International Economic Law Interest Group

2026 ESIL Research Forum
International Economic Law Interest Group Workshop

Sustainability of Global Economic Governance

The Interest Group on International Economic Law is organizing an online workshop for early-career scholars on the sustainability of global economic governance, held in the context of the 2026 ESIL Research Forum, hosted by **Jagiellonian University, Kraków**. The workshop will take place **online** on **Tuesday, 7 April 2026**, **from 14:00 to 16:00 CET.**

Please register here:
https://events.teams.microsoft.com/event/690dd5bb-ee06-424d-9ee3-6873fee76019@8370cf14-16f3-4c16-b83c-724071654356

Workshop theme

The global economy is undergoing an accelerated transformation driven by digitalization, decarbonization, and shifting geopolitical alignments. These developments raise fundamental questions for international economic law (IEL): Can the existing legal architecture governing trade, investment, and international finance ensure stability while remaining responsive to rapid economic and political change? How can IEL advance sustainable development by balancing economic growth with social inclusion and environmental protection?

This workshop explores the role of international economic law in reconciling stability and transformation within global economic governance. It also examines the tensions and challenges arising from domestic sustainability initiatives and their implications for the international economic legal order.

Agenda

14:00-14:05: Welcome remarks (Ines Willemyns)

14:05-15:00:

- **International investment law and climate change governance**, Fang Gu (Zhejiang University)

- **Changing Paradigms in Forest Governance: Common Concern, Sovereignty, and the EU's Turn to Extraterritorial Regulation**, Beichen Ding (University of Bern)
- **The New Green Conditionality: Can Operationalising Differential Responsibility in Sustainable Global Trade Counter Regulatory isomorphism?** Prajwal Vasuki (Office of the Additional Director General of Foreign Trade, RA-Hyderabad) and Nithish Balaji (Chambers of Senior Advocate Arvindh Pandian)

15:00-15:25: Comments Prof. Sonia Rolland, Northeastern University

15:25-15:50: Q&A

15:50-16:00: Closing remarks Prof. Sonia Rolland / Maria Laura Marceddu

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Abstracts

- **International investment law and climate change governance,** Fang Gu

This paper examines a structural tension at the intersection of international investment law and global climate governance: how an arbitral system grounded in bilateral consent and compensatory logic can address the collective, intertemporal, and preventive imperatives of climate change. Current debates focus largely on the merits stage of ISDS—through systemic integration, proportionality, or regulatory exceptions—but these approaches remain fragmented and constrained by the backward-looking nature of arbitral awards. They offer limited guidance on how tribunals should manage disputes arising from fossil-fuel phase-outs, emissions controls, and energy-transition policies.

The article proposes a procedural reorientation by advancing provisional measures as an underexplored yet doctrinally robust mechanism for responding to the climate–investment dilemma. Drawing on tribunals' inherent powers under Article 47 of the ICSID Convention and Rule 39, provisional measures allow tribunals to prevent irreparable harm, preserve the status quo, and safeguard the integrity of the proceedings before climate-related conflicts escalate into irreversible ecological loss. Unlike final awards, they enable preventive and flexible intervention while respecting party consent and State regulatory autonomy.

The paper develops a framework showing how provisional measures can address the triangular tensions between investors seeking stability, States requiring regulatory dynamism to meet climate commitments, and tribunals balancing textual consent with systemic legitimacy. Building on ICJ, ITLOS, and ICSID jurisprudence, it reinterprets the four classical thresholds—prima facie jurisdiction, preservation of rights, urgency, and irreparable harm—in light of climate realities. It argues that environmental degradation, due to its cumulative and irreversible nature, falls

squarely within the logic of provisional protection, and that host-State climate duties may inform what constitutes “rights” or their preservation in investment arbitration.

The paper concludes that climate-responsive ISDS does not require rewriting substantive investment standards but reimagining their procedural operation. Provisional measures provide a legally coherent and institutionally feasible avenue for incorporating climate considerations into arbitral practice, offering an early-intervention mechanism that enhances the sustainability of global economic governance in the era of climate transition.

- **Changing Paradigms in Forest Governance: Common Concern, Sovereignty, and the EU’s Turn to Extraterritorial Regulation**, Beichen Ding

Forests occupy an ambivalent position in international law. They remain sovereign natural resources subject to territorial jurisdiction, yet their degradation contributes directly to climate change and biodiversity loss, problems widely recognised as matters of common concern of humankind. While the notion of common concern has facilitated cooperation and norm development in climate and biodiversity regimes, it has not resulted in binding international obligations or internationalised authority over forests themselves. Instead, forest governance has evolved through a fragmented regime complex composed of soft-law principles, climate-related mechanisms, and biodiversity obligations under the Convention on Biological Diversity, all of which preserve state sovereignty over forest resources.

Against this background, the European Union’s Deforestation Regulation (EUDR) marks a decisive shift in how common concern is operationalised. Rather than relying on incentive-based or cooperative approaches, the EUDR conditions access to the EU market on compliance with EU-defined “deforestation-free” standards. In doing so, it translates common concern into unilateral, trade-linked, and extraterritorial regulatory obligations imposed on producers worldwide. The Regulation expands forest governance beyond illegal logging to include legally sanctioned deforestation and agricultural land conversion, thereby reshaping global supply chains as sites of environmental regulation. This article examines whether the EUDR represents a legitimate evolution of forest governance in response to multilateral inertia or an impermissible encroachment on state sovereignty. It situates the EUDR within the international forest regime complex and analyses its legal architecture, with particular attention to its extraterritorial effects and reliance on non-product-related process and production methods. The article further assesses the EUDR’s compatibility with WTO law and engages with emerging critiques framing the Regulation as a form of “climate colonialism.” It argues that such critiques reflect unresolved tensions between common concern and sovereignty, exacerbated by structural inequalities in regulatory power.

- **The New Green Conditionality: Can Operationalising Differential Responsibility in Sustainable Global Trade Counter Regulatory isomorphism?** Prajwal Vasuki and Nithish Balaji

The World Trade Organisation (WTO) while historically serving as an engine for economic integration, currently is embroiled in a crisis of legitimacy precipitated by the proliferation of unilateral trade-based climate measures. Legislative instruments such as the EU-Carbon Border Adjustment mechanism (EU-CBAM) herald the emergence of a 'New Green Conditionality'. Analogous with the 'Old Conditionality' of the Washington Consensus, which linked loans to fiscal austerity, this paradigm shift links market access to regulatory isomorphism.

While this shift is claimed to ostensibly be designed to mitigate carbon leakage, this conditionality extends beyond demanding environmental results, such as emission reduction, but mandates the adoption of the importer's specific administrative architecture for calculating and verifying those emissions, effectively enforcing a regulatory extraterritoriality of bureaucratic standards. This extraterritoriality of such unilateral measures, demand administrative 'sameness' irrespective of state capacity, these measures impose a disproportionate compliance burden that threatens the sovereign policy space necessary for a Just Transition in developing nations.

The procedural rigidity effectively creates a tiered trading system, excluding those unable to replicate European bureaucratic structures. In this regard, there is also a rise of certain "climate clubs" which again leads to the exclusion of the global south. This paper seeks to analyses whether a case can be made for integrating the CBDR-RC principle into the WTO Jurisprudence through TBT Art 2.7 as an interpretative tool and which would ensure that there equitable treatment and an equivalency framework.

To remedy this structural inequity without compromising global environmental ambition, the paper proposes operationalising the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) within WTO jurisprudence. Leveraging Article 31(3)(c) of the Vienna Convention on the Law of Treaties (VCLT) as a master key for systemic integration, the research contends that the International Court of Justice's recent affirmation of differential due diligence mandates a reinterpretation of 'equivalence' under TBT Article 2.7. Hence, this paper submits that submits that the WTO's recognition of equivalent regulations must not be tethered to identical processes, but must be legally reshaped by the CBDR-RC principle to accommodate diverse developmental capabilities, thereby countering regulatory isomorphism with a framework of equitable differentiation.