

# Algeria is ordered to pay 228.5 million USD to Emirati investor, as tribunal majority is unconvinced by allegations of illegality

*Published: May 15, 2023 | By: Damien Charlotin*

An ICSID arbitration pitting the [Societe des Parcs d'Alger \(SPA\)](#) and the [Emirates International Investment Company \(EIIC\) against Algeria](#) has concluded, with the arbitration tribunal splitting on whether the claims were admissible given alleged red flags of illegality and corruption.

The May 9, 2023 Award, which was rendered under an investment agreement between the SPA and an Algerian state entity in relation to an investment in a public park, remains unpublished.

*IARporter* has learned, however, that the tribunal of [Klaus Sachs](#) (chair), [Stephen Drymer](#) (claimants' appointee) and [Charles Poncet](#) (Algeria's appointee) disagreed on a key plank of Algeria's defence, regarding allegations that the investment had been obtained through illegal acts, namely "influence peddling".

A tribunal majority of Messrs. Sachs and Drymer saw insufficient evidence of the state's allegations of illegalities. In a sharply-worded dissent, Mr. Poncet explained that he would have rejected the claims based on Algeria's influence peddling argument.

The full tribunal, by contrast, ruled that it lacked jurisdiction over EIIC, which was not a party to the investment agreement. In particular, the tribunal was unconvinced that the investment agreement provided EIIC with a remedy under the Algeria-UAE bilateral investment treaty, which requires the agreement of both contracting states for investor-state arbitration proceedings.

On the merits, the majority of Messrs. Sachs and Drymer then found that Algeria had failed to perform its obligations under the Investment Agreement with respect to SPA, by preventing the project from going forward and eventually repudiating the project. For these breaches, the majority awarded SPA nearly 228.5 million USD in damages, relying on a contemporary business plan that reflected the project's value.

(Mr. Poncet abstained from commenting on the tribunal majority's review of the merits and damages, save to comment that he viewed the compensation awarded as a "windfall [...] disproportionate and excessive by any measurement.")

The claimants were represented by King & Spalding in London, Paris and New York, as well as Meltem Avocats in Marseilles. Algeria relied on GBS Disputes in Paris.

We will provide a full analysis of the Award in the coming days.