

Championing an Ombudsman System Worldwide

Russia recently celebrated the 1-year anniversary of its ombudsman system, which benchmarks Korea's



Korea's Foreign Investment Ombudsman system has drawn global attention as a benchmarking target. UNC-TAD-WAIPA presented the WAIPA Award to KOTRA in 2007 for excellence in providing post-investment care services through the ombudsman system. Officials from countries around the world have visited Invest KOREA to learn about it. Among them has been Russia.

In 2009, a benchmarking delegation of representatives from 11 countries and led by a Russian representative visited Korea for a week to learn about our Foreign Investment Ombudsman and Home Doctor mechanism mainly through grievance resolution cases. In June of 2012, benchmarking Korea's ombudsman system, the president of Russia appointed the first Commissioner for Entrepreneurs' Rights Protection, a supporter of both domestic and foreign companies operating in Russia.

In June, Russia hosted the International Economic Forum in Saint Petersburg, which included a roundtable meeting themed "Commissioner for Entrepreneurs' Rights Protection — Results of the First Year" to celebrate the first anniversary of the system's introduction. Russia, the chair of the upcoming 2013 G-20 Summit, held the forum as a sideline event to the G-20. Dr. Ahn Choong Yong, the Foreign Investment Ombudsman of Korea, was the only foreign participant invited to the meeting by the Russian government.

Dr. Ahn attended a panel discussion to present on investors' rights protection and on Korea's grievance resolution body and its activities. The roundtable was moderated by Mr. Dimitry Afanasiev, Co-Founder and Chairman of Egorov Puginsky Afanasiev & Partners, and participated in by many high-level Russian officials including Mr. Boris Titov, Presidential Commissioner on the Entrepreneur's Rights, and Mr. Igor Zubov, Deputy Minister of Internal Affairs of the Russian Federation. Dr. Ahn was the only foreign attendee to deliver on overseas cases.

Introducing Korea's Foreign Investment Ombudsman system, Dr. Ahn said that the Foreign Investment Ombudsman must think and act from foreign investors' point of view in line with global best practices and do his/her best to continuously improve transparency in terms of investment conditions and incentives. He also introduced the Home Doctor system and the investment aftercare activities that have proven highly effective in preventing investor-state disputes, which occur frequently when making cross-border investments. He emphasized the need to build formal and informal dialogue channels with foreign-invested companies to identify their grievances and provide meaningful support. Dr. Ahn also addressed why grievances continue to be raised by foreign businesses despite such aftercare efforts.

After the presentation, the ombudsman held a separate luncheon meeting with the Russian Commissioner for Entrepreneurs' Rights

Protection, where they agreed on the need to form a private-level investment consultative forum between Korea and Russia, an idea that had been informally suggested by the Korean government. The Russian Commissioner acknowledged that he should continuously promote mutual cooperation and exchange with the ombudsman of Korea, as Korea's case will serve as a stimulus for the Russian government to pursue more business-friendly policies. The meeting concluded with Russia's promise to propose a cooperative initiative with Korea in the near future.

Recently, the Russian government has been implementing special policies to facilitate domestic and foreign corporate investments, pushing ahead with various initiatives to encourage entrepreneurship, and carrying out large-scale projects to build infrastructure such as railroads to boost the economy. In order to induce foreign direct investment, the Russian government has designated special and free economic zones.

Dr. Ahn stressed that the ombudsman's role is to be a candid and trustworthy dialogue partner of foreign investors, one who listens to them from their perspective, works to resolve their grievances and improve the business environment in the process. He expressed his wish for the ombudsman system to take root in Russia and succeed as it has in Korea.

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