



PAW2026: Critical infrastructure risks in a time of geopolitical volatility

Natasha Doris , 26 March 2026



Instability and uncertainty set the tone at Paris Arbitration Week, with attendees considering weighty questions about the security and disputes risks around nuclear energy and data centres.

The world is changing rapidly, and specialists at Paris Arbitration Week 2026 took the opportunity to discuss the uncertainty geopolitical volatility and evolving technology are bringing to key infrastructure.

The Pinsent Masons ‘Rebuilding the Atom: Construction Disputes and Sovereign Risks in Nuclear Projects’ panel tackled the role of nuclear energy in an energy environment that is increasingly realising the risk of relying on unstable supply chains, as demonstrated by the Strait of Hormuz crisis and the wider impact of the US attacks on Iran. The panel also acknowledged that renewable energy has not proved to be the ideal replacement for the sector, given its limitations.

However, nuclear projects are fraught with regulatory, contractual and investment risks, and the industry is ripe for disputes. One panellist identified the perception of nuclear projects as “too slow, too costly and too political” – a sentiment which grew after the Fukushima incident in 2011.

Despite growth in the sector, with global nuclear generation hitting an all-time high in 2024, according to EDF construction legal head Steve Ovenden, parties are wary of planting heavy investment in nuclear, given the risk of regulatory changes, political sensitivity and the fact that the projects, once developed, are immovable and have long life spans. Pinsent Masons legal director Ileana Smeureanu noted that the combination made nuclear investment structurally vulnerable to investor-state disputes.

Ovenden cautioned that lawyers handling nuclear projects would be wise to break the project into a variety of smaller projects, in order to handle a series of smaller disputes, rather than one massive wave at the end of the development. “We are trying to avoid saving disputes for the end,” he commented.

He added that the UK Hinkley C nuclear project has around 1,000 different contracts, each with its own nuanced challenges, requiring innovative development and close alliances between all involved parties to lower the risk of underbaked discussions which could spark disputes due to uncommunicated expectations.

University Paris-Est Créteil professor Kamalia Mehtiyeva also highlighted the heavily specialised role of suppliers for nuclear projects, with the niche nature of the suppliers not given enough consideration in contracts. She noted that parties do not tend to account for what to do if something goes wrong with the supply of sensitive and difficult-to-acquire components.

Smeureanu warned that an arbitral tribunal would require a higher bar than simply loss of profits to argue a dispute. States are within their rights to regulate the sector, however there are limits.

Tribunals assess fair and equitable treatment, but investors will require evidence of a well-documented trail of discussions and commitments, to explain how their expectations were formed – vague expectations are insufficient to fight the rights of a state to regulate the sector.

Data disputes

The ‘Megawatts, Mega-challenges, Mega-disputes? Managing contract risk and disputes in the data centre boom’ panel hosted by Turner & Townsend tackled the role of data centres as critical infrastructure, and the challenges of handling the complex developments as they entrench themselves in the global system.

Additionally, the conflict with Iran has highlighted the national security importance of data centres as key infrastructure, providing a series of attractive targets in a wartime scenario.

Over the past several years, data centre investment has exploded, with one panellist remarking that the figure had spiked from GBP 2 billion in the UK to GBP 10 billion in the past year alone. On the heels of growing investment inevitably comes growing disputes risks.

Another panellist highlighted that the complex developments involved parties from various countries, with arbitration serving as a uniting dispute resolution forum. Additionally, the supply chains involved also spread across international territories, making management complicated, especially if geopolitical volatility hobbles delivery of components.

The panellists examined some of the more critical issues in the sector, including accelerated delivery demand, which often led to more disputes risks due to the sacrifice of diligence for speed. Another panellist noted that power generation was proving a difficulty, with an emerging risk of disputes over access to the grids, while another attendee noted the rapid evolution of technology, AI and the struggle to keep pace with capacity demand.

The sensitive and niche nature of data centre components also provided challenges – issues could arise if a delicate component were delivered to a development that was not prepared to integrate it, leading to questions about whether to ship it back, shoulder the expense of alternative arrangements, and which party should take on on the logistical execution in the event of delivery problems.

Panellists agreed that many of the disputes arising from data centres were typical construction disputes. One panellist advised attendees that a lot of disputes could be avoided simply with good governance in place from the start of a data centre development.

Another panellist added that disputes tend to be a direct result of how a project is set up. Parties are not asking questions at the start, leading to uncertainties that make the situation tense, and risk sparking disputes.

The rest of the panel also added weight to the warning, with parting advice urging the room to ensure parties write their disputes clauses with care into the contract at the start, work with a local expert to walk stakeholders through the territory and advise on the development, and get the lawyers involved early to take the project planning phase seriously, because it is often overlooked – and that is where the disputes risk and the trouble often starts.

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