What’s the Legally Binding Instrument (LBI)?

1. It’s a long-standing demand of civil society and communities! Because of their economic predominance and growing influence on government decision-making, corporate elites and especially transnational corporations (TNCs) often escape accountability. This existing state of impunity led social movements and civil society organizations around the world to seek legal liability for corporate acts and omissions and ensure robust international legislation is in place to protect people’s rights over economic interests and corporate power.

2. As a result of this global push, in 2014 the UN Human Rights Council passed Resolution 26/9, which established an open-ended intergovernmental working group (OEIGWG) with a mandate to develop an international legally binding human rights treaty to regulate the activities of transnational corporations and other business enterprises.

Voluntary Measures are not Enough:
How a Binding Treaty can Stop Corporate Impunity

Ensuring that individuals and communities affected by business activities - including Indigenous Peoples, human rights and environmental defenders - have effective mechanisms to access justice and reparations where abuses and violations occur.

Establishing the primacy of human rights over trade and investment agreements.

Establishing a strong standard of legal liability for acts or omissions carried out by TNCs and other large enterprises.

What has been the position of States on the treaty?

The treaty process has been ongoing for 9 years. However, not enough States have dedicated proper resources to advance it. While several countries supported the establishment of the process (see chart on the back page) other countries –the majority of the Global North- voted against it.

Although there is a slight increase of States attending the sessions of the Open-Ended Intergovernmental Working Group (OEIGWG), taking place yearly in October at the UN Human Rights Council in Geneva, the current draft of the treaty requires strong interventions from more States to put forward critical recommendations from communities.
Several States in the Global North are prioritizing corporate interests that would undermine the very purposes of the treaty process. Moreover, as hundreds of social movements and organizations have repeatedly denounced, the treaty process is threatened by corporate capture, often through the inclusion of corporate lobbyists and associations in the negotiations, who present faulty and biased arguments to weaken the text and the process.

Global South States can champion the process by attending the OEIGWG sessions in Geneva to strengthen the current draft and put forward the demands of people and communities affected by corporate power.

For over a decade, social movements and civil society around the world united in the International Network for Economic, Social and Cultural Rights (ESCR-Net) and other allies networks such as the Feminists for the Binding Treaty, the Treaty Alliance, and the Global Campaign to Dismantle Corporate Power, have mobilized regionally and internationally to advance a treaty that includes the demands of people and communities affected by corporate power. Collectively and with the meaningful participation of States, we can #StopCorporateImpunity.

Countries in favor, against and abstaining RESOLUTION /26/9 | 27 June 2014
*Adopted by a recorded vote of 20 to 14, with 13 abstentions.

- Against: Austria, Czech Republic, Estonia, France, Germany, Ireland, Italy, Japan, Montenegro, Republic of Korea, Romania, the former Yugoslav Republic of Macedonia, United Kingdom of Great Britain and Northern Ireland, United States of America.
- In favor: Algeria, Benin, Burkina Faso, China, Congo, Côte d'Ivoire, Cuba, Ethiopia, India, Indonesia, Kazakhstan, Kenya, Morocco, Namibia, Pakistan, Philippines, Russian Federation, South Africa, Venezuela (Bolivarian Republic of), Viet Nam.
- Abstaining: Argentina, Botswana, Brazil, Chile, Costa Rica, Gabon, Kuwait, Maldives, Mexico, Peru, Saudi Arabia, Sierra Leone, United Arab Emirates.

To know more about the treaty process and how the draft text can be strengthened: