



ENHANCING GLOBAL COOPERATION FOR TRADE AND INVESTMENT INTEGRATION: LEGAL MECHANISMS, MULTILATERAL AGREEMENTS, AND THE ROLE OF INTERNATIONAL FINANCIAL INSTITUTIONS IN ADVANCING SUSTAINABLE DEVELOPMENT

Grace Perpetual Dafiel¹ 

1. PhD, LL.M, BL and LL.B. Faculty of Law, Veritas University Nigeria, Abuja. Email: dafielgrace904@gmail.com; dafielg@veritas.edu.ng, Contact: +2348037008269.

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Global trade and investment integration play a pivotal role in advancing sustainable development. As environmental challenges intensify, it is increasingly important to align trade and investment policies with sustainability objectives. This paper examines how multilateral agreements, international financial institutions (IFIs), and legal frameworks contribute to fostering a more inclusive and sustainable global economy. It highlights the impact of agreements such as the Paris Agreement 2015 and regional trade pacts in promoting both environmental and economic cooperation. Furthermore, the paper explores the role of IFIs, such as the World Bank and the International Monetary Fund (IMF), in supporting sustainable investments, particularly in developing nations like Nigeria. However, strengthening global cooperation faces significant challenges, including conflicting national interests driven by differing economic priorities and political agendas, which often hinder consensus. Global inequality creates power imbalances, leaving developing nations at a disadvantage. Complex multilateral agreements can be slow and inconsistent, making it difficult to balance trade with environmental sustainability. Weak legal frameworks, enforcement challenges, financial instability, and social resistance add further barriers. Additionally, technological gaps and fragmented global governance compound these issues. Furthermore, managing debt and ensuring sustainable financing for development are critical challenges for developing nations. The study concludes with recommendations for enhancing global cooperation, focusing on inclusive agreements, environmental sustainability, robust legal structures, financial support for developing countries, and addressing the digital divide.

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Publisher: Institute for Oil, Energy, Environment and Sustainable Development (OGEES Institute), Afe Babalola University, Ado Ekiti, Nigeria.

1. INTRODUCTION

The contemporary global economic order is characterised by profound interdependence and complexity, manifesting in intricate linkages among states, industries, and financial institutions. Over recent decades, this interconnectedness has intensified, driven largely by the liberalisation of trade regimes, the expansion of capital mobility, and the proliferation of bilateral and multilateral agreements. These trends have progressively integrated national economies into a globalised economic system structured around legal mechanisms and institutions aimed at facilitating cross-border trade and investment. Yet, at the core of this evolution lies a fundamental normative challenge: the need to align economic integration processes with the imperatives of sustainable development.¹

Multilateral trade agreements—especially those negotiated under the auspices of the World Trade Organization (WTO)—have served as the legal and institutional bedrock of international economic cooperation. The WTO, by reducing tariffs, dismantling non-tariff barriers, and institutionalising a robust dispute settlement mechanism, has promoted a rules-based order centred on trade liberalisation and market openness. These agreements have enabled states, particularly developing countries, to participate more extensively in global trade, positioning international commerce as a central driver of economic growth.

Parallel to this, bilateral investment treaties (BITs) and multilateral investment treaties (MITs) have catalysed the flow of foreign direct investment (FDI) across borders by offering legal protections to investors, including safeguards against expropriation and access to arbitration through investor-state dispute settlement (ISDS) mechanisms. These instruments are critical for securing long-term capital, which is essential for infrastructure development, technological innovation, and economic diversification in both developing and emerging economies.

¹ Kamo Sende, *International Trade Law and Sustainability: Balancing Trade Liberalisation and Environmental Protection* (PhD thesis, 2023) <https://doi.org/10.13140/RG.2.2.14534.24643>.

International financial institutions (IFIs), notably the World Bank (WB) and the International Monetary Fund (IMF), have emerged as influential actors within this global architecture. The WB, through entities such as the International Development Association (IDA),² extends concessional financing aimed at poverty reduction and sustainable development in low-income countries.³ The IMF, in turn, plays a stabilising role by providing financial assistance during balance-of-payments crises and facilitating macroeconomic policy coordination.⁴ Beyond financing, these institutions exert significant influence over domestic legal and policy frameworks through conditionalities, technical assistance, and advisory services. In doing so, they promote the integration of developing economies into the global financial system and enhance their capacity to engage in international trade and investment.⁵

Despite the notable benefits—such as productivity gains, technological diffusion, and poverty alleviation, particularly in export-oriented economies—these gains have been unevenly distributed. Furthermore, the institutional and legal mechanisms that have enabled such growth to have been increasingly scrutinised for their inadequacy in supporting inclusive, equitable, and sustainable development. The accelerating pace of economic integration has not been matched by a commensurate incorporation of sustainable development norms into the international legal order. Instead, the dominant frameworks continue to operate in relative isolation, privileging liberal economic principles—such as market efficiency and

² International Development Association, *Preamble to Articles of Agreement of the International Development Association: As Amended Effective June 27, 2012* (World Bank 2012).

³ International Development Association, ‘About IDA’ <https://ida.worldbank.org/en/about> accessed 21 January 2025.

⁴ International Monetary Fund, *Articles of Agreement of the International Monetary Fund: Adopted at the United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, July 22, 1944, as Amended Effective January 26, 2016, by the Modifications Approved by the Board of Governors in Resolution No 66–2, Adopted December 15, 2010* (IMF 2016) art 1(1), (3).

⁵ <https://www.un.org/sustainabledevelopment/development-agenda/#:~:text=For%20sustainable%20development%20to%20be,being%20of%20individuals%20and%20societies>

investor protection—over ecological sustainability, social justice, and inclusive growth.

This disjunction represents a significant research and policy challenge: the misalignment and fragmentation between international trade and investment regimes and the Sustainable Development Goals (SDGs). Although numerous international declarations and agreements espouse sustainability objectives, the actual governance of the global economy remains entrenched in a neoliberal paradigm that prioritises growth and capital mobility over distributive equity and environmental integrity. As a result, a structural tension persists between binding economic obligations and aspirational sustainability goals, undermining the coherence and legitimacy of global governance.

The WTO provides a salient example of this normative imbalance. While the General Agreement on Tariffs and Trade (GATT)⁶ includes Article XX, which allows for exceptions to trade obligations on environmental and public health grounds, these exceptions are narrowly interpreted. The *US – Shrimp* dispute,⁷ for instance, illustrated the difficulties of integrating environmental considerations within the WTO's legal framework. Although the United States sought to protect endangered sea turtles by restricting shrimp imports harvested without turtle-excluder devices, the WTO Appellate Body criticised the discriminatory implementation of the measure, placing procedural adherence above substantive environmental goals. Similarly, in *Brazil – Retreaded Tyres*,⁸ Brazil's import restrictions on environmentally hazardous used tyres were challenged under WTO rules, underscoring the persistent friction between trade commitments and national public health and environmental regulations.

A core issue in global governance is the legal fragmentation across trade, investment, environmental, labour, and human rights regimes. Each operates with distinct principles, obligations, and enforcement mechanisms, often without coordination. For example, while BITs grant

⁶ *Marrakesh Agreement Establishing the World Trade Organization* (1994).

⁷ World Trade Organization (WTO), *US – Shrimp* (1998), Complaint by India, Malaysia, Pakistan, and Thailand, WT/DS58, Appellate Body Report, 12 October 1998

⁸ World Trade Organization (WTO), *Brazil – Retreaded Tyres* (2007), Complaint by the European Communities, WT/DS332, Panel Report, 12 June 2007

expansive rights to investors, including access to binding arbitration, global environmental instruments such as the *Paris Agreement*,⁹ and labour standards under the ILO Conventions, often rely on voluntary compliance and lack effective enforcement.¹⁰ This asymmetry establishes a hierarchical legal order in which economic norms are legally binding and enforceable, whereas sustainability commitments are rendered aspirational and subordinated.

This fragmented legal architecture also imposes operational burdens. Policymakers frequently confront overlapping and conflicting obligations, while domestic institutions struggle to design and implement coherent policies that balance trade, investment, and sustainable development imperatives. Compounding these difficulties is the asymmetrical power dynamic within global governance institutions. Dominant states and transnational corporate actors often shape the content and direction of trade and investment rules, marginalising the voices and priorities of least developed countries (LDCs) and small island developing states (SIDS), particularly with respect to environmental and developmental considerations.

The environmental externalities of unchecked economic activity—ranging from climate change and biodiversity loss to pollution—have reached critical levels, demanding urgent and integrated responses. Although global instruments like the Paris Agreement have begun to embed environmental objectives into national development agendas, there remains a significant lacuna in their integration with trade and investment regimes. Many trade and investment agreements either omit sustainability clauses altogether or include them in vague, non-enforceable terms, rendering them ineffective in realigning economic governance with environmental objectives.

⁹ United Nations Framework Convention on Climate Change (UNFCCC), *The Paris Agreement* (adopted 12 December 2015, entered into force 4 November 2016) <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement> accessed 24 December 2024.

¹⁰ International Institute for Sustainable Development and United Nations Environment Programme, *Trade and Green Economy: A Handbook* (International Institute for Sustainable Development 2014)

In this context, IFIs such as the WB and IMF serve as pivotal actors in promoting coherence between economic and sustainable development agendas. Their financial leverage and institutional reach position them to incentivise reforms and foster policy alignment. While initiatives such as the World Bank's Environmental and Social Framework (ESF)¹¹ reflect an evolving commitment to sustainability, their impact remains limited by inconsistent implementation and insufficient integration into broader governance structures.

The central research problem, therefore, lies in the imperative to restructure global trade and investment governance to support the SDGs through legal harmonisation, institutional coordination, and equitable rulemaking. Achieving inclusive and sustainable development requires fundamentally reorienting global legal regimes to place sustainability at the core of economic governance. This entails strengthening dispute resolution systems to integrate environmental and social considerations, enforcing non-economic norms, and restructuring global institutions to ensure equitable participation by developing countries in rulemaking. Without such systemic integration of sustainability into legal and institutional frameworks, global governance will continue to reinforce inequality, environmental harm, and structural injustice. The aspirations of the SDGs will remain out of reach unless trade and investment systems are comprehensively transformed to reflect sustainability as a guiding normative imperative.

1.1 Scope and Aim of the Study

This article critically explores how international legal frameworks, multilateral agreements, and international financial institutions (IFIs) facilitate global cooperation in trade and investment to advance sustainable development. It examines the collective impact of these mechanisms on economic growth, inclusive investment, and addressing environmental, social, and governance challenges. Through legal analysis, institutional practices, and policy evaluation, the study assesses the effectiveness, constraints, and future potential of global governance structures in promoting a more equitable and sustainable trade and investment system. It aims to: (i) examine the roles and functions of international financial

¹¹ World Bank, *Environmental and Social Framework (ESF)* (World Bank 2016)

institutions and multilateral trade agreements in facilitating global trade, fostering economic development, and promoting investment and integration across jurisdictions; (ii) evaluate the effectiveness of existing legal mechanisms in embedding principles of sustainable development within international trade and investment frameworks; (iii) identify and critically assess the key legal, institutional, and political challenges hindering global cooperation in trade and investment governance; and (iv) formulate evidence-based recommendations aimed at enhancing the efficacy of multilateral agreements, the responsiveness of international financial institutions, and the robustness of legal mechanisms in supporting sustainable global economic integration.

To advance its objectives, the questions considered include: (i) How do international financial institutions and multilateral trade agreements contribute to global trade facilitation, investment flows, and economic integration?; (ii) To what extent do legal mechanisms embedded in international trade and investment agreements promote sustainable development goals (SDGs)?; (iii) What are the primary challenges—legal, structural, and geopolitical—that constrain effective global cooperation in trade and investment?; and (iv) What strategies and reforms could enhance the coordination and effectiveness of multilateral institutions and legal regimes in achieving equitable and sustainable development through global trade?

2. CONCEPTUAL FOUNDATIONS AND THEORETICAL FRAMEWORKS

This study adopts a multidisciplinary framework combining international economic law, global governance, sustainable development theory, critical legal studies, and legal institutionalism. This integrated approach enables a critical analysis of the disconnect between trade and investment regimes and the SDGs, highlighting structural and procedural shortcomings while identifying prospects for normative coherence and institutional reform.

i. International Economic Law (IEL) and Legal Pluralism

International Economic Law (IEL) comprises the legal structures and institutional frameworks that govern international trade, investment, and financial relations. Influential contributions from scholars such as Joost

Pauwelyn,¹² Andreas Fischer-Lescano,¹³ and Ernst-Ulrich Petersmann¹⁴ have elucidated the scope of IEL, which includes multilateral instruments like WTO agreements, BITs, and regional trade agreements (RTAs). These are implemented and overseen by global institutions such as the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank.

Legal pluralism, as advanced by theorists including Gunther Teubner¹⁵ and Paul Schiff Berman,¹⁶ provides a valuable conceptual lens through which the fragmentation of global legal orders can be understood. Legal pluralism in international economic law exposes tensions among overlapping regimes—trade, investment, environment, and human rights—especially where investment rules override sustainability. These contradictions are acute in the Global South. This study calls for coherence and highlights the potential of pluralist-informed financial institutions to promote equitable, sustainability-driven global governance.

ii. Global Governance Theory and Institutional Fragmentation

Global governance theory, articulated by scholars such as Anne-Marie Slaughter,¹⁷ and James N. Rosenau,¹⁸ provides a valuable framework for analysing the dispersion of authority among diverse global actors—including states, international organisations, corporations, and civil

¹² Joost Pauwelyn, 'At the Edge of Chaos? Foreign Investment Law as a Complex Adaptive System' (2014) *ICSID Review*
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2271869.

¹³ Andreas Fischer-Lescano and Gunther Teubner, 'Regime-Collisions: The Vain Search for Legal Unity in the Fragmentation of Global Law' (2004) 25 *Michigan Journal of International Law* 999

¹⁴ Ernst-Ulrich Petersmann, 'International Economic Law in the 21st Century: Need for Stronger "Democratic Ownership" and Cosmopolitan Reforms' (July 2012) SSRN Electronic Journal.

¹⁵ Gunther Teubner, 'Global Bukowina: Legal Pluralism in the World Society' in Gunther Teubner (ed), *Global Law Without a State* (Dartmouth 1996) 3–28

¹⁶ Paul Schiff Berman, 'Global Legal Pluralism' (2007) 80 *Southern California Law Review* 1155; also published as Princeton Law and Public Affairs Working Paper No 08-001, available at SSRN <https://ssrn.com/abstract=985340>

¹⁷ Gordon Clark, 'Book Review: *A New World Order*, by Anne-Marie Slaughter. Princeton, NJ: Princeton University Press' (2005) 24 *Journal of Planning Education and Research* <https://doi.org/10.1177/0739456X05276184>.

¹⁸ James N. Rosenau, 'Governance in the Twenty-First Century' (1995) 1 *Global Governance* 13–43. <https://www.jstor.org/stable/27800099> Accessed on 23/02/2025

society. It captures the ongoing shift from rigid, hierarchical governance structures to more dynamic, networked forms of coordination and regulation. Within this framework, the issue of institutional fragmentation, as discussed by Frank Biermann *et.al*,¹⁹ is particularly salient. Fragmentation denotes the growth of international institutions with overlapping but insufficiently coordinated mandates, often leading to incoherence and reduced policy effectiveness. This is particularly visible in the discord between trade and environmental regimes, where embedding sustainability within economic governance remains challenging.²⁰ Global governance theory underscores the importance of legal reform, multilateral cooperation, and international financial institutions in aligning trade and investment with sustainable development goals.

iii. Sustainable Development Theory and Normative Integration
Sustainable Development Theory provides a foundational framework for understanding and advancing the integration of environmental protection, social equity, and economic growth within international law and policy. Originating with the 1987 Brundtland Report,²¹ Sustainable development, defined as meeting present needs without compromising future generations, has been institutionalised through instruments like the 2030 Agenda and Paris Agreement, marking a normative shift toward holistic, long-term global governance. Legal scholars²² have played a pivotal role in conceptualising sustainable development as an emerging principle of international law. Their scholarship traces its normative evolution through treaty preambles, international judicial decisions, and soft law instruments. Sustainable development is now recognised as a legally

¹⁹ F Biermann, P Pattberg, H van Asselt and F Zelli, 'The Fragmentation of Global Governance Architectures: A Framework for Analysis' (2009) 9(4) *Global Environmental Politics* 14

²⁰ *Ibid*

²¹ World Commission on Environment and Development (WCED), *Our Common Future* (Oxford University Press 1987) <https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf> Accessed on 23/02/2025; also published as UN Doc A/42/427 (1987)

²² Marie-Claire Cordonier Segger and Ashfaq Khalfan, *Sustainable Development Law: Principles, Practices, and Prospects* (Oxford University Press 2004); Nico Schrijver, 'The Evolution of Sustainable Development in International Law: Inception, Meaning and Status' (2007) 329 *Recueil des Cours* 217

significant principle requiring states and institutions to balance economic, environmental, and social objectives. This research adopts Sustainable Development Theory to advocate for normative integration across trade, finance, and environmental regimes. It supports legal and institutional reforms—via binding rules, multilateral agreements, and active international financial institutions—to align global economic integration with sustainability and promote equitable global governance.

iv. Critical Legal Studies and Power Asymmetries

The Critical Legal Studies (CLS) movement—spearheaded by scholars such as Duncan Kennedy, Roberto Unger, and David Kennedy²³—offers a radical lens through which to analyse global economic governance. CLS challenges the assumed neutrality, coherence, and objectivity of legal systems, arguing that law is often a tool for perpetuating dominant economic and political hierarchies. This study employs CLS to expose how international legal frameworks and institutions—such as WTO rules, investor-state dispute settlement (ISDS) mechanisms, and IFI conditionalities—embed neoliberal ideologies and sustain structural inequalities between the Global North and South. It critiques legal indeterminacy that enables dominant actors to undermine regulatory autonomy, environmental protection, and equitable development. CLS also questions the legitimacy of institutions like the IMF and WTO, advocating transformative reforms rooted in developmental justice, inclusivity, and enforceable sustainability commitments.

v. Legal Institutionalism and Reform Pathways

Legal institutionalism, as developed by scholars like *Katharina Pistor*, *Douglass North*, and *Neil Walker*, focuses on the formative role of legal institutions in shaping economic and social outcomes. It underscores that

²³ Duncan Kennedy, *Legal Education and the Reproduction of Hierarchy: A Polemic Against the System* (Cambridge, Massachusetts, 1983); Roberto Mangabeira Unger, *The Critical Legal Studies Movement* (Harvard University Press, Cambridge MA and London, 1986) https://warwick.ac.uk/fac/soc/sociology/staff/sfuller/social_theory_law_2015-16/roberto_mangabeira_unger-the_critical_legal_studies_movement-harvard_university_press_1986.pdf accessed 21 January 2025; Kennedy David, ‘The International Style in Postwar Law and Policy: John Jackson and the Field of International Economic Law’ (1995) 10(2) *American University International Law Review* 671-716.

law is not merely a system of rules but a structuring force that can entrench or dismantle inequality depending on its institutional design.²⁴

This approach supports a reform-oriented inquiry into how trade and investment regimes might evolve to support sustainable development. Institutional perspectives advocate for the deliberate restructuring of legal mandates, compliance mechanisms, and participatory frameworks to foster inclusive and environmentally just outcomes.²⁵

Together, these theories construct an analytical foundation for interrogating the fragmented, power-laden architecture of global economic law. They offer critical insights into both the persistence of legal misalignments and the possibilities for normative reconfiguration through law, institutions, and governance reform.

3. METHODOLOGY

This research employs a doctrinal legal methodology enriched by interdisciplinary theoretical and normative analysis to examine how sustainable development principles are integrated into international trade and investment law. Sustainable Development Theory serves as the central normative lens, grounded in instruments like the Brundtland Report, the 2030 Agenda,²⁶ and the Paris Agreement, enabling evaluation of the normative integration of economic, environmental, and social objectives. Legal Institutionalism facilitates structural analysis of global institutions such as the WTO, International Centre for Settlement of Investment Disputes (ICSID), IMF, and World Bank, assessing their alignment with sustainability imperatives. Critical Legal Studies reveal how legal hierarchies and interpretations often prioritise commercial interests over

²⁴ Douglass C North, *Institutions, Institutional Change and Economic Performance* (Cambridge University Press 1990) <https://www.cambridge.org/core/books/institutions-institutional-change-and-economic-performance/AAE1E27DF8996E24C5DD07EB79BBA7EE>; Katharina Pistor, *The Code of Capital: How the Law Creates Wealth and Inequality* (Princeton University Press 2019) <https://scholarship.law.columbia.edu/books/15/>;

²⁵ Neil Walker, 'Legal Theory and the European Union: A 25th Anniversary Essay' (2003) 23 *Oxford Journal of Legal Studies* https://www.researchgate.net/publication/31454254_Legal_Theory_and_the_European_Union_A_25th_Anniversary_Essay

²⁶ UNGA, *Transforming Our World: The 2030 Agenda for Sustainable Development*, GA Res 70/1 (25 September 2015) UN Doc A/RES/70/1

ecological and social concerns. Global Governance Theory examines regulatory fragmentation and suggests strategies to improve legal coherence across regimes. Legal Pluralism expands this by recognizing interactions between formal and informal, hard and soft law. Drawing on treaties, case law, and institutional texts, the study critically engages with instruments like the Rio Declaration and SDGs, informed by scholars including Segger, Schrijver, and Teubner.

4. LEGAL FRAMEWORKS, INSTITUTIONAL STRUCTURES, JURISPRUDENCE, AND CASE ANALYSIS

This section analyses how sustainable development is integrated into international and regional trade and investment law through legal frameworks, institutional structures, and jurisprudence. Despite growing recognition, implementation remains limited. Drawing on legal institutionalism, pluralism, and new governance theory, it examines legal instruments, dispute resolution, and compliance, with regional agreements serving as testing grounds for sustainability integration.

- The *Paris Agreement*²⁷ The Paris Agreement promotes climate mitigation and low-emission development, but lack of comprehensive obligations and commitments on trade limit its legal impact.²⁸
- The *2030 Agenda for Sustainable Development* and the SDGs provide a comprehensive normative framework. Though non-binding, they influence treaty interpretation and institutional practice, particularly in investment agreements and WTO preambles.
- The *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)*,²⁹ and GATT emphasizes trade liberalization; however, GATT'S Article XX's limited interpretation and TRIPS-related health implications hinder coherence with SDG 3 on health.

²⁷ Supra

²⁸ *Paris Agreement* art 2.

²⁹ *Marrakesh Agreement Establishing the World Trade Organization*, Annex 1C, 1869 UNTS 299, 33 ILM 1197 (1994).

- *Comprehensive Economic and Trade Agreements (CETA)*³⁰ and the *Netherlands Model BIT* (2019) include environmental and labour clauses. However, ISDS mechanisms prioritise investor protection over public interest regulation; CETA includes sustainability provisions but lacks binding sanctions, reducing their effectiveness.
- The *World Bank's Environmental and Social Framework*³¹ represents progress in integrating sustainability and human rights into financial governance. Yet, IMF lending practices, governed by its Articles of Agreement, often prioritise austerity over development sovereignty.
- The African Continental Free Trade Area (AfCFTA)³² fosters South-South cooperation to advance inclusive economic growth across Africa yet faces challenges related to enforceability and institutional capacity.
- The United States–Mexico–Canada Agreement (USMCA), which replaces the North American Free Trade Agreement (NAFTA),³³ enhances provisions on labour and environmental standards, although notable enforcement shortcomings remain.

The analysis shows how legal institutionalism sustains economic orthodoxy, limiting sustainability, while legal pluralism reveals complex, innovative intersections among trade, environmental, and human rights norms.

Furthermore, within the legal institutionalist framework, the analysis examined dispute resolution bodies such as the WTO Dispute Settlement Body (DSB), ICSID, and the Permanent Court of Arbitration (PCA),

³⁰ Between Canada and European Union and Its Member States adopted 2014

³¹ ESF (n1)

³² African Union, *Agreement Establishing the African Continental Free Trade Area (AfCFTA)* (adopted 21 March 2018, entered into force 30 May 2019) <https://au.int/en/treaties/agreement-establishing-african-continental-free-trade-area> accessed 24 June 2024.

³³ Established a free-trade zone in North America; it was signed in 1992 by Canada, Mexico, and the United States and took effect on Jan. 1, 1994

while shaping legal norms, insufficiently incorporate sustainability considerations.

- The *WTO DSB* ensures structured adjudication but treats sustainability cautiously, rarely prioritising it over trade concerns. Its Appellate Body's paralysis further limits its role.
- *ICSID* tribunals frequently protect investor rights without reciprocal obligations, as seen in *Philip Morris v. Uruguay*,³⁴ exposing structural biases against public interest regulation.
- The *PCA*, while increasingly engaged in environmental and maritime cases, remains underutilised for trade-related sustainability issues despite procedural flexibility.

New governance theory critiques traditional legal mechanisms for being rigid and adversarial, lacking the collaborative flexibility needed for sustainability. The ongoing fragmentation and asymmetry of global legal frameworks continue to hinder cooperation. Advancing legal governance by promoting pluralism, enhancing institutional adaptability, and embedding sustainability as a core obligation remains vital to aligning trade and investment with global equity and environmental objectives.

Furthermore, this research critically examined how sustainable development is increasingly recognized in international law, analysing jurisprudence and institutional discourse through legal pluralism, institutionalism, and new governance theory to assess its integration in trade and investment regimes by global bodies. For instance, in *Gabcikovo-Nagymaros project*,³⁵ the ICJ identified sustainable development as a framework for balancing ecological and economic considerations in treaty interpretation. The *Iron Rhine Arbitration*³⁶ reaffirmed its customary relevance by integrating environmental obligations with infrastructure rights. In *Urbaser v. Argentina*,³⁷ the tribunal recognised corporate responsibilities linked to human rights, such

³⁴ ICSID Case No ARB/10/7, Award (8 July 2016).

³⁵ *Gabcikovo-Nagymaros Project* (Hungary v Slovakia) (Order) [1997] ICJ Rep 3 (5 February).

³⁶ *Iron Rhine Arbitration* (Belgium v Netherlands) (Award) (2005) ICGJ 373 (PCA, 24 May).

³⁷ *Bilcon of Delaware et al. v. Canada*, PCA Case No UNCT/13/1, Award, 8 December 2016.

as access to water, reflecting an evolving accountability model in Investor-State Dispute Settlement (ISDS). Similarly, *Chemtura v. Canada*³⁸ validated environmental regulation against investor claims, while *Pulp Mills*³⁹ affirmed environmental impact assessments as binding obligations, aligning legal interpretation with sustainability goals. These cases show sustainable development's growing role in shaping interpretation and integrating legal regimes.

In addition to jurisprudence, expert opinions and institutional reports offer essential insights into dispute resolution and compliance in international trade. Scholars⁴⁰ highlight challenges aligning trade and investment with sustainability, stressing shared norms, trust, and national commitment for effective treaty implementation. Reports from UNCTAD⁴¹ and the World Bank⁴² call for reforming international investment agreements to strengthen environmental and social protections, emphasizing support for sustainability-oriented trade policies. They highlight how legal pluralism and institutional overlaps undermine coherence, further exposed by COVID-19's multilateral gaps. Scholars⁴³ urge reform to address inequality, empower weaker states, and build a fairer, sustainable legal order.

A case study was conducted to evaluate the practical implementation of multilateral agreements and the functional role of international financial institutions (IFIs) within global trade and investment governance. This

³⁸ Final Award, *Ahmadou Sadio Diallo (Republic of Guinea v. Democratic Republic of the Congo)*, PCA Case No UNCT/10/2 (2 August 2010), ICGJ 464.

³⁹ *Pulp Mills on the River Uruguay* (Argentina v Uruguay) [2010] ICJ Rep 14.

⁴⁰ Robert O Keohane and Joseph S Nye, *Power and Interdependence* (4th edn, Pearson 2012); Ernst-Ulrich Petersmann, 'Multilevel Governance of International Trade Requires Multilevel Constitutionalism' (2006) 10 *Journal of International Economic Law* 491; Amrita Narlikar, *Poverty Narratives and Power Paradoxes in International Trade Negotiations and Beyond* (Cambridge University Press 2020) and Andrew T Guzman, *How International Law Works: A Rational Choice Theory* (Oxford University Press 2008).

⁴¹ UNCTAD, *World Investment Report 2020*.

⁴² World Bank, *Trade and Sustainable Development* (2021).

⁴³ Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (W W Norton & Company 2011); Jagdish Bhagwati, *In Defense of Globalization* (Oxford University Press 2004) and Joseph E Stiglitz, *Making Globalization Work* (W W Norton & Company 2007).

empirical approach bridged the gap between theoretical frameworks and real-world application, offering valuable insights into how international legal commitments are enforced and function across varied economic settings.

A key case examined was the Paris Agreement (2015), adopted⁴⁴ under the UNFCCC, which exemplifies the convergence of climate change obligations with international economic policy. The analysis revealed ongoing tensions in aligning environmental commitments with trade and investment flows, particularly in sectors dependent on fossil fuel-based development. Despite its global scope, the Agreement's reliance on voluntary national contributions undermines its capacity to systematically integrate sustainability into global economic frameworks.

The WTO's *Trade Facilitation Agreement*⁴⁵ was also analysed for its role in simplifying customs procedures and promoting regional trade. The case highlighted its potential to lower transaction costs and boost trade efficiency, especially for developing economies. However, its implementation remains hindered by capacity deficits and uneven institutional readiness, indicating that infrastructure reform alone is insufficient without broader governance support.

Further, key WTO dispute settlement cases demonstrate how trade law is evolving to accommodate non-economic values. In *US — Shrimp*, the Appellate Body acknowledged environmental protection as a legitimate concern under Article XX(g), though it criticised the discriminatory application of U.S. measures. In *EC — Asbestos* (DS135), France's public health measures were upheld under Article XX(b), reinforcing state authority to regulate for safety and health. Similarly, *Brazil — Retreaded Tyres* advanced the understanding of environmental exceptions, although domestic inconsistency weakened Brazil's defence.

⁴⁴ United Nations Framework Convention on Climate Change (UNFCCC), *The Paris Agreement* (adopted 12 December 2015, entered into force 4 November 2016) <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement> accessed 24 December 2024.

⁴⁵ *Bali Ministerial Declaration on the WTO Work Programme* (2014) WT/L/931.

US — Gambling (DS285) clarified the application of public morals in the services sector under GATS, while *Australia — Plain Packaging* (DS435/441) reaffirmed the legitimacy of public health regulation under TRIPS, reinforcing regulatory autonomy within IP frameworks. These rulings collectively show a jurisprudential shift in favour of integrating sustainability-related values within the WTO legal order.

Despite notable jurisprudential advances, sustainable development remains weakly implemented due to the lack of binding legal obligations. Its presence in WTO instruments and decisions is primarily aspirational, limiting enforceability. The continued paralysis of the Appellate Body further erodes legal certainty and risks incoherence in future rulings. Case study analysis shows growing engagement with sustainability by multilateral agreements and IFIs, yet institutional, legal, and procedural limitations persist. Meaningful reform must embed sustainability as a binding norm within global governance structures.

Moreso, comparative evaluation of Brazil, India, Nigeria, and Germany reveals markedly different approaches to implementing international trade and investment obligations, shaped by their distinct legal architectures, economic priorities, and developmental trajectories.

Brazil, as a developing economy, adopts selective protectionism to support domestic industries through subsidies and tariffs. While these measures shield emerging sectors, they also risk contravening WTO rules and limiting deeper integration into the global economy. Brazil's cautious stance on liberalising agricultural markets reflects enduring tensions between sovereignty, development, and trade liberalisation.

India has taken notable steps to liberalise trade, particularly in the services sector. However, the complexity of its federal legal system and regional socio-economic disparities impedes the uniform application of international obligations. India's policy tensions—between fulfilling global trade commitments and addressing domestic challenges like poverty alleviation—underscore the delicate balance between liberalisation and inclusive development.

Nigeria, rich in natural resources yet heavily reliant on oil exports, faces structural difficulties in implementing trade agreements. The lack of economic diversification and weak institutional frameworks hinder its capacity to absorb international competition in non-oil sectors, particularly agriculture and manufacturing. These challenges exacerbate vulnerability to external shocks and underscore the need for capacity-building in trade governance.

Germany, embedded within the European Union (EU), benefits from a mature legal and institutional infrastructure that supports robust implementation of trade agreements. Nonetheless, as part of a supranational bloc, its trade policies are shaped by collective EU positions, which may constrain independent strategic flexibility. Germany exemplifies the advantages of harmonised legal standards but also the complexity of navigating multilateral commitments within regional blocs.

From this comparative lens, several lessons emerge for Nigeria. First, like India, Nigeria must work toward reconciling international trade obligations with pressing domestic development needs. This includes strengthening institutional mechanisms for enforcing trade agreements and developing capacity in dispute settlement and regulatory oversight. Second, drawing from Brazil's experience, Nigeria could adopt more strategic protectionist measures to nurture infant industries while remaining compliant with global trade rules. Third, Germany's model demonstrates the value of embedding trade law within a predictable, transparent, and enforceable legal framework—an aspiration Nigeria can pursue through institutional reform and legal harmonisation. Finally, Nigeria could benefit from regional integration, like the EU's experience, by strengthening the African Continental Free Trade Area (AfCFTA) to support sustainable development through cooperative legal standards and shared infrastructure.

5. MULTILATERAL AGREEMENTS AS PILLARS OF SUSTAINABLE TRADE GOVERNANCE

Multilateral agreements, particularly those under the WTO, aim to reduce trade barriers and foster global economic integration. Yet, their design has

historically privileged economic liberalisation over environmental and social considerations. A salient example is the *Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)*,⁴⁶ which has been criticised for privileging developed countries and large corporations, particularly by restricting access to essential medicines in developing countries. This dynamic undermines health equity and contradicts SDG 3 (Good Health and Well-being).

Reform is needed to ensure such agreements incorporate enforceable sustainability obligations. The *Paris Agreement* offers a model by setting legally binding climate targets while encouraging national flexibility. Future trade agreements could draw from this framework, incorporating explicit environmental and social safeguards, thus enabling trade liberalisation to support—not hinder—sustainable development.

6. THE ROLE OF INTERNATIONAL FINANCIAL INSTITUTIONS IN SUSTAINABLE DEVELOPMENT

International Financial Institutions (IFIs), notably the World Bank and IMF, have long influenced development finance and macroeconomic policy, particularly during crises. Their focus on structural adjustment—emphasising deregulation, austerity, and liberalisation—has often undermined social and environmental sustainability. Large IFI-funded infrastructure projects have, at times, triggered ecological harm and social displacement. Critics call for reforms to embed sustainability, including environmental assessments, reduced policy-restrictive conditionalities, and increased support for green infrastructure. The World Bank's integration of climate resilience marks a positive shift. Meanwhile, IMF crisis responses, though stabilising, frequently constrain fiscal space, revealing the tension between promoting economic order and preserving policy sovereignty.

⁴⁶ Marrakesh Agreement (n1)

7. LEGAL LIMITATIONS UNDERMINING SUSTAINABLE TRADE AND INVESTMENT INTEGRATION

Legal mechanisms play a critical role in aligning global trade and investment with sustainability goals. Despite the existence of various international frameworks, enforcement remains weak, especially concerning environmental and social protections. The core challenge is to develop a cohesive legal structure that ensures trade, investment, and sustainable development are harmonised and mutually supportive. Instruments like the Paris Agreement offer procedural climate governance but lack binding obligations, depending largely on non-enforceable, nationally determined contributions. WTO, emerging from the GATT,⁴⁷ has been instrumental in liberalising global trade. However, its legal framework lacks robust provisions to embed binding sustainability standards. GATT, conceived in the post-war era, prioritised economic growth over ecological or social concerns, a legacy that continues under the WTO. The system's focus on market access and tariff reduction often sidelines environmental and human rights issues, creating a structural asymmetry between economic liberalisation and sustainability.

This imbalance is evident in the WTO's dispute resolution jurisprudence, such as the *US–Gasoline* case,⁴⁸ where domestic environmental regulations were struck down due to their inconsistency with trade rules. These outcomes exemplify how commercial interests are legally privileged over sustainability concerns. Moreover, while agreements like TRIPS have enforceable provisions with strong dispute mechanisms, similar rigour is lacking for environmental and social protections. This normative inconsistency undermines the WTO's capacity to align with global instruments like the SDGs and the Paris Agreement, which themselves suffer from weak enforcement mechanisms.

Additionally, structural inequalities in WTO governance persist. Though formally operating on consensus, decision-making tends to favour developed nations, marginalising the policy interests of the Global South.

⁴⁷ *Ibid*

⁴⁸ *Supra*

TRIPS, for example, has been widely criticised for entrenching intellectual property regimes that inhibit access to essential medicines and technologies in developing countries, thereby exacerbating global inequities.

The situation is further complicated by the fragmentation introduced by RTAs. Frameworks such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)⁴⁹ create divergent standards and overlapping obligations that erode the coherence and universality of the multilateral system. Smaller and less-developed countries, such as Nigeria, often lack the legal and institutional capacity to navigate these complex regimes effectively.

Thus, reforming global trade and investment governance requires a recalibrated legal architecture—one that embeds enforceable sustainability standards, strengthens institutional accountability, and ensures equitable participation in decision-making. Drawing on successful models from institutions like the World Bank and regional entities such as the EU Treaties (Treaty on European Union-TEU and Treaty on the Functioning of the European Union-TFEU) and AfCFTA, such reform must transcend economic orthodoxy and embrace an integrated vision that prioritises environmental integrity, social justice, and inclusive development.

8. FINDINGS

The research highlights the critical role of trade agreements, IFIs, and legal frameworks in advancing sustainable global trade, while also revealing persistent gaps in enforcement, equity, and sustainability coherence. They are as follows:

i. Multilateral Trade Agreements and Sustainability

Multilateral trade agreements, notably the General Agreement on Tariffs and Trade (GATT) and the Trade-Related Aspects of Intellectual Property Rights (TRIPS), have played a crucial role in aligning international trade norms and reducing barriers, thereby fostering global economic integration. TRIPS, in particular, standardised intellectual property

⁴⁹ A major multilateral trade agreement promoting liberalisation, progressive standards, and regional integration among 11 Asia-Pacific nations.

regulations worldwide, yet has drawn criticism from developing countries for impeding access to essential medicines and technologies, especially during health crises, thus deepening inequality. Despite advancing trade liberalisation, these agreements generally lack robust provisions for incorporating environmental and social standards. Consequently, sustainability objectives are often marginalised, as seen in *US–Gasoline*, where trade obligations overruled domestic environmental protections.

ii. Limitations of International Financial Institutions

International financial institutions (IFIs) like the IMF and World Bank have significantly influenced global economic stability by providing financial support, infrastructure funding, and policy guidance to developing nations. While their efforts have contributed to poverty reduction and macroeconomic reform, the conditionalities tied to their assistance—particularly during the 1980s structural adjustment era—have drawn criticism for imposing austerity that disproportionately impacted vulnerable groups and curtailed national policy autonomy. The *Argentina v. IMF*⁵⁰ case underscores concern about diminished sovereignty under IFI programmes. Despite recent shifts toward climate finance and social safeguards, a fundamental misalignment persists between their economic priorities and sustainability objectives.

iii. Legal Frameworks and Enforcement Challenges

Global legal frameworks such as the Paris Agreement (2015) and the Sustainable Development Goals (SDGs) reflect efforts to incorporate sustainability into trade and investment governance. The Paris Agreement, centred on voluntary emissions reduction pledges, aspires to curb global warming but suffers from weak enforceability, limiting its impact. Similarly, the SDGs propose a comprehensive vision for sustainable development, yet their integration into trade policies remains fragmented due to competing national interests and insufficient legal enforcement. The *Pulp Mills on the River Uruguay* case illustrates the ongoing tension between environmental protection and economic objectives, highlighting the structural limits of current legal regimes to harmonise both aims.

iv. Fragmentation in Global Trade Governance

The global trade and investment system faces increasing fragmentation, largely due to the rise of regional trade agreements (RTAs) like the CPTPP.

⁵⁰ Supra

While introducing innovative regulations, these agreements create conflicting obligations and normative tensions, weakening coherence and hindering enforceable sustainability outcomes. The Paris Agreement's reliance on voluntary commitments illustrates the limits of non-compulsory mechanisms, weakening unified climate responses. Arbitration rulings such as *Metalclad v. Mexico*⁵¹ demonstrate how investor protections can override environmental safeguards, revealing a structural bias toward commercial interests. Additionally, the expanding influence of multinational corporations and civil society actors is reshaping the traditional state-centric governance model. Cases like *US–Gasoline* underscore the friction between trade liberalisation and environmental regulation, intensifying normative discord. For developing countries such as Nigeria, these dynamics reduce negotiating capacity, limit policy space, and complicate efforts to align global economic integration with domestic development strategies and sustainability goals.

v. Political and Economic Power Imbalances

Global trade negotiations are often skewed in favour of powerful economies, which exercise disproportionate influence in setting the agenda and determining outcomes. In forums such as the WTO, countries like the United States and members of the European Union have historically shaped trade rules to their advantage. This dynamic was evident during the Doha Round, where developing nations, including India and Brazil, faced significant challenges in advocating for fair agricultural trade terms, largely due to entrenched subsidies in developed countries.⁵² Consequently, developing economies often find themselves marginalised in global trade arrangements, with limited capacity to influence reform or derive equitable benefits.

vi. Environmental and Social Concerns

The growth of global trade and investment has often led to environmental harm and social inequality, as many trade agreements prioritize economic gains over environmental and social safeguards. Agreements like NAFTA enabled industrial expansion but worsened deforestation and pollution.

⁵¹ ICSID Case No. ARB(AF)/97/1

⁵² Richard E Baldwin, 'Multilateralising Regionalism: Spaghetti Bowls as Building Blocs on the Path to Global Free Trade' (2006) 29(11) *The World Economy* 1451.

Investment treaties have also incentivized land grabbing and exploitation, displacing communities in countries such as Cambodia, Nigeria, and Ethiopia.

vii. Adapting to a Changing Global Economy

The rapid digitalisation and rise of new trade powers like China and India challenge Western dominance, urging more agile, inclusive legal frameworks for global economic governance. Meanwhile, digital trade and e-commerce have advanced faster than regulatory responses, with the WTO's 2017 E-Commerce Moratorium offering limited oversight.⁵³ The growing reliance on regional trade agreements (RTAs) further fragments global governance, often sidelining multilateral mechanisms and undermining coherence, particularly on sustainability. Addressing these complexities requires IFIs and legal regimes to embrace adaptive, equitable, and sustainability-oriented institutional reform.

8.1 Implications for Nigeria

This research underscores the critical influence of global trade and investment regimes—particularly multilateral agreements, IFIs, and legal instruments—on sustainability outcomes, with important implications for Nigeria. While these frameworks facilitate economic integration, they often neglect equity, enforcement, and environmental priorities. Agreements like GATT and TRIPS, although harmonising trade rules, impose stringent intellectual property standards that hinder Nigeria's access to essential medicines and technologies. The lack of enforceable environmental protections, illustrated by the *US–Gasoline* case, risks sidelining sustainability in Nigeria's trade policies. IFIs have supported infrastructure and reforms but frequently imposed conditionalities that constrained fiscal space and social spending. Although climate financing has increased, a misalignment remains between IFI mandates and sustainability goals. Legal instruments such as the Paris Agreement and SDGs provide guidance but lack binding force, limiting their domestic impact amid weak institutions. Furthermore, regional trade agreements

⁵³ Antoine Comont and Van Ly, "The WTO and the Joint Initiative on Electronic Commerce: But Where is Vietnam?" (2024) 10 Vietnamese Journal of Legal Sciences 23, doi:10.2478/vjls-2024-0002.

and corporate power deepen regulatory fragmentation, challenging Nigeria's ability to align national strategies with global standards.

9. RECOMMENDATIONS

i. Enhancing Legal Frameworks for Sustainable Trade and Investment

As global trade, investment, and sustainability intersect, a coherent and inclusive legal framework becomes essential. Existing international trade rules, while successful in market liberalisation, often overlook environmental, social, and developmental equity. A recalibrated legal approach is needed—one that centres sustainability and human rights within international economic law. The proposals below address enforcement, sustainability integration, and institutional reform.

ii. Improved Enforcement of Multilateral Agreements

Current enforcement under multilateral trade and investment regimes, such as the WTO, is often slow and lacks robust compliance tools. Enhancing enforcement requires binding arbitration with clear timelines and enforceable penalties, including structured sanctions or market access restrictions for persistent non-compliance. Complementing this, incentive-based mechanisms—like market preferences or aid for countries meeting sustainability standards—can encourage voluntary compliance. The WTO's TRIPS enforcement model, with structured dispute resolution, offers a precedent for expanding enforcement across broader regulatory areas.

iii. Institutional Coordination and Legal Innovation

Beyond dispute resolution, reforms must encourage greater institutional coordination among trade, environmental, and human rights bodies. Current siloed approaches limit the ability to address overlapping issues effectively. Legal innovation could involve developing cross-treaty interpretive mechanisms—such as joint dispute panels comprising trade and environmental experts—to ensure consistency and coherence in rulings. Moreover, treaty design should evolve to incorporate more dynamic provisions—so-called “living clauses”—that allow for the periodic review and updating of commitments considering new scientific knowledge and policy needs.

iv. Integration of Sustainability in Trade and Investment Policies

Embedding sustainability into trade and investment frameworks requires aligning environmental and social objectives with binding legal commitments. The Paris Agreement offers a model, combining clear targets with accountability mechanisms. Likewise, trade and investment treaties should include enforceable obligations on emissions reduction, labour rights, and ecological protection to ensure liberalisation advances, rather than hinders, sustainability. Binding clauses can promote green industries and ethical supply chains. Independent monitoring, mandatory reporting, and transparent oversight are essential for enforcement. Legal provisions should also support sustainable public procurement, enabling governments to foster inclusive, environmentally responsible economic development.

v. Empowering Developing Countries through Institutional Support

To create a more just international trade system, developing countries need stronger institutional and legal capacity. Many face difficulties in negotiating agreements, managing disputes, and meeting standards. Expanded technical assistance, legal training, and institutional development—facilitated by the WTO, regional institutions, and IFIs—are essential. Legal empowerment must go beyond technical knowledge to include building national enforcement structures and inclusive policymaking processes. Strengthening domestic capacity and participatory governance enhances legitimacy, implementation, and equity in global trade governance.

vi. Aligning Financing with Sustainable Development

International Financial Institutions (IFIs) such as the IMF and World Bank significantly influence sustainable development, yet their lending practices often restrict policy autonomy in the Global South. To better support development, IFIs should adopt more flexible, locally driven approaches aligned with the Sustainable Development Goals (SDGs). This includes reducing stringent conditionalities and prioritizing funding for climate adaptation, clean energy, equitable education, and inclusive infrastructure. Instruments like the IMF's Flexible Credit Line (FCL) can be expanded to aid vulnerable economies. Integrating environmental and social impact assessments and reforming IFI governance to amplify

developing countries' voices are crucial steps toward equitable and sustainable outcomes.

vii. Strengthening Global Legal Frameworks

A coherent legal order must embed human rights, environmental sustainability, and economic justice into trade and investment governance. Binding legal instruments, such as the proposed Global Pact for the Environment, offer frameworks to institutionalize principles like precaution and polluter-pays. Future trade agreements should include enforceable sustainability clauses and adaptable rules for digital domains. A unified legal framework aligning with the SDGs would drive equitable, rights-based global economic governance.

10. CONCLUSION

This study critically evaluates how legal frameworks, multilateral trade agreements, and international financial institutions (IFIs) shape global trade and investment governance, revealing persistent gaps in enforcement, environmental protection, and equity. It highlights how IFI-imposed conditionalities often limit national policy autonomy, particularly in countries like Nigeria, exacerbating inequality. Legal fragmentation and overlapping agreements further undermine coherence. The study advocates embedding binding sustainability standards within trade regimes and aligning IFIs with the Sustainable Development Goals to promote inclusive, green growth. It emphasizes the need for stronger legal frameworks that prioritize human rights and environmental safeguards, alongside reforming negotiation processes to empower developing nations. The role of non-state actors in legal reform is also recognized. As trade evolves through digitalization and green transitions, national-level legal alignment and Global South coalitions will be essential for advancing equitable and sustainable development. This analysis offers actionable guidance for bridging the gap between economic integration and sustainability.

ANNEXURES

Table 1: Summary of Comparative Matrix – Treaty Provisions on Sustainable Development

Instrument	Legal Nature	Sustainability Provisions	Enforcement Mechanism	Institutional Framework	SDG Alignment
Paris Agreement (2015)	Binding	Art. 2 emphasizes low-carbon development via NDCs	Transparency; global stocktake	UNFCCC Secretariat; COP	High: SDG 13, 7
2030 Agenda & SDGs	Soft Law	17 integrated goals	Voluntary national reporting	HLPF; UN agencies	High: All SDGs
WTO Marrakesh (1994)	Binding	Preamble; GATT Art. XX (environment)	WTO DSB	WTO Committees	Moderate: SDG 8, 12
TRIPS (1995)	Binding	Indirect via health & innovation impacts	WTO DSB	TRIPS Council	Indirect: SDG 3, 9
BITs (e.g., Netherlands 2019)	Binding	CSR, environmental and labour obligations	ISDS	Some allow joint committees	Moderate: SDG 8, 16
CETA (2016)	Binding	TSD chapter; labour, environment standards	Consultations; expert panels	Joint Committee; Civil Society Forum	High: SDG 8, 12, 13
AfCFTA (2018)	Binding	Inclusive, sustainable growth in objectives	Evolving	AU structures	Moderate-High: SDG 1, 8, 10
EU Treaties	Binding	Sustainability mainstreamed (TEU/TFEU)	CJEU	EU Commission, Council, Parliament	High: SDG 13, 15, 16
USMCA (2020)	Binding	Dedicated labour and environment chapters	State-to-state	Labour/Environment Councils	Moderate-High: SDG 8, 12
ACIA (2009)	Binding	Vague sustainability mention	Consultative	ASEAN Investment Committee	Low-Moderate: SDG 8, 17

WB ESF (2017)	Bindin g	Ten ESS standards	Independent review panels	WB Inspection Panel	High: SDG 1, 5, 10, 13
Rio Declaration (1992)	Soft Law	27 guiding principles	None	Informal use in policy	High: SDG 13, 15, 17

Table 2: Comparative analysis of cases and institutions for sustainable development.

Case / Instrument	Body / Institution	Legal Issues	Sustainable Development Relevance	Theoretical Insights	Outcome / Precedent
Gabcikovo - Nagymaros Project (ICJ 1997)	International Court of Justice	Treaty interpretation, environmental harm, state obligations	Framed SD as a guiding norm reconciling ecological and economic goals	Sustainable Development Theory; Legal Institutionalism	Recognized SD in international law; influenced ICJ environmental decisions
Iron Rhine Arbitration (PCA 2005)	Permanent Court of Arbitration	Transit rights vs environmental duties	Affirmed SD as a principle harmonizing development and ecology	Legal Pluralism; Global Governance Theory	Clarified treaty conflicts through SD; bolstered ecological considerations
Urbaser v Argentina (ICSID 2016)	ICSID Tribunal	Investor duties, right to water, human rights	Integrated human rights into investment law; emphasized investor responsibility	Critical Legal Studies; SD Theory	Broadened ISDS to include social obligations; precedent for inclusive development
Chemtura v Canada (UNCITRAL 2010)	NAFTA/UNCITRAL Tribunal	Expropriation, regulatory autonomy	Defended environmental regulation in public interest	Legal Institutionalism; New Governance Theory	Affirmed regulatory space for environmental health
Pulp Mills (ICJ 2010)	ICJ	Transboundary EIA obligations	Reinforced procedural environmental obligations under SD	SD Theory; Legal Pluralism	Elevated environmental due diligence duties

Paris Agreement (2015)	UNFCCC Secretariat	Climate mitigation, transparency	Institutionalized SD within climate governance	Global Governance; Normative Integration	Procedural obligations; broad normative influence
CPTPP	11-Nation Trade Pact	Trade, labour, environment	Enforceable SD chapters on labour and ecology	Legal Pluralism; Institutionalism	Model for sustainability in trade treaties
SADC Model BIT (2012)	SADC Secretariat	Investment vs public interest	Aligns investor rights with state SD duties	Critical Legal Studies; SD Theory	Advances state sovereignty and sustainable regulation