' evidence to build its case across issues and that all experts assisted the Tribunal and were relied upon in the Final Award;
- 3.5.4. 100% of PCA fees, as Claimant is the prevailing party in the arbitration.

4. INTEREST ON COSTS

- 4.1. As set out above, an award of costs constitutes compensation for the financial prejudice suffered by the prevailing party in pursuing arbitration.¹¹⁰ Accordingly, where such amounts are not paid promptly, the awarding of post-award interest is necessary to ensure full reparation.¹¹¹
- 4.2. Claimant submits that interest should accrue on the amount of costs awarded, at the rate applied by the Tribunal in the Final Award on damages, until full payment by Respondent. This reflects established arbitral practice, where many tribunals have ordered interest on costs to preserve the value of the award and ensure both complete reparation and effective enforcement.¹¹²
- 4.3. The need for such interest is heightened in this case. Respondent has already demonstrated a pattern of delayed payments during the arbitration, including its late payment of the PCA advances.¹¹³ More importantly, as of the date of this submission, Respondent has neither paid the damages awarded in the

¹¹⁰ *Supra* ¶¶ 2.4-2.6.

¹¹¹ See, e.g., **CLA-065**, GAR GUIDE ON DAMAGES, 2018, pp. 302-303, 330.

¹¹² See, e.g., **CLA-201**, S. Lakhter, *Interest Rate Trends in Investor-State Disputes in 2022-2023* on Kluwer Arbitration Blog dated 27 March 2024 (noting that "[t]ribunals have systematically granted interest on the costs of the parties when such requests were made"); **CLA-065**, GAR GUIDE ON DAMAGES, 2018, p. 302 (stating that "[t]ribunals often award post-award interest in addition to the amount specified in the award"); **CLA-045**, *Pezold v. Zimbabwe*, ¶ 1024; **CLA-068**, *Tethyan v. Pakistan*, Award, ¶¶ 1856-1857; **CLA-029**, *ADC v. Hungary*, ¶ 543(3); **CLA-199**, *Bear Creek v. Peru*, ¶ 737; **CLA-185**, *Veteran Petroleum v. Russia*, ¶¶ 1657, 1690.

¹¹³ *Supra* Section 2.D.iii.4.

Final Award nor approached Claimant to discuss compliance. This behaviour heightens the risk of further non-payment.

- 4.4. In these circumstances, Claimant submits that annual compounding is insufficient. An award of interest should not only compensate but also incentivize compliance,¹¹⁴ especially where Respondent has demonstrated disregard for both its financial and procedural obligations. Tribunals have on occasion adjusted the frequency of compounding to reflect aggravating circumstances and to avoid incentivizing delay.¹¹⁵ Empirical analysis of ISDS practice further confirms that, alongside annual and semi-annual compounding, monthly compounding is increasingly used, reflecting the need to ensure timely compliance.¹¹⁶
- 4.5. Consistent with this practice, Claimant requests that post-award interest on costs accrue at the same rate as in the Final Award, compounded, in view of Respondent's continuing non-compliance, monthly—or at the very least semi-annually—until payment in full. A more frequent compounding interval is both justified and necessary to prevent Respondent from profiting from delay. In the alternative, if the Tribunal declines to depart from its earlier approach, Claimant requests that interest on costs be compounded annually on the same terms as the Final Award, with compounding on both the principal amount and costs at each anniversary of the Award.

¹¹⁴ **CLA-185**, *Veteran Petroleum v. Russia*, ¶ 1657; **CLA-045**, *Pezold v. Zimbabwe*, ¶ 943; **CLA-052**, *Masdar Solar & Wind Cooperatief U.A. v. Kingdom of Spain*, ICSID Case No. ARB/14/1, Award, 16 May 2018 (“*Masdar v. Spain*”), ¶ 665; **CLA-202**, *Watkins Holdings S.à r.l. et al. v. The Kingdom of Spain*, ICSID Case No. ARB/15/44, Award, 21 January 2020 (“*Watkins v. Spain*”), ¶ 747; **CLA-203**, PWC International arbitration damages study, *Interest-ing times: trends and challenges in awarding interest in international arbitration*, December 2024 (“PWC Study on Interest”), p. 8 (noting that tribunals frequently use compounding element to “incentivise” the respondent’s compliance and “facilitate prompt payment”); **CLA-204**, United Nations Commission on International Trade Law, Working Group III (Investor-State Dispute Settlement Reform) Forty-third session Vienna dated 5–16 September 2022, *Possible Reform of Investor-State Dispute Settlement (ISDS): Assessment of damages and compensation* (United Nations Working Documents, A/CN.9/WG.III/WP.220), 5 July 2022, ¶¶ 45–46 (stating that the function of the post-award interest is among other things to compensate for the risks in collecting the award and “to disincentivize delay in payment”).

¹¹⁵ See, e.g., **CLA-045**, *Pezold v. Zimbabwe*, ¶¶ 950, 1024 (awarding semi-annual compounding, including on costs); **CLA-124**, *Kardassopoulos v. Georgia*, ¶¶ 677–678 (awarding semi-annual compounding); **CLA-173**, *Unión Fenosa Gas v. Egypt*, ¶ 10.141 (awarding quarterly compounding); **CLA-029**, *ADC v. Hungary*, ¶ 543(3) (awarding monthly compounding, including on costs); **CLA-202**, *Watkins v. Spain*, ¶¶ 747–750; **CLA-052**, *Masdar v. Spain*, ¶ 665 (each awarding monthly compounding).

¹¹⁶ **CLA-203**, PWC Study on Interest, p. 4.

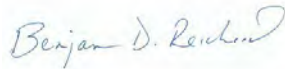
5. PRAYER FOR RELIEF

- 5.1. For the foregoing reasons, Claimant respectfully requests that the Tribunal:
- i. Order Respondent to reimburse Claimant for the full amount of its arbitration costs in the sum of USD 8,054,065.97, or, in the alternative, no less than 75% of that amount;
 - ii. Order Respondent to pay post-award interest on the reimbursable amount, at the rate set forth in the Tribunal's Final Award on damages, compounded monthly, or in any event no less frequently than annually, on each anniversary of the Award (commencing with the first anniversary), from the date of the Tribunal's award on costs until payment in full;
 - iii. Order Respondent bear its own arbitration costs; and
 - iv. Grant such other relief to Claimant as the Tribunal deems just and appropriate.



Lynn Swanson

Jones Swanson
Huddell, LLC



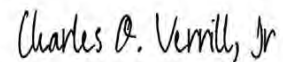
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Verrill, Jr.

Verrill Advocacy,
LLC

For and on behalf of Akgun Insaat Makina Sanayii ve Dis Ticaret Ltd. Sti.

Annex A: Breakdown of Claimant's Costs

Code	Expense Category	Amount
1	LEGAL FEES ⁽¹⁾	\$5.983.545,09
	1.1 Jones Swanson Huddell LLC	\$3.629.555,00
	1.2 Fishman Haygood L.L.P	\$1.934.899,00
	1.3 İlhan & Yavuztürk Attorneys at Law	\$339.752,59
	1.4 Verrill Advocacy, LLC	\$82.000,00
2	EXPERT FEES & COSTS ⁽²⁾	\$857.583,74
	2.1 Alvarez & Marsal	\$589.819,14
	2.2 Dale Whittington	\$238.956,00
	2.3 Mekete Bekele Tekle	\$28.808,60
3	ARBITRATION RELATED COSTS ⁽³⁾	\$362.937,14
4	PCA FEES AND EXPENSES ⁽⁴⁾	\$850.000,00
	GRAND TOTAL	\$8.054.065,97
	⁽¹⁾ LEGAL FEES include the fees of the primary legal team for Claimant, which consisted of lawyers from four law firms: Jones Swanson Huddell LLC; Fishman Haygood L.L.P; İlhan & Yavuztürk Attorneys at Law and Verrill Advocacy, LLC.	
	⁽²⁾ EXPERT FEES & COSTS include the fees and costs arising from the Expert Report of Alvarez & Marsal, Expert Report of Dale Whittington and Expert Report of Mekete Bekele Tekle.	
	⁽³⁾ ARBITRATION RELATED COSTS include travel, accommodation, meals, document management, translation, printing, courier services, etc. expenses incurred in connection with this arbitration.	
	⁽⁴⁾ PCA FEES AND EXPENSES include initial advance on costs in the amount of \$75,000.00 and supplementary deposits on costs in the amounts of \$375,000.00, \$150,000.00 and \$250,000.00.	