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Stockholm Treaty Lab: Combating Climate Change through Legal Crowdsourcing

Anja Ipp (Climate Change Counsel) · Monday, July 17th, 2017

On the very same day that U.S President Donald Trump announced that the United States would withdraw from the Paris Agreement on Climate Change, the [Stockholm Treaty Lab Prize](#) opened for registration. An initiative of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC), this global innovation contest aims to crowdsource a model treaty that puts the Paris Agreement into practice. Several teams have already signed up.

The idea of the Stockholm Treaty Lab formed when the SCC, a major player in investor-state arbitration, decided to explore whether it would be possible to harness the power of international arbitration and investment law to serve the aims of the Paris Agreement and the Sustainable Development Goals. Climate agreements and international environmental law are often criticized for lacking teeth and being unenforceable. Yet those of us active in the field of investor-state arbitration see international law being enforced every day. The Stockholm Treaty Lab seeks to bridge this gap.

Fulfilling the promises in the Paris Agreement will require investments amounting to trillions of dollars across the globe. Enormous investments are needed for innovation in areas such as green aviation and carbon capture and storage, and to ramp up the use of existing technologies like wind and solar energy. Such “green” investments present exciting and lucrative opportunities for investors, but they are unlikely to materialize on a meaningful scale as long as no reliable and enforceable international law exists to encourage and protect them. What if there was a framework of policy-oriented treaties specifically aimed at encouraging green investments – treaties that could be enforced using international arbitration? This is the ultimate goal of the Stockholm Treaty Lab innovation contest.

The Stockholm Treaty Lab Prize will be awarded to the contestant team that drafts the model treaty with the highest potential to encourage foreign investment in climate change mitigation and adaptation. Several multi-disciplinary teams from across the globe have already registered. Submissions will be assessed based on how well they meet the following criteria:

- **Compatibility.** The Model Treaty is compatible with the Paris Agreement and the Sustainable Development Goals. It aims to facilitate states’ achievement of the climate-change objectives set out in those instruments.
- **Efficacy.** If adopted by states, the Model Treaty will lead to a significant increase in green investments related to climate change mitigation and adaptation. To this effect, the Model Treaty

proposes incentives and protections that serve foreign investors' needs and interests. The claimed efficacy of the proposed incentives and protections is supported by research and data.

- **Viability.** The Model Treaty is likely to be adopted by states around the world because it serves the states' needs and interests, facilitates the achievement of climate-change goals, and does not unduly restrict the states' ability to legislate and regulate.
- **Universality.** The Model Treaty appeals to the potentially diverging interests of states and investors in different parts of the world. Where necessary, the Model Treaty includes alternative provisions from which contracting states may select the most appropriate based on context and circumstances.
- **Enforceability.** The Model Treaty is binding and enforceable. It contains an effective dispute resolution mechanism, through which both investors and states can bring claims related to the Treaty.

The submissions will be judged by a **jury** consisting of experts in international law, economics and climate science. **David Rivkin** is a chair of Debevoise & Plimpton's International Dispute Resolution Group and the past president of the International Bar Association (IBA). **Per Klevnäs** is partner of Material Economics in Stockholm and has extensive international consulting experience relating to energy, environment and climate. **Annette Magnusson** is the SCC Secretary General and a frequent speaker on international arbitration and the development of legal services on a global level. **Michael Lazarus** is the Director of the U.S Center of the Stockholm Environment Institute and has more than 20 years of experience in energy and environmental analysis. **M Sornarajah** is Professor of Law at the National University of Singapore and has extensive experience in international law.

The winning model treaty will be presented to high-level stakeholders in global forum in 2018. The Stockholm Treaty Lab is an initiative of the SCC. Supporters and partners include the IBA, the Haga Initiative and Stockholm Environment Institute (SEI). The competition is run by HeroX, a crowdsourcing platform where thousands of innovators compete to solve a wide range of challenges.

For more information on the Prize and how to participate, go to www.stockholmtreatylab.org.

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