



National Statement delivered by, Danyal Hasnain, Third Secretary, at the 8th Session of the Open-Ended Intergovernmental Working Group on Transnational Corporations and other Business Enterprises with Respect to Human Rights

24 October 2022

Thank you, Mr. Chair,

We congratulate you on your re-election as the Chair-Rapporteur of this Working Group and commend your efforts aimed at fostering consensus around the mandate of the working Group and key elements of the draft Legally Binding Instrument.

We also appreciate remarks by the High Commissioner for Human Rights.

Pakistan reaffirms its support for the Working Group's mandate in line with the HRC resolution 26/9, calling for elaboration of an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises.

We emphasize the need for broader consultations with key stakeholders aimed at developing clear consensus and harmony on key contours of a legally binding instrument such as scope, applicability, remedy, legal liability and adjudicative jurisdiction.

We would reiterate, that during our negotiations it is imperative to differentiate between TNCs, SMEs and local businesses.

All organizations differ significantly in their structure, level of operations, pool of resources and, most importantly, in their influence. While SMEs and local businesses are limited to operating within a certain territory and are usually governed by the legal and administrative mechanisms of that respective state – this legal uniformity includes any alleged violation of human rights as well.

In the ever-increasingly globalized world, business activities are instrumental in augmenting the state's role in building societal resilience and movement, facilitating livelihoods and standards of living, promoting socio-economic development and achieving headway in our 2030 Development Agenda. The multifaceted socio-economic challenges brought forth by a global financial crisis, climate catastrophes and Covid pandemic have

further reasserted this role in stimulating economies, fulfilling people's essential needs and uplifting their living standards.

We acknowledge the numerous contributions of TNCs towards economic and commercial progress, including corporate social responsibility to stimulate welfare of people, however, it must be noted that the challenge of finding the right balance between profitability and respecting human rights persists.

Even though, the primary responsibility for implementing human rights agenda lays with the State, however, this can become a reality only when supported by appropriate and timely steps by civil society organizations, TNCs, SMEs and other influential actors.

Considerations and debates on safeguarding respect for human rights responsibility by TNCs have recently gained more urgency and significance due to:

Firstly; owing to their geographic expanse, transboundary operations, and considerable influence - as several of these companies have a greater turnover than annual incomes of some developing and least developing states;

Secondly; varying stipulations of laws, in theory and in practice, often result in legal lacunas that are exploited by certain TNCs;

Thirdly; the profit motive may push TNCs to engage in actions which damage the greater public interest or are contributing to environmental degradation and sustainability.

The global financial slowdown coupled with the onslaught of Covid-19 and the ensuing problems in conducting business has impacted the ability of SMEs to survive and counter the enormous financial challenges, much more than TNCs. The situation is grave in developing countries where SMEs have been affected severely and are unable to recover due to systemic and structural issues.

Keeping in view these realities, my delegation reiterates that the focus of the instrument should remain limited to the activities of TNCs only in line with the mandate given by the Human Rights Council.

We assure the Chair of our constructive engagement and contribution.

I thank you Mr. Chair