**Corporate Accountability International and Friends of the Earth International**

Thank you, Mr. Chairman,

My name is Matthews Hlabane and I speak on behalf of Corporate Accountability International and Friends of the Earth International, members of the Global Campaign.

Before proceeding to the specific analysis of the article on scope, it is imperative to recall, once again, at the risk of being repetitive, that we are talking here about the mandate of this working group, established by Resolution 26/9. A mandate that was discussed and debated at length and at birth, and finally approved by the body that is the HR Council.

In 3.1, it is undeniable that with the wording of art. 3.1 "This LBI shall apply to all business activities, including business activities of a transnational character", added to art. 1.3, the text departs from the ORIGINAL mandate, as many delegations recalled during the last session. Therefore, as has already been said, it is necessary to harmonize throughout the future legally binding instrument the terms used when referring to TNCs and other companies of transnational character, and not to all types of companies. For all these reasons, we believe and fully agree with what has been proposed by Egypt and Pakistan for Article 3.1.

Even so, and given that a majority of states during the seventh session have agreed on the need to maintain the focus of this treaty on transnational companies and other companies with transnational activity, we urge states to seek a proposal that coincides with the aforementioned sense, which will allow us to adequately delimit the scope of application in accordance with the mandate of the Working Group.

In Article 3.2, we propose to standardize the text, replacing "business enterprises" with "transnational corporations and other business enterprises of transnational character".  In the same article 3.2, we support the Palestinian proposal to replace the word "or" with "and", which we believe is essential to strengthening the provision.

In paragraph 3.3, there is another issue that seems to us to be very important. The phrase "binding on the State Parties of this (Legally Binding Instrument) to which a state is a party" creates unequal protection of the human rights of one state or another depending on the international standards it has ratified. Moreover, the expression will create a major legal problem because it ignores the reality of certain international norms that are binding on all UN member states. This is the case, for example, with certain conventions of the International Labour Organisation. Here we can use the example of ILO Convention 98 which is applicable to all member states of the organisation even if they have not yet ratified it.

Thus, we believe that the Palestinian proposal for article 3.3 comes closest to this objective.