



## INTEGRATION OF SUSTAINABLE DEVELOPMENT GOALS INTO TRADE AND INVESTMENT TREATIES\*

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### Abstract

*The need for a strategic tool for shaping investment policies in line with sustainability goals cannot be overemphasized. The research examined the integration of the United Nations Sustainable Development Goals (SDGs) into trade and investment treaties. This can help developing countries in devising investment agreements that are conducive to promoting and facilitating sustainable investments. The critical step towards aligning international economic law basic concepts of trade and investment treaties with global sustainability objectives, has prompted the global community to align trade and investment policies with the SDGs. The research analysed the evolving trend toward integrating sustainability-oriented provisions in international economic agreements. It explored the rationale behind this integration and further discussed the challenges and opportunities. In particular, the research highlighted the mechanisms through which SDG objectives are integrated in treaty language, such as preambles, general exceptions, investor obligations, and dispute settlement provisions. The paper found that non integration of the SDG objectives into trade and investment treaties is inimical to global economic governance and sustainable economic development. The research recommended for an enhanced strategies for coherence between trade liberalization and Sustainable Development Goals (SDGs). It concluded that the integration of the United Nations Sustainable Development Goals (SDGs) into trade and investment treaties will ensure that global economic governance contributes meaningfully to the achievement of the SDGs 2030 Agenda. Thus, investment track exchanges on an international investment policy environment that contributes to sustainable development is a sure way to global economic governance and economic development.*

**Key Words:** Sustainable Development Goals (SDGs), Trade, Investment, Treaties, Economic Development.

### 1.0 Introduction

2.0 Recent international investment agreements<sup>1</sup> increasingly feature considerations to facilitate financing into areas crucial to the Sustainable Development

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**3.0 Goals (SDGs).<sup>2</sup>** The rise of sustainable development considerations seen in recent IIAs signals an evolution in investment policymaking across the world's leading economies.

However, earlier agreements which lack such considerations continue to account for over 85% of IIAs enforced by G20 and invited countries.<sup>3</sup>

In the post-colonial era of nationalizations and contract renegotiations, the economic facts of life in host countries struggled against the form of various legal commitments made to foreign investors.<sup>4</sup> To change the dynamics of this struggle so as to protect the interests of their companies and investors, capital-exporting countries began a process of negotiating international investment treaties that, to the extent possible, would be: (1) complete; (2) clear and specific; (3) uncontestable; and (4) enforceable.<sup>5</sup> These treaty efforts took place at both the bilateral and multilateral levels, which, though separate, tended to inform and reinforce each other. As a result of this process, a widespread of treaties in international investment law took place in a relatively short time.<sup>6</sup> By the end of the second decade of the twenty-first century, foreign investors in many parts of the world were protected primarily by international treaties rather than as previously by customary international law alone. For all practical purposes, treaties have become the fundamental source of international law in the area of foreign investment.

Historically, trade and investment treaties were primarily focused on protecting foreign investments and facilitating trades between countries. The first bilateral investment treaty was signed in 1959 between Germany and Pakistan, which paved the way for modern bilateral trade treaties (BITs).<sup>7</sup> The traditional (BITs) were aimed to provide

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. Herin referred to as (IIAs)

<sup>2</sup> . UN Trade and Development, "Sustainable Development takes on heightened significance in Investment Treaties", <<https://unctad.org/news/sustainable-development-takes-heightened-significance-investment-treaties>> accessed 9/9/2025. This is a new report by UN Trade and Development (UNCTAD) at the request of the Brazilian presidency at the Group of 20 (G20). In support of the priorities of the current G20 presidency on "Sustainable development in investment agreements", the new report maps and analyses IIAs concluded by G20 members and 15 other invited countries.

<sup>3</sup> . *Ibid.*

<sup>4</sup> . J W Salacuse, "A History of International Investment Treaties" in *A History of International Investment Treaties*, Jeswald W Salacuse, ed., 3<sup>rd</sup> ed., (Oxford University Press, 2021), p. 96–167.

<sup>5</sup> . *Ibid.*

<sup>6</sup> . *Ibid.*

<sup>7</sup> . Ingo Venzke, "International Investment Protection Made in Germany? On the Domestic and Foreign Policy Dynamics behind the First BITs", <<https://academic.oup.com/ejil/article/33/4/1183/6847596>> accessed 9/9/2025. The Treaty between the Federal Republic of Germany and Pakistan for the Promotion and Protection of Investments, concluded in 1959, is generally regarded as a milestone in the



minimum guarantees to investors, protect investors from risks such as expropriation, as well as ensure fair and equitable treatment, and provide dispute resolution mechanisms. The main purpose was to encourage cross boarder investors' confidence, that their investments would be safeguarded under International Law. On the other hand, trade treaties were traditionally focused on reducing tariffs and non-tariffs barriers, ensuring easy access to market, establishing rules for trade in goods and services as well as creating mechanisms to resolve trade disputes.

The adoption of the United Nations (UN) 2030 agenda for sustainable development in 2015, marked a turning point in global efforts aimed to address pressing environmental, social and economic challenges.<sup>8</sup> The international economic land scape which is largely characterized and governed by trade and investment treaties, was mainly focused on economic liberalization. Trade and investment treaties being agreements between countries on trade and investment were aimed to promote economic cooperation, liberalize trade and protect investment.<sup>9</sup> These treaties can take various forms including free trade agreements (FTAs),<sup>10</sup> bilateral investment treaties (BITs),<sup>11</sup> and regional trade agreements (RTAs).<sup>12</sup>

However, promoting economic cooperation, trade liberalization and investment protection alone, without consideration of the impact of trade and investments on the environment for instance, cannot guarantee global sustainability and development. Sustainable development goals advocated and pursued as a global agenda, should be prioritized in other to achieve a healthy global ecosystem. This paper therefore, explores the intersection of these two concepts and examines how sustainable development goals can be effectively integrated into trade and investment treaties.

## 2.0 Sustainable Development Goals And International Economic Laws

### 2.1 Overview of SDGs

The Sustainable Development Goals (SDGs) are a global blueprint adopted by the United Nations in 2015 to create a more peaceful, prosperous, and sustainable future for

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development of investment protection under international law. By general acclaim, it is the first bilateral investment treaty (BIT).

<sup>8</sup>. United Nations general assembly, 'transforming our world the 2030 agenda for sustainable development, A/RES/70/1 (2015).

<sup>9</sup>. Andrew T. G. "Why LDC's sign Treaties that hurt them: Explaining the Popularity of Bilateral Investment Treaties", *Virginia journal of international law*, 38, No. 4 (1998): 639-688.

<sup>10</sup>. FTAs reduces or eliminate tariffs, quotas and trade barriers.

<sup>11</sup>. BITs protect investment and promote fair treatments of investors.

<sup>12</sup>. (RTAs) fosters economic integrations among member countries.



people and the planet by 2030.<sup>13</sup> The United Nations' 17 Sustainable Development Goals (SDGs) aim to achieve decent lives for all on a healthy planet by 2030. They are a set of seventeen (17) interconnected goals adopted by the United Nations in 2015 to achieve a more sustainable and equitable world by 2030.<sup>14</sup> The SDGs cover a wide range of issues including:

1. Ending poverty and hunger by promoting sustainable agricultural practices globally.
2. Ensuring healthy lives and promoting well-being for all.
3. Providing quality education and promoting lifelong learning.
4. Achieving gender equality by empowering women and girls.
5. Ensuring access to clean water and sanitation.
6. Promoting affordable and clean energy.
7. Promoting sustainable economic growth and decent employment.
8. Building resilient infrastructure and promoting sustainable industrialization.
9. Fostering innovation and entrepreneurship.
10. Reducing inequalities within and among countries.
11. Creating sustainable and resilient cities.
12. Promoting sustainable consumption and production patterns.
13. Taking actions to combat climate change.
14. Conserving sustainable ocean and marine resources.
15. Protecting and restoring terrestrial ecosystem and promoting bio- diversities
16. Promoting peace, justice and strong institutions
17. Building partnership for sustainable development

These SDGs provide a frame work for countries to work towards a more sustainable and equitable future, addressing global challenges and promoting human well-being. It also emphasis the interconnectivity of economic, social and environmental factors.<sup>15</sup>

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<sup>13</sup> . United Nations, "The Sustainable Development Goals", <[https://www.un.org/sustainabledevelopment/development-goals/#:~:text=The%20Sustainable%20DThe%20Sustainable%20Development%20Goals%20\(SDGs\)%20are%20a%20global%20blueprint%20adopted%20by%20the%20United%20Nations%20in%202015%20to%20create%20a%20more%20peaceful,%20prosperous,%20and%20sustainable%20future%20for%20people%20and%20the%20planet%20by%202030evelopment%20Goals%20\(SDGs,well-being%20and%20environmental%20protection](https://www.un.org/sustainabledevelopment/development-goals/#:~:text=The%20Sustainable%20DThe%20Sustainable%20Development%20Goals%20(SDGs)%20are%20a%20global%20blueprint%20adopted%20by%20the%20United%20Nations%20in%202015%20to%20create%20a%20more%20peaceful,%20prosperous,%20and%20sustainable%20future%20for%20people%20and%20the%20planet%20by%202030evelopment%20Goals%20(SDGs,well-being%20and%20environmental%20protection)> accessed 9/9/2025.

<sup>14</sup> . Population Matters, "Population and the Sustainable Development Goals", <[https://populationmatters.org/lp-population-and-the-sustainable-development-goals/?gad\\_source=1&gad\\_campaignid=2084917436&gbraid=0AAAAADyIiKAVtq58oFhy0wfQA5CaDZXe1&gclid=Cj0KCQjwoP\\_FBhDFARIsANPG24MVPuYZAgjEScAqKjbxJrfMe6AEghoTV1sdU09RcKTygu9jiaVadCYaAowbEALw\\_wcB](https://populationmatters.org/lp-population-and-the-sustainable-development-goals/?gad_source=1&gad_campaignid=2084917436&gbraid=0AAAAADyIiKAVtq58oFhy0wfQA5CaDZXe1&gclid=Cj0KCQjwoP_FBhDFARIsANPG24MVPuYZAgjEScAqKjbxJrfMe6AEghoTV1sdU09RcKTygu9jiaVadCYaAowbEALw_wcB)> accessed 9/9/2025.

<sup>15</sup> UN 'Sustainable Development Goals' <https://sdgs.un.org/goals>



### 3.0 Need To Shore Up Investment For Sustainable Development

As stated, trade and investment treaties have prioritized economic growth and investor protection, often without explicit consideration of broader sustainable objectives.<sup>16</sup> Traditionally, trade and investment treaties were focused more on protection of the rights of the investors, liberalization and regulation of trade, with less emphasis on connecting these objectives with sustainable development goals. The obvious lack of connectivity between these economic objectives with sustainable development goals has created a gap between these concepts, hence the need for integration.

Investment has an important role for achieving sustainable development in developing countries. Although international investment agreements (IIAs) can serve as instruments to promote such objective, protection oriented IIAs have undermined the ability of States to regulate in the benefit of the community.<sup>17</sup> Likewise large financial reparations imposed by arbitral tribunals have increased the threat of regulatory chill in the face of major global challenges. Strengthening the right to regulate of States and addressing regulatory chill are key matters to consider in the reform of IIAs and the international investment regime.

Calls to align investment treaties with sustainable development objectives, including the protection of the environment, are gaining fresh momentum.<sup>18</sup> With tight financing conditions in 2023, the number of international project finance deals - crucial for funding infrastructure and public services such as power and renewable energy - fell by a quarter.<sup>19</sup> This triggered a 10% reduction in investment in SDG-related sectors, most notably impacting agrifood systems, and water and sanitation. These sectors registered fewer internationally financed projects in 2023 than in 2015, when the global goals were adopted.<sup>20</sup> The only provision that has been introduced into recent negotiations that would be remotely effective at protecting public policy from investor challenges is the tobacco carve-out found first in the (now defunct) TPP and more recently inserted into the Australia–Singapore Free Trade Agreement.<sup>21</sup>

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<sup>16</sup> . Andrew T. G. ‘why LDC’s sign treaties that hurt them: explaining the popularity of bilateral investment treaties’, *Virginia journal of international law* 38, no 4 (1998): 639-688

<sup>17</sup> . Roslyn Ng’eno, “Preserving Regulatory Space for Sustainable Development in Africa” <<https://www.southcentre.int/southviews-no-246-5-april-2023/#more-21541>> accessed 9/9/2025.

<sup>18</sup> . UN Trade and Development, “Sustainable Development takes on heightened significance in Investment Treaties”, *op.cit.*

<sup>19</sup> . *Ibid*

<sup>20</sup> . *Ibid.*

<sup>21</sup> . C. Mooney, ‘How Obama’s Keystone XL Rejection Adds Momentum to the Paris Climate Talks’, *The Washington Post*, 6 Nov. 2015, available at: [https://www.washingtonpost.com/news/energy-environment/wp/2015/11/06/how-obamas-keystone-xl-rejection-gives-him-momentum-for-the-paris-climate-talks/?utm\\_term=.d044d4bc43b2](https://www.washingtonpost.com/news/energy-environment/wp/2015/11/06/how-obamas-keystone-xl-rejection-gives-him-momentum-for-the-paris-climate-talks/?utm_term=.d044d4bc43b2).



Some arbitral cases revealed a growing recognition that investor rights under treaties are not absolute and must be balanced with state duties to protect human rights, public health, and environmental sustainability and community interests. The decision in *Urbaser S. A. v Argentina*<sup>22</sup> allowed host states to counter claim based on human rights which signifies enhanced emphasis on sustainable development and social obligations within investment laws. This case recognized the relevance of human rights and sustainable development considerations in investment disputes.<sup>23</sup>

This is a landmark case which allows host states to counter claim based on human rights which signifies enhanced emphasis on sustainable development and social obligations within investment laws. This case recognized the relevance of human rights and sustainable development considerations in investment disputes. *Philip Morris v Uruguay*<sup>24</sup> decision confirmed the legitimacy of public health regulations against investor challenges, reinforcing SDG – supportive regulatory space. The tribunal upheld Uruguay’s tobacco control measures, acknowledging the state’s right to regulate for public health aligning with SDG’s (good health and well – being). Also, the *Beer Creek Mining Corporation v Republic of Peru’s*<sup>25</sup> case demonstrates the tribunal’s willingness to consider investor conducts (social license, community engagement) in damages assessments, promoting responsible investments that aligns with SDGs. This case highlighted the importance of social license and community engagement in investment projects, relating to several SDGs including peace, justice and strong institutions.

These cases mark important steps towards treaty interpretation and dispute outcomes which supports rather than hinder or suppress the achievement of global SDGs, by ensuring that investment treaties uphold environmental, social, and governance criteria that are essential for sustainable development.

The need for integrating sustainable development goals into trade and investment treaties, arises from the critical role trade and investment play in economic growth, poverty reduction, and sustainable development. This integration, ensure that economic activities supported by these treaties, contributes positively to broader social, environmental and developmental objectives, rather than just focusing on market access and investor protections. The reasons for integration include;

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<sup>22</sup> . (ICSID case no. ARB/07/26)

<sup>23</sup> . Urbaser S. A. V. Argentina ICSID case No. ARB/07/26

<sup>24</sup> . (ICSID case No. ARB/10/7)

<sup>25</sup> . (ICSID Case No. ARB/14/21)



### 3.1 Addressing Regulatory Chill:

During the Twenty-Eighth Session of the Conference of the Parties (COP-28) of the United Nations Framework Convention on Climate Change (UNFCCC), States recognised the critical need to accelerate efforts to mitigate climate change and called on Parties to take action to transition away from fossil fuels in energy systems, to achieve net zero emissions by 2050.<sup>26</sup> However, implementing such a transition finds obstacles in investor-state dispute settlement (ISDS) mechanisms, which can undermine regulatory actions necessary for climate policies, leading to a ‘regulatory chill’.<sup>27</sup> As a response to these challenges, the Organisation for Economic Co-operation and Development’s (OECD) Future of Investment Treaties program has proposed a model carve-out provision to exclude fossil fuel sectors from ISDS protection with procedural safeguards, but its effectiveness may be limited. A holistic reform of investment agreements and additional measures, such as withdrawal from international investment agreements, are necessary to safeguard regulatory space and promote sustainable investment and a just transition.<sup>28</sup>

Regulator chill refers to the reluctance or hesitation of governments to enact laws, policies or regulations, especially those aimed at promoting or protecting public interests including environmental protection, public health, labour rights or social welfare. The regulatory chill hypothesis suggests that governments will fail to regulate in the public interest in a timely and effective manner because of concerns about through investor-state dispute settlements (ISDs).<sup>29</sup> Most times, the reasons for this is due to the fear that foreign investors might challenge these regulations through (ISDs) mechanisms embedded in many trade and investment treaties.<sup>30</sup> It may arise when government anticipate or face the threat of costly legal claims or arbitration from foreign investor where there is a new regulation that negatively affects their investment or tend to reduce their profitability, commonly affected areas include, rules on environments like population control, public health measures such as tobacco controls, safety standards and labour protection. This phenomenon has now become of significant concern in International Economic Law, prompting calls for reforms in areas

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<sup>26</sup> . Daniel Uribe, ‘Painting the Grass Green: A Climate Change Carve-Out in Investment Agreements’, <<https://www.southcentre.int/investment-policy-brief-25-5-july-2024/#more-23390> > accessed 8/9/2025.

<sup>27</sup> . *Ibid.*

<sup>28</sup> . *Ibid.*

<sup>29</sup> . Tienhaara, K., ‘Regulatory Chill and the Threat of Arbitration: A View from Political Science’, in C. Brown & K. Miles (eds), *Evolution in Investment Treaty Law and Arbitration* (Cambridge University Press, 2011), pp. 606–628 .

<sup>30</sup> . Manifieldsolicitors, ‘The Role of Regulatory Chill in Shaping Global Trade and Investment Treaties’, <[www.manifieldsolicitors.com](http://www.manifieldsolicitors.com)> accessed on 26/6/2025.



of public policy objectives, transparency and fair dispute mechanisms to protect the regulatory space of states, and ensuring investor protection.<sup>31</sup>

The phenomenon of ‘Regulator Chill’ where states hesitate to implement environmental or social regulation due to fear of investor-state dispute underscore the need for integrating SDGs into trade and investment treaties.<sup>32</sup> Investors may sue states for alleged breach of agreement irrespective of negative environmental or social impacts of their investments on the population. Regulator chill may, therefore, weaken the ability of states to regulate in areas of health, environment, and labour, hence the need for integration of SDGs in trade and investment treaties to forestall the phenomenon of regulatory chill.<sup>33</sup>

### 3.2 Aligning Economic Activities with Sustainable Development

Modern treaties with SDGs objectives, helps to direct investments into areas that are vital for sustainable development such as clean energy, health, infrastructure, agriculture and technology transfer. This alignment supports environmentally sound economic growth and promotes job creations that are consistent with SDGs.<sup>34</sup>

Incorporating SDGs into trade and investment can help ensure that economic activities contribute positively to sustainable development rather than undermining these goals.<sup>35</sup>

### 3.3 Addressing Inequalities and Sustainable Economic Development:

Integrating SDGs into trade and investment agreements can reduce inequalities within societies, between countries through provisions such as special treatment for developing countries and support for inclusive growth.<sup>36</sup>

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<sup>31</sup>. *Ibid.*

<sup>32</sup>. UNCTAD, “Sustainable Development takes on Heightened Significance in Investment Treaties, <<https://unctad.org/news/sustainable-development-takes-heightened-significance-investment-treaties>>,” accessed on 26/6/2025.

<sup>33</sup>. Kyla T., ‘Regulatory Chill and the Treat of Arbitration: A view from Political Science’ in *Evolution in Investment Treaty Law and Arbitration*, (Cambridge university press 2011), 608-628

<sup>34</sup>. UNCTAD, “Sustainable Development takes on heightened significance in Investment Treaties,” *op. cit.*

<sup>35</sup>. Sachs J. D. ‘Six Transformations to achieve the Sustainable Development Goals’, *Nature Sustainability* /Vol.2/September/805-814/ [www.nature.com/natsustain](http://www.nature.com/natsustain), <[https://www.researchgate.net/publication/335405891\\_Six\\_Transformations\\_to\\_achieve\\_the\\_Sustainable\\_Development\\_Goals](https://www.researchgate.net/publication/335405891_Six_Transformations_to_achieve_the_Sustainable_Development_Goals)> accessed 9/9/2025.

<sup>36</sup>. W.T.O., “Mainstreaming trade to attain the sustainable development goals” <[https://www.wto.org/english/res\\_e/publications\\_e/sdg\\_e.htm](https://www.wto.org/english/res_e/publications_e/sdg_e.htm)>, accessed on 8/9/2023.



### 3.4 Encouraging Investments and Corporate Social Responsibility

Trade and investment treaties which incorporates SDGs provisions, guides investors to meet obligations that centres around environmental protection, labour rights, human rights, and anti-corruption help to ensure that foreign investments advance public policy goals rather than undermining them. Integration is needed to make trade and investment instruments effective tools for sustainable development, ensuring that economic growth benefits people and the planet, not just investors and market efficiency. Integration of SDGs into treaties helps countries optimize their trading system, and foster innovations essential for global sustainable development.<sup>37</sup>

### 3.5, Strategies For Integration

Strategies for integrating Sustainable Development Goals into trade and investment treaties involve a combination of legal, policy and institutional approaches designed to align economic activities with substantive development outcomes.

### 3.6 Preamble and Objective Clauses:

FDI can bring social, economic and environmental benefits to countries. Indeed, FDI have a positive impact on a variety of issues such as income growth, modernization, employment and productivity.<sup>38</sup> IIAs can frustrate sustainable development objectives and create potential conflicts between the commercial, social and environmental goals.<sup>39</sup>

Including sustainable development Goals references into trade and investment treaties preambles and objectives can provide interpretative guidelines for dispute resolution bodies to rely on in the event of mediation or settlement of dispute. The comprehensive and progressive Agreement for Trans-Pacific Partnership (CPTPP) exemplifies this approach by specifically inserting sustainable development preambles in trade and investment treaties.<sup>40</sup>

### 3.7 Substantive Provisions:

This refers to the actual binding or enforceable clauses in the agreement that guides the behaviour of parties to promote sustainable development outcomes. They extend

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<sup>37</sup> *Ibid*

<sup>38</sup> “e-Reader | Sustainable development and IIAs | From objective to practice”, online: <<https://www.taylorfrancis.com/reader/read-online/935e1d83-7e4e-4ac0-a1c0-6a185c5cdeec/chapter/pdf?context=ubx>>.

<sup>39</sup> *Ibid*.

<sup>40</sup> See the preamble of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).



beyond general objectives or aspirations usually setting out clear rules, obligations, rights or standards.

### **3.8 Inclusion Environmental and labour clauses:**

Recent agreements like the United States – Mexico – Canada Agreement (USMCA) include chapters on environmental protection and labour rights, aligning with several SDGs.<sup>41</sup>

### **3.9 Investment Protection and the Right to Regulate:**

Trade and investment treaties should have provisions that balance investor protection with the state's right to regulate pursuant to sustainable development Goals (SDGs). The Morocco – Nigeria Bilateral Investment Treaty (2016), for instance, explicitly references sustainable development and regulatory rights.<sup>42</sup> The treaty is recognized as one of the most innovative and balanced BITs, particularly among agreements concluded by developing countries. It aims to promote mutual investment while explicitly aligning with sustainable development goals. The key features of the BIT include:

- i. Focus on sustainable development in its preamble and substantive provisions;
- ii. Balanced rights and obligations of state, investors, and investments;
- iii. Institutional mechanism involving joint committee of representative of parties;
- iv. Dispute resolution and;
- v. National treatment.

The BIT is seen as part of a new generation of African investment treaties which is a departure from the purely old order of protective regime for investor to one that integrates economic, social, and environmental pillars of sustainable development. It addresses common criticisms of investment treaties by recognizing and protecting states' regulatory space. It encourages investments that promotes equitable growth, environmental protection and social responsibility.

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<sup>41</sup>. Chapters 23 (labour) and 24 (environment)United States – Mexico – Canada agreement (USMCA)

<sup>42</sup>. Reciprocal Investment Promotion and Protection Agreement between the government of the Kingdom of Morocco and the government of the Federal Republic of Nigeria (2016).



### 3.10 Exceptions and Carve-Outs:

General exception clauses similar to GATTs Article XX can be tailored to allow measures necessary for achieving SDGs.<sup>43</sup>

### 3.11 Dispute Settlement Mechanisms:

Modifying dispute settlement provisions to consider sustainable development objectives are essential. The EU – Canada comprehensive Economic and Trade Agreement (CETA) incorporates such considerations in its investor – state dispute settlement mechanism.<sup>44</sup>

## 4.0 Challenges And Prospects

**4.1 Balancing Interests:** Integrating SDGs must be done to balance with the core objectives of promoting growth and protecting investment.<sup>45</sup>

**4.2 Enforceability:** Ensuring that SDG – related provisions are enforceable and not merely aspirational remains a significant challenge.<sup>46</sup>

**4.3 Capacity building:** Developing countries may require support to efficiently implement and benefit from SDGs integration in treaties.<sup>47</sup>

## 5.0 Conclusion

The novel elements in African IIAs are promising approaches to shift the focus of IIAs from investment protection to sustainable foreign investment. They do not only comprehensively integrate sustainable development into the substantive and procedural obligations of IIAs, but also make IIAs an instrument with well-balanced rights and obligations for investors and host states alike.<sup>48</sup>

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<sup>43</sup>. Article XX of general agreement on tariffs and trade (GATT) 1947

<sup>44</sup>. Chapter 8, section F, Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union.

<sup>45</sup>. Sachs J. D., ‘the age of sustainable development’, Columbia university press 2015  
< <https://cup.columbia.edu/book/the-age-of-sustainable-development/9780231173155/>> accessed 9/9/2025.

<sup>46</sup>Kathryn G. et al ‘Investment treaty law, sustainable Development and Responsible Business Conduct: A fact finding survey,’ OECD working paper on international investment (2014)  
<[https://www.oecd.org/en/publications/investment-treaty-law-sustainable-development-and-responsible-business-conduct-a-fact-finding-survey\\_5jz0xvqx1zlt-en.html](https://www.oecd.org/en/publications/investment-treaty-law-sustainable-development-and-responsible-business-conduct-a-fact-finding-survey_5jz0xvqx1zlt-en.html)> accessed 9/9/2025.

<sup>47</sup>Mans N. Et al. ‘mapping interactions between the sustainable development goals: Lessons learned and ways Forward,’ sustainability science 13, no. 6 2018: 1489 – 1503.

<sup>48</sup>. Gudrun Zagel, International Investment Agreements (IIAs) and Sustainable Development: Are the African Reform Approaches a Possible Way out of the Global IIA Crisis?



The integration of the United Nations Sustainable Development Goals (SDGs) into trade and investment treaties will ensure that global economic governance contributes meaningfully to the achievement of the SDGs 2030 Agenda. Thus, investment track exchanges on an international investment policy environment that contributes to sustainable development is a sure way to global economic governance and economic development. Such integration will serve as a repository of participating countries' approaches to future discussions on IIAs and sustainable development. This can help developing countries in devising investment agreements that are conducive to promoting and facilitating sustainable investments and at the same time, promote foreign investment.

The integration of SDGs into trade and investment treaties represents a crucial evolution in international economic law. This integration has the potential to create a more balanced approach that promotes economic growth while simultaneously advancing sustainable development objectives. It is logical to carve out all government measures taken in furtherance of obligations under international agreements. The strategies discussed including preamble references, substantive provisions, and modified dispute settlement mechanism, offer pathways for this integration.

There remain however, challenges, particularly in the area of balancing diverse interests, ensuring enforceability, and building capacity in developing countries. The emergency case law demonstrates a gradual shift towards recognizing sustainable development considerations in investment disputes, but there is still significant progress to be made.

## **6.0 Recommendations**

- 1.The need to attain the SDGs cannot be over emphasized; therefore, SDGs should be explicitly referenced in Trade and investment treaties preamble and objectives, providing clear guidance for interpretation.
- 2.In substantive provisions, trade and investment treaties should incorporate robust environmental and social provisions while maintaining necessary investor protections.
- 3.Dispute settlement mechanisms should be reformed to explicitly consider sustainable development impacts.
- 4.In terms of capacity building programmes, international organizations should provide support to developing countries in implementing SDG – Integrated treaties.

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<<https://www.afronomicslaw.org/2019/10/31/international-investment-agreements-iias-and-sustainable-development-are-the-african-reform-approaches-a-possible-way-out-of-the-global-iiia-crisis> > Accessed 9/9/2025.



5. Treaties should include provisions for periodic review and adoption to ensure alignment with evolving sustainable development priorities.

6. Treaty negotiations should involve diverse stakeholders, including civil society organizations and sustainable experts.

7. Trade and investment treaties should incorporate clauses that allow for mandatory SDG impact assessment for major investment projects, a part of the treaty frameworks.

8. By implementing these recommendations, the international community can work towards a more coherent and sustainable global economic system that aligns trade and investment with the broader goals of sustainable development.