In disputes arising from international investment contracts, the principle of "state responsibility" obliging governments to assume full responsibility for the actions of their agents may be taken into account. The results are that contracts could remain valid in spite of illegality or defect of consent caused by corruption and that remedies should be limited to damages, adaptation of the contract, and reduction in prices. On the other hand, "international public policy" (also referred to as "ordre public international") has been used to support the avoidance of contracts in a case before the International Centre for Settlement of Investment Disputes (ICSID) arbitration panel (see box 8.5).

Nongovernmental organizations, including Transparency International, have encouraged the use of so-called integrity pacts by which government entities and bidders to public tenders agree on pre-announced sanctions for violations of commitments not to bribe public officials. Depending on the agreement, sanctions applied by courts or arbitration tribunals may include denial or loss of the contract, liability for damages to the principal and the competing bidders, and debarment of the violator for an appropriate

250. Davis, "Civil Remedies for Corruption in Government Contracting."
251. It is not clear whether international commercial arbitration would uphold this result in the absence of an applicable national law containing the voidability rule.