

from representatives of the seven major industrialized countries at the Summit held in London from 15 to 17 July 1991 for all contracting parties to the General Agreement on Tariffs and Trade to aim at completing the Uruguay Round before the end of 1991;

6. *Requests* the Secretary-General, in consultation with the World Food Council, the United Nations Conference on Trade and Development and the Food and Agriculture Organization of the United Nations, to submit to the General Assembly at its forty-seventh session, for consideration under the sub-item of the agenda entitled "Food and agricultural development", an updated comprehensive report on trends in the international market for agricultural and tropical products and developments in the liberalization of international trade in agricultural and tropical products, taking into account the share of developing countries in such trade and the possible adverse short-term effects on net-food-importing developing countries, and on the follow-up to the section on agriculture of the International Development Strategy for the Fourth United Nations Development Decade.

*31st plenary meeting  
26 July 1991*

#### **1991/54. Activities of transnational corporations in South Africa**

*The Economic and Social Council,*

*Recalling* its resolution 1990/70 of 27 July 1990,

*Taking note* of the report of the Secretary-General on transnational corporations in South Africa,<sup>21</sup>

*Reaffirming* the Declaration on Apartheid and its Destructive Consequences in Southern Africa,<sup>22</sup> which contains guidelines on how to end apartheid through genuine negotiations,

*Noting* the evolving situation in South Africa,

*Mindful* of its obligations towards the complete eradication of apartheid, reaffirmed in General Assembly resolutions 44/244 of 17 September 1990 and 45/176 A of 19 December 1990,

1. *Notes* the evolving situation in South Africa, including the repeal of the major apartheid laws, and urges the South African regime to incorporate compensatory mechanisms in land reforms in order to make the eradication of apartheid lasting and equitable;

2. *Reaffirms* that Governments, entrepreneurs and enterprises have comprehensive responsibilities to deny sustenance to the apartheid system;

3. *Once again calls upon* all transnational corporations to stop immediately any operations in South Africa and all forms of trade and economic links with the racist minority regime;

<sup>21</sup> E/C.10/1991/10.

<sup>22</sup> General Assembly resolution S-16/1, annex

4. *Also calls upon* all multilateral financial and development institutions to cease immediately any kind of support or other form of collaboration with the racist regime in South Africa;

5. *Requests* the Secretary-General:

(a) In close cooperation with relevant organs of the United Nations, to continue the useful work of collecting and disseminating information on the activities of transnational corporations in South Africa, including the list of transnational corporations still conducting operations there;

(b) To continue preparing studies on the level and form of operation by transnational corporations in South Africa, including their non-equity business arrangements and their involvement in particular sectors of the South African economy, and to prepare an updated study on the responsibilities of home countries with respect to the transnational corporations operating in South Africa in violation of relevant resolutions and decisions of the United Nations;

(c) To continue examining possible contributions of transnational corporations to the construction of a non-racial democratic South Africa in the economic and social fields, taking into account the special need to train black South African entrepreneurs;

(d) To report to the Commission on Transnational Corporations at its eighteenth session, the Economic and Social Council, the General Assembly and the Security Council on the implementation of the present resolution.

*31st plenary meeting  
26 July 1991*

#### **1991/55. Recommendations of the Commission on Transnational Corporations at its seventeenth session and its contribution to the preparations for the United Nations Conference on Environment and Development**

*The Economic and Social Council*

### **I**

1. *Takes note* of the reports of the Secretary-General on the questions of recent developments related to transnational corporations and international economic relations,<sup>23</sup> the role of transnational corporations in services, including transnational banks,<sup>24</sup> ongoing and future research,<sup>25</sup> strengthening the negotiating capacity of developing countries in their dealings with transnational corporations,<sup>26</sup> the comprehensive information system<sup>27</sup>

<sup>23</sup> E/C.10/1991/2.

<sup>24</sup> E/C.10/1991/4, E/C.10/1991/5 and E/C.10/1991/6.

<sup>25</sup> E/C.10/1991/7.

<sup>26</sup> E/C.10/1991/13.

<sup>27</sup> E/C.10/1991/14.

and the activities of the United Nations Centre on Transnational Corporations;<sup>28</sup>

2. *Requests* the Secretary-General to prepare for the eighteenth session of the Commission on Transnational Corporations, drawing upon the ongoing work of the Centre, a consolidated report analysing the latest trends in foreign direct investment in the world economy, in particular its impact on developing countries, which would include, *inter alia*:

(a) Ways of enhancing the benefit to developing countries of foreign direct investment;

(b) An assessment of the role of transnational corporations in regional and subregional integration processes among developing countries;

(c) The contribution made by transnational corporations to domestic investment in developing countries, particularly the least developed among them, with a view to eradicating poverty, generating employment, developing human resources, building infrastructure and, in general, enhancing the quality of people's lives, taking account of the importance of national policies;

(d) Recent trends in the activities of transnational corporations in relation to international trade, transfer of technology to developing countries, financial flows and external debt;

(e) The role that incentives and removal of disincentives in home and host countries can play in encouraging investment by transnational corporations, particularly in developing countries;

(f) The role of transnational corporations in services, especially through foreign direct investment;

(g) The significance of recent trends in the activities of transnational corporations in Central and Eastern Europe in relation to the general trends in their activities, in particular in developing countries;

3. *Also requests* the Secretary-General to update and complete the work undertaken by the Centre related to the external indebtedness of developing countries, taking into account the relevant resolutions of the General Assembly, and to submit a report thereon to the Commission at its nineteenth session;

4. *Requests* the Centre to include in its technical cooperation activities consideration of, advice on and, as appropriate, promotion of interregional, intraregional and subregional economic integration, including the possibilities and potential for strengthening cooperation among developing countries through the transfer of technology developed by national corporations from those countries;

5. *Stresses* the importance of ensuring that the technical cooperation activities of the Centre will benefit developing countries equally, requests the Centre to continue its efforts to develop its programme of support for cooperative activities of small and medium-sized enterprises in developing countries, as well as its training pro-

grammes and advisory projects directed towards improving the capacity of developing countries to promote their interests and properly benefit from the activities of transnational corporations and joint venture schemes, and requests the Secretary-General to submit to the Commission at its eighteenth session an evaluation report on the subject;

6. *Requests* the Secretary-General, taking into account paragraph 10 of General Assembly resolution 44/228 of 22 December 1989, which concerns the role of large industrial enterprises, including transnational corporations, in protecting and enhancing the environment, to examine, in consultation with the international business community and bearing in mind the various modalities for mobilizing resources for this purpose, the feasibility of establishing mechanisms for financial or in-kind contributions;

7. *Recognizes* the need for the Centre to diversify sources of funding for research and technical cooperation activities and, to that end, invites donors to contribute to the Trust Fund for the United Nations Centre on Transnational Corporations Technical Cooperation Programme, and requests the Secretary-General to seek to mobilize resources from various sources, including non-governmental organizations, and to report to the Commission at its eighteenth session;

## II

1. *Takes note* of the reports of the Secretary-General on transnational corporations and issues relating to the environment,<sup>29</sup> and requests the Secretary-General to transmit those reports to the Secretary-General of the United Nations Conference on Environment and Development, together with the views expressed by members of the Commission at its seventeenth session, with a view to making those reports available for consideration by the Preparatory Committee for the Conference at its third session;

2. *Affirms* that the following matters, *inter alia*, should be considered, consistent with General Assembly resolution 44/228, so as to encourage and mobilize large industrial enterprises, including transnational corporations, to cooperate in efforts to protect and enhance the environment in all countries:

(a) The commitment of large industrial enterprises, including transnational corporations, to environmental protection in all countries;

(b) The positive role that they can play in the protection of the environment, *inter alia*, through the promotion of improved management and regulation of industrial processes, and investment in and generation and dissemination of environmentally benign technologies and processes;

<sup>28</sup> E/C.10/1991/15.

<sup>29</sup> E/C.10/1991/3 and Add.1.

(c) Their observance of government-agreed international environmental standards and industry-agreed guidelines;

(d) The positive effect of the increase in research and development in the area of environmentally sound technologies;

(e) Access to environmentally sound technologies and to information thereon and cooperation between transnational corporations and host-country firms, in particular those in developing countries, in the use of environmentally sound technologies;

(f) Application of corporate worldwide environment and development policies, including ways of encouraging industry to apply standards of environmental responsibility to their foreign operations that are comparable to those applied in their home countries and that are consistent with the laws and regulations of host countries;

(g) Consistent and high environmental, health and safety standards for products, processes and services, as a contribution towards reaching equivalent levels of safety for all workers, communities and consumers;

(h) Environment and development accounting and reporting;

(i) Responsibilities and such principles as the "polluter pays", preventive action at the source, a precautionary approach to environment and development issues, minimizing the risks to human life, health, property and the environment, as well as the question of redressing damage thereto;

(j) The incorporation of environmental concerns into their activities, which should be consistent with the economic policies and development needs of developing countries and should not create new barriers to access to and transfer of technology;

(k) Cooperation with industry in producing guidelines aimed at the development of environmental management policies and programmes, as well as the further development of criteria for environmental management;

(l) The role of Governments and of international cooperation in providing an appropriate framework for contributions by transnational corporations to sustainable development;

3. *Requests* the Executive Director of the United Nations Centre on Transnational Corporations, after extensive consultations with international business organizations and other relevant bodies, to prepare, within the mandate of the Centre, for consideration by the Commission on Transnational Corporations and by the Preparatory Committee for the United Nations Conference on Environment and Development, action-oriented and practicable recommendations on cooperation for protection and enhancement of the environment in all countries, taking into account the work undertaken by the Centre and other bodies and the views expressed by Governments during the seventeenth session of the Commission and by the Preparatory Committee at its third session;

4. *Decides* that the eighteenth session of the Commission should be held in January or February 1992 to permit, *inter alia*, consideration of the recommendations made by the Executive Director and to arrange for their transmittal to the Preparatory Committee at its fourth session;

5. *Decides further* that, in the event that the eighteenth session of the Commission cannot be held in January or February 1992, the best way should be found of bringing to the attention of the Preparatory Committee at its fourth session the recommendations of the Executive Director and the views expressed thereon by the Commission, taking into account any proposals of the Secretary-General of the United Nations and without excluding the possibility of resuming the seventeenth session of the Commission for two days;

6. *Requests* that the findings of the Executive Director of the Centre with respect to the research project entitled "Transfer of environmentally sound technologies to developing countries on favourable terms", together with the prototype of financial statements that would enable corporations to report their income and profits on a sustainable basis, be transmitted to the Secretary-General of the United Nations Conference on Environment and Development for consideration by the Preparatory Committee at its third session;

7. *Requests* the President of the Economic and Social Council to transmit section II of the present resolution to the Chairman of the Preparatory Committee for the United Nations Conference on Environment and Development as the substantive contribution of the Commission to the work of the Preparatory Committee at its third session.

*31st plenary meeting  
26 July 1991*

#### **1991/56. Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting**

*The Economic and Social Council,*

*Recalling* its resolutions 1979/44 of 11 May 1979 and 1982/67 of 27 October 1982 and resolution 1988/1 adopted by the Commission on Transnational Corporations at its fourteenth session,<sup>30</sup>

*Having considered* the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its ninth session,<sup>31</sup>

*Acting upon* the recommendation of the Group at its ninth session concerning its future work,<sup>32</sup>

<sup>30</sup> *Official Records of the Economic and Social Council, 1988, Supplement No. 7 (E/1988/17), chap. I, sect. C.*

<sup>31</sup> E/C.10/1991/12.

<sup>32</sup> *Ibid.*, sect. F.