In a globalised and economically interdependent world, the ability of sovereign states to reconcile the interaction and tension between the international investment regime and the right to regulate in the public interest (e.g. protection of human rights or the environment) has proven to be a major challenge. Conflicts arise when competing commercial interests of the foreign investor intersect with non-commercial interests of the host country population. In this light, a growing concern has emerged calling for a paradigm shift and integrated perspective on the development and implementation of international investment law and international human rights law, bridging the gap between foreign investment protection and human rights promotion. For a developing state, adherence to its international commitments to provide adequate protection to foreign investors, while exercising its policy space to safeguard human rights of its population has become a crucial balancing act. Against this background, the study aims to examine the question of a state’s obligations in addressing competing private and public interests in the context of a resource-rich, developing country like Mongolia.