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UNIDROIT Working Group on International Investment Contracts

Ninth session (hybrid)
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UNIDROIT 2026
Study L-IIC – W.G. 9 – Doc. 2
English only
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SECRETARIAT'S REPORT

1. This document provides an update on the developments and activities concerning the project on International Investment Contracts (IICs) following the eighth Working Group session. It provides information on the work conducted between January and May 2026 (Section I) and the consultation on the draft UNIDROIT-ICC Principles and Model Clauses for International Investment Contracts (Section II), and it proposes next steps (Section III).

I. ACTIVITIES AND DEVELOPMENTS BETWEEN JANUARY AND MAY 2026

2. Following the eighth Working Group session (19-21 January 2026), the Drafting Committee updated the draft instrument in line with the outcome of the discussions.

A. Involvement of the Consultative Committee (March 2026)

3. On 3 March 2026, the Secretariat shared the updated draft instrument with the Consultative Committee for feedback by 2 April 2026. The draft instrument was accompanied by an overview of the comments received from Consultative Committee participants during the previous consultation round (August-September 2026), together with reactions to those comments and explanations from the Working Group following consideration of the feedback during its seventh and eighth sessions.

4. On 30 March 2026, a virtual meeting of the Consultative Committee was held in order to provide participants an opportunity to exchange views and raise questions ahead of the deadline for feedback. The participants in the meeting, experts from eight Member States and three non-Member States, commended the efforts of the Working Group and expressed appreciation for the opportunity to further engage with the Secretariat. Suggestions provided by Consultative Committee participants included clarifying Principle 2 on the functions of the instrument (especially the reference to "incorporation" of the Principles in an IIC and the fact that the list of functions was not exhaustive); clarifying the relationship between Principle 6 on sustainable investment and the draft model preamble language; expanding the guidance on issues of illegality; clarifying the relationship between the types of investor protection offered in the draft instrument and those provided under investment treaties; and providing for possible risk-allocation mechanisms in case of force majeure. Two Consultative Committee members also submitted written comments after the virtual meeting.

B. Virtual follow-up meeting to the eighth session (April 2026)

5. On 16 April 2026, a virtual meeting of the Working Group took place in order to review and discuss (i) the changes to the draft instrument made by the Drafting Committee following the eighth Working Group session; and (ii) the feedback from the Consultative Committee.

6. The Working Group welcomed the comments by the Consultative Committee and discussed how each of them could best be addressed, generally by expanding the commentary. Following the meeting, the Drafting Committee, in cooperation with the Secretariat, updated the draft instrument accordingly.

7. On 14 May 2026, the updated version of the draft instrument was submitted to the Working Group for fatal-flaw review. The deadline for comments was 27 May 2026. The Secretariat received comments from four Working Group participants.

C. Governing Council authorisation to launch a public consultation (May 2026)

8. In the meantime, the draft instrument as sent to the Working Group for review had been submitted to the UNIDROIT Governing Council for consideration during its 107th session (27-29 May 2026). It was noted that the Drafting Committee and Working Group were further refining the draft Principles and Model Clauses.

9. The Governing Council welcomed the significant progress made by the Working Group and the draft instrument and authorised the Secretariat to commence a consultation on the draft as further revised by the Working Group and Drafting Committee.

10. Accordingly, following final revisions based on the fatal-flaw review process, the Secretariat launched a public consultation on the draft instrument.

II. PUBLIC CONSULTATION

11. The UNIDROIT Secretariat launched the public consultation on 24 June 2026, through a dedicated consultation webpage[1] The consultation was open for a period of 12 weeks, until 15 September 2026.

12. The consultation was promoted widely in the public domain, including through the website and social media channels of UNIDROIT and the ICC. The consultation was also promoted through UNIDROIT's network; the Secretariat informed a range of UNIDROIT stakeholders of the consultation, encouraging them to consider submitting feedback and/or disseminating information about the consultation to relevant stakeholders.[2] The consultation received attention in several news items and articles.[3]

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[1] During the consultation period, the dedicated webpage was visited 2,191 times and the news item concerning the consultation on the UNIDROIT website was viewed 178 times.

[2] These include UNIDROIT Member States; the Members of the UNIDROIT Governing Council; the Board of Governors of the UNIDROIT Foundation; UNIDROIT Correspondents; UNIDROIT Alumni; the UNIDROIT Centenary Sustainable Development Workstream Committee; the Investment Contracts Task Force of the UNIDROIT-Roma Tre Centre for Transnational Commercial Law and International Arbitration; participants in the UNIDROIT International Programme for Law and Development (IPLD) – Africa Plus edition 2026 as well as the 2026 edition focused on the Balkans, Eastern Partnership, Central Asia, and the Caucasus (BEPCAC); and participants in the UNIDROIT Middle East and North Africa (MENA) Transnational Law Academic Symposium.

[3] *E.g.*, by Global Arbitration Review, IA Reporter, and the International Institute for Sustainable Development (IISD).

13. Moreover, the Secretariat directly informed a wide array of actors and stakeholders active in the field of international investment law of the consultation, inviting them to consider submitting feedback. These include:

(i) Intergovernmental organisations and fora;[4]

(ii) Multilateral and regional development and investment banks;[5]

(iii) Arbitration centres;[6]

(iv) Professional and industry associations;[7]

(v) Research and policy institutes in the field of sustainability;[8]

(vi) Academic/research networks and societies.[9]

14. In addition, the draft instrument was discussed, and the consultation promoted, at various events, including:

(i) *Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (OHADA), event "*Forum International des Professionnels du Droit et du Chiffre (4ème édition)*" (Lomé, Togo/online, 22 May 2026);

(ii) *Conferencia Latinoamericana de Arbitraje*, event "*Contratos Internacionales de Inversión y Arbitraje*" (Buenos Aires, Argentina/online, 10 June 2026);

(iii) Houston Place of Arbitration, webinar "All Roads Lead to Houston" (online, 24 June 2026) and consultation event on the draft instrument (online, 9 September 2026);

(iv) UNIDROIT IPLD Africa Plus (Rome, 26 June 2026);

(v) UNIDROIT Centenary Contract Law Workstream Workshop (Rome, 26 June 2026);

(vi) UNIDROIT Asian Transnational Law Centre (ATLC) Summer School (Shanghai, 30 June 2026);

(vii) UNIDROIT Centenary Academic Conference (Rome, 8 July 2026);

(viii) Arbitration Academy, course "Arbitration under International Investment Contracts" (Paris/online, 16 July 2026);

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[4] Asia-Pacific Economic Cooperation (APEC), International Labour Organisation (ILO), Organization of the Petroleum Exporting Countries (OPEC), Organisation for Economic Co-Operation and Development (OECD), United Nations Conference on Trade and Development (UNCTAD), World Trade Organization (WTO).

[5] African Development Bank (AfDB), African Export-Import Bank (Afreximbank), Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB).

[6] A communication was sent to 66 arbitration institutes and centres from all continents.

[7] The International Bar Association (IBA), whose Arbitration Committee brought the consultation to the attention of its members via a LinkedIn post, and the International Federation of Consulting Engineers (FIDIC).

[8] Columbia Center on Sustainable Investment (CCSI), International Institute for Environment and Development (IIED).

[9] African International Economic Law Network (AfIELN), AfronomicsLaw, *Centro de Estudios de Derecho, Economía y Política* (CEDEP), the Society of International Economic Law (SIEL).

(ix) Center for International Law (CEDIN), 22nd Winter Course on International Law, lecture "The Next Generation of International Investment Contracts: Stability, Sustainability, and State Sovereignty" (Brazil, 16 July 2026);

(x) European Association of Private International Law (EAPIL), meeting of the Study Group in charge of submitting a response to the public consultation (22 July 2026);

(xi) UNIDROIT and *Associazione Italiana per l'Arbitrato* (AIA), training on the draft instrument for high-level public officials in Zambia (online, 25 August 2026);

(xii) UNIDROIT and ICC Institute, Latin American State representatives' roundtable on the draft instrument, hosted by the LAI Chapter (online, 4 September 2026);

(xiii) UNIDROIT IPLD BEPCAC (Rome, 9 September 2026);

(xiv) Chinese University of Hong Kong (CUHK) and Dickson Poon School of Law at King's College London (KCL), Annual Conference on Tax, Trade and Investment Law (Hong Kong SAR, 10-11 September 2026).

15. In total, the public consultation received 40 submissions (including two late submissions), consisting of 540 comments. For further information, reference is made to document Study L-IIC – W.G. 9 - Doc. 3.

16. In parallel to the public consultation, the participants in the Working Group and the Consultative Committee were invited to share any final comments and suggestions on the draft instrument. The Secretariat also invited UNIDROIT Member States to submit feedback. The Secretariat received 13 submissions (including five late submissions) from participants in the Working Group, the Consultative Committee, and Member States, consisting of 218 comments. For further information, reference is made to document Study L-IIC – W.G. 9 - Doc. 4 (confidential).

III. NINTH SESSION AND PROPOSED NEXT STEPS

Finalisation of the draft Principles and Model Clauses

17. During its ninth session, the Working Group is invited consider the draft UNIDROIT-ICC Principles and Model Clauses for International Investment Contracts chapter by chapter, taking into account:

(i) the feedback received during the public consultation (Study L-IIC – W.G. 9 - Doc. 3), and

(ii) the feedback received from Working Group participants, Consultative Committee participants and UNIDROIT Member States (Study L-IIC – W.G. 9 - Doc. 4 (confidential)).

18. At the end of the session, it is proposed that the Working Group provide the Drafting Committee and the UNIDROIT Secretariat/ICC Institute with a mandate to update the draft Principles and Model Clauses in line with the outcome of the discussions during the ninth session.

19. The updated draft instrument could then be circulated to the Working Group for final review in early November 2026. Possible other steps for the Working Group will be determined depending on the progress made at the session.

Translations

20. While the Working Group's only working language is English, consistent with UNIDROIT's practice, the final instrument will also be made available in French. Bearing this in mind, the Secretariat has started preliminary work on the French version of the draft instrument. The Secretariat has also started developing the Spanish version.

21. The Secretariat envisages working with partner stakeholders to facilitate informal translations of the instrument into additional languages. The Secretariat welcomes the involvement of Working Group and Consultative Committee participants in these processes.