

## **International Investment Arbitration and Environment: Trends and Approaches within the Framework of the ICSID**

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**Abstract :** The research paper examines the trends and approaches of the international investment arbitral tribunals to the issues of environment and the exercise of states' regulatory power for the preservation of environment vis-à-vis the rights of the affected foreign investors. The paper analyses arbitral awards, decisions and orders in the leading cases of international investment arbitrations involving issues of environment and finds that there has been strong trend among the arbitral tribunals to balance the imperatives of the environmental regulation and the interest of the foreign investors. The arbitral tribunals have reflected deference to States' competence for regulation of environment to the extent they were genuine, relevant and in proportion to the legitimate objective sought to be achieved. The arbitral tribunals have at times been innovative and non-conservative in promoting the cause of environment through the mechanism of investor-state arbitration.

**Keywords :** International Investment Arbitration, environmental regulations, bilateral investment treaties, ICSID, NAFTA, amicus curiae, pollution havens hypothesis, environmental race to the bottom hypothesis

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