

Expert Group Meeting on Corruption and International Investments – Key Findings Revealed

Professor Yarik Kryvoi

On 16 December 2021, I had the privilege of co-chairing with Vladimir Kozin (UNODC) an event featuring key recommendations of the forthcoming report on corruption and foreign direct investments and corruption and investor-state dispute settlement. This blog summarises key developments, which led to these findings and the document itself.

Resolution 8/9 (2019) of State Parties to The United Nations Convention Against Corruption

With over 180 State parties, the United Nations Convention against Corruption remains one of the world's most ratified and the only legally binding universal anti-corruption instrument. However, the Convention's practical applicability in the context of international investment agreements and investor-State disputes so far has been limited.

The side event in December 2019 of State Parties to The United Nations Convention Against Corruption brought together representatives of States, international organisations, practitioners and scholars to discuss the apparent disconnect between the international regulatory framework on corruption, international investment agreements and the practice of investor-State arbitration. You can read my separate blog post on the Abu Dhabi event [here](#).



Side event of the 2019 Conference of State Parties to the United Nations Convention Against Corruption in Abu Dhabi

Resolution 8/9 adopted in 2019 by Conference of the State Parties to The United Nations Convention Against Corruption in Abu Dhabi noted

the positive role of international investments and the importance of minimizing opportunities for corruption and transfer of proceeds of crime in this context.

The Conference requested the United Nations Office on Drugs and Crime ("UNODC") to consider organizing an expert meeting

to discuss the issues of the existence and the extent of corruption and the transfer of proceeds of crime in the context of international investments, with a view to raising awareness of existing issues in this area and promoting the implementation, if appropriate, of relevant provisions of UNCAC and other international instruments.

Virtual Expert Group Meeting on the Draft UNODC Study on Corruption in the Context of Investor- State Dispute

In line with the Resolution 8/9, on 12 November 2021, UNODC conducted a Virtual Expert Group Meeting on the Draft UNODC Study on Corruption in the Context of Investor- State Dispute, which featured presentations of David Gaukrodger (OECD), Vincent Beyer (UNCTAD), Jae Sung Lee (UNCITRAL), Aloysius Llamzon (King & Spalding), Professor Mark Pieth (University of Basel) and Professor Xiumei Wang (Beijing Normal University).

The experts shared their views and provided feedback on drafting empirical report devoted to corruption in investor-state disputes. Other experts, who provided written or oral feedback on the draft included Prof Vaughan Lowe (Oxford University), Oscar Solorzano (Basel Institute on Governance), Professor Bolaji Owasanoye (Lagos State University), Lucinda Low (Steptoe & Johnson), Hamed El Kady (UNCTAD) and Paul Jean Le Cannu (ICSID).

[Agenda: Virtual Expert Group Meeting on the Draft UNODC Study on Corruption in the Context of Investor- State Disputes](#)

The Expert Group Meeting on Corruption and International Investments

In May 2021, UNODC partnered with the United Nations Conference on Trade and Development ("UNCTAD") to organize an Expert Group Meeting on Corruption and International Investments. The purpose of the Expert Group Meeting was to provide a platform for anti- corruption and foreign investment specialists to exchange ideas, discuss common challenges and identify ways forward to minimize the risk of and opportunities for corruption in foreign direct investments.



The May 2021 Expert Group Meeting on Corruption and International Investments

The Expert Group Meeting took place on 18 and 19 May 2021 in a virtual format and gathered over 140 experts specialized in matters ranging from investment policy to corporate compliance and the prevention of and fight against corruption, representing development finance institutions, national and international institutions on investment promotion, the private sector, civil society and academia, and coming from over 60 countries.

[Provisional Agenda: EGM on Corruption and International Investments, 11 May 2021](#)

Summary of the Follow-up Report of the Expert Group Meeting on Corruption and International Investments

On 16 December 2021, UNCAC and OECD organised an expert level side event of the Conference of the States Parties to the UN Convention against Corruption, which took place in Sharm el-Sheikh. As the [agenda of event](#) shows, it served as a platform for reporting to the Conference on the activities of this Expert Group Meeting.



Side event of the 2021 Conference of State Parties to the United Nations Convention Against Corruption in Sharm El Sheikh

Key findings of an upcoming publication of UNODC on Corruption and Investor-State Disputes presented to the audience during this event included:

- Strong and coherent anti-corruption provisions are needed in international investment agreements
- IIAs and domestic laws on foreign investment should be in compliance with and, to the extent possible, implement the standards of UNCAC and other anti-corruption instruments
- IIAs should better balance the interests of investors and host States and provide adequate domestic policy space to enable host States to regulate for the public interest, including to prevent and fight corruption.
- Measures against misuse of investment promotion regimes should be enhanced to prevent corruption and Illicit Financial Flows (IFFs).
- Investors and corporate entities should implement effective anti-corruption compliance programs.
- Adequate anti-corruption due diligence mechanisms can facilitate the prevention of corruption and other illicit activities in foreign investments.
- New technologies and statistics can play an essential role in ensuring the integrity of foreign investments.
- The role of Investor-State dispute settlement mechanisms in tackling corruption in foreign investment should be enhanced.

Read the full summary document here: [Executive Summary of the Follow-up Report of the Expert Group Meeting on Corruption and International Investments held virtually on May 18-19, 2021](#)

We hope to release two full reports on (1) corruption and foreign direct investments and (2) corruption in investor-state dispute settlement in 2022.

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