11th Session of the
open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights

20 October - 24 October 2025

Article 14: Joint statement on behalf of ESCR Net

Thank you Mr. Chairperson,

I speak on behalf of ESCR-Net

Internationally, it is well accepted that business enterprises have an obligation to respect human rights, but it is primarily the State's duty to protect individuals from violations and/or abuses by third parties. This includes the obligation to guarantee the full and effective enjoyment of these rights by mobilizing the entire government apparatus.

Trade and investment agreements have often conflicted with human rights obligations. Global South countries are sued in arbitration courts for multimillion-dollar ISDS claims, brought under bilateral investment agreements that prioritize corporate interests over effective human rights and environmental protection, and which impair the capacity of states to develop policies that would guarantee the rights of their own populations.

This Binding Treaty offers a historic opportunity to address these contradictions—an opportunity that must not be missed.

We therefore underscore the critical importance of Article 14, which rightly proposes that States interpret existing trade and investment treaties in line with the principles of this Binding Instrument. This is a vital step—but it must go further.

We therefore disagree with the IOE and USCIB suggestions on art. 14. We propose that Article 14 be strengthened, not weakened, to include a clear obligation on States to conduct human rights impact assessments before signing any new trade or investment agreement. Furthermore, once this treaty enters into force, States should be required to review existing agreements for compatibility with their obligations under the LBI. Therefore, we support Palestine’s suggestion
to reintroduce art. 14.5 a) and b), and Mexico’s proposal on art.14.5.bis, supported by the International Transport Workers Federation and the Feminists for the Binding Treaty. Both existing and new agreements should be revised.

Where such agreements are found to undermine victims' rights, they must be revised.

Finally, we echo the international call for an immediate moratorium and eventual restriction on Investor-State Dispute Settlement (ISDS) mechanisms. These systems grant corporations extraordinary powers that can undermine State sovereignty and block regulatory measures intended to protect human rights.

Now more than ever, States must place people's rights above corporate profits, and commit to building a society grounded in justice, equality, and accountability.

Thank you.