

UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/34/38 (Part II)*

11 June 1979

ENGLISH

ORIGINAL: ENGLISH/FRENCH/
RUSSIAN/SPANISH

Thirty-fourth session

REPORT OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION ON
THE WORK OF ITS NINETEENTH SESSION

CHAPTER III

EVALUATION

* This is a provisional mimeographed version of the second part of the report of the Committee for Programme and Co-ordination on its nineteenth session. The complete report will be issued in printed form as Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 38 (A/34/38), following the resumed nineteenth session of the Committee, scheduled to be held from 4 to 7 September 1979.

CHAPTER III

EVALUATION

A. Introduction

1. The Committee considered agenda item 4, entitled "Evaluation", at its 583rd and 588th to 593rd meetings on 16 and 21 to 23 May 1979.
2. At its eighteenth session, the Committee decided to evaluate, at its nineteenth session, the programme on transnational corporations. 1/
3. In that connexion, the Committee's attention was drawn to General Assembly resolution 33/118 of 19 December 1978, part of which read as follows:

"The General Assembly,

...

"5. Approves the recommendations contained in the report of the Joint Inspection Unit on programming and evaluation 2/ in the light of the conclusions of the Committee for Programme and Co-ordination 3/ and the observations of the Advisory Committee on Administrative and Budgetary Questions, 4/ as well as the recommendations of the Committee for Programme and Co-ordination concerning the study by the Secretary-General on the feasibility of establishing time-limited objectives for subprogrammes; 5/

"6. Approves the recommendations contained in the reports of the Joint Inspection Unit on evaluation in the United Nations system, 6/ as commented on by the Administrative Committee on Co-ordination 7/ and the Committee for Programme and Co-ordination, 3/ and on evaluation of the programme on public administration and finance, 8/ as commented on by the Secretary-General 9/ and the Committee for Programme and Co-ordination." 10/

1/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 38 (A/33/38), chap. I, para. 4.

2/ A/33/226.

3/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 38 (A/33/38), chap. I, paras. 6-12.

4/ A/33/226/Add.2 and Corr.1.

5/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 38 (A/33/38), para. 10.

6/ A/33/225.

7/ A/33/225/Add.1.

8/ A/33/227.

9/ A/33/227/Add.1.

10/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 38 (A/33/38), chap. I, paras. 15-20.

4. For its consideration of the item, the Committee had before it the following report of the Secretary-General, entitled "Programme evaluation for the period 1976-1978 - Transnational corporations" (E/AC.51/98 and Add.1). 11/

5. At the time the Committee began its consideration of the item, the Commission on Transnational Corporations was considering the report of the Secretary-General on the activities of the Centre on Transnational Corporations (E/C.10/45) and the progress report of the Secretariat on the information system on transnational corporations (E/C.10/47). Accordingly, the Committee decided to request its Chairman to co-ordinate informally with the Chairman of the Commission on Transnational Corporations, the work of the Committee and of the Commission so that each body could be informed of the other's views. Both Chairmen met on several occasions and the Committee was informed by the Chairman of the discussions held by the Commission.

6. In introducing the report, the Assistant Secretary-General for Programme Planning and Co-ordination explained to the Committee the methodology and procedures used. In doing so, he pointed out that the general approach and methodology was based on that approved by the Committee at its eighteenth session. There were certain new elements in this study, including the extensive use of questionnaires and the identification of key issues within the subprogrammes. He also informed the Committee of the new internal evaluation unit that had been established in the Office for Programme Planning and Co-ordination, Department of International Economic and Social Affairs, as part of the new organizational structure emanating from the recommendations on restructuring. A new central feature in the evaluation machinery, established in connexion with this initial exercise, was the creation of a high-level Steering Committee, whose responsibility was to set up the over-all guidelines for the present evaluation and based on this experience for future evaluations of this kind. 12/

7. The Assistant Secretary-General also indicated that, while it was the intention of such evaluations to cover the whole programme under review, including those aspects covered by other units of the United Nations, this had not proved feasible in the present case owing to the lateness in establishing the evaluation unit within his Office. It was expected that in future it would be possible to include in the evaluation report an analysis of all the activities of the United Nations relevant to the programme under evaluation. In each of the substantive chapters of the report, conclusions and recommendations were set out for the Committee's

11/ Document E/AC.51/98/Add.2 was officially withdrawn by the Secretariat as it could be issued only in English at the time the Committee considered the item. Further, the note by the Secretariat on the activities of the United Nations system relating to the programme on transnational corporations (E/AC.51/XIX/CRP.2) was also withdrawn for the same reason.

12/ The high-level Steering Committee is chaired by the Director-General for Development and International Economic Co-operation and the membership consists of the Under-Secretary-General for Administration and Management, the Under-Secretary-General for International Economic and Social Affairs, the Assistant Secretary-General for Programme Planning and Co-ordination and the head of the programme under evaluation, in this case, the Executive Director of the Centre for Transnational Corporations.

consideration. In concluding his introductory remarks, the Assistant Secretary-General pointed out that no evaluation could be meaningful without the full involvement of the programme being evaluated; the Centre had co-operated fully throughout the process. Although there were naturally some differences of opinion, he was certain that these differences would be frankly discussed during the Committee's review of the item and that the conclusions reached would be faithfully implemented by the Centre.

8. The Executive Director of the Centre in his remarks welcomed the evaluation exercise and assured the Committee that the recommendations made by the Committee would be followed up expeditiously. He indicated that he was pleased to note that, although he did not fully share some of the conclusions and recommendations, the report on the whole gave a rather positive assessment of the Centre's activities. In the area of research, he considered it difficult to establish priorities among the three areas mandated. Regarding the subprogramme on the formulation of a code of conduct, he considered it premature to move into the implementation stage as the code would only be completed within a year's time. He disagreed with the conclusions drawn on the subprogramme on comprehensive information systems. In conclusion, he expressed his support for the recommendation on the widening of the mandate of the joint units.

B. General comments

9. The Committee expressed its appreciation for the high quality of the report of the Secretary-General (E/AC.51/98 and Add.1) and commended the Secretariat for its honesty in this undertaking. One delegation, however, considered that in some places the language of the report was too apologetic on evident shortcomings in programme execution and that this was to be avoided in future evaluation exercises. Several delegations indicated that the evaluation methodology and machinery now developed was useful and should be applied in future evaluation exercises. In discussing the appropriateness of evaluating a programme that had only become operational within the past three years, the Committee concluded that there were good reasons for evaluating new as well as old programmes. Whereas new programmes had not been able to produce outputs whose impact could be assessed, as should be the case with older programmes, an evaluation exercise could serve to direct and determine the orientation of the programme at an early stage in its development. Delegations also emphasized that the Committee for Programme and Co-ordination should continue to address itself to evaluation procedures as well as substance and that it was important to assure that the evaluation unit was provided with the proper expertise to undertake this important work.

C. Organization of the programme

10. One delegation raised the question of the definition of a transnational corporation, as it was not contained in the documents before the Committee. The Centre responded that there was no unanimously agreed definition of a transnational corporation at the present time. However, as a pragmatic approach, the main criteria used by the Centre in its documentation on the subject included: size, ownership, structure, number of countries of operation, number of foreign affiliates and foreign content.

11. The Committee noted that the programme formulation and review process for this programme was being conducted in a way in which the planning and programme budget instruments were not being appropriately utilized. In this case, the process by which the Commission on Transnational Corporations established the Centre's programme of work did not involve reference to the medium-term plan and budget documents. The Committee recognized that the Commission naturally had an important role to play in establishing goals and priorities for the programme but it was also essential that this not be done in isolation from the central planning and budgeting processes of the United Nations. Furthermore, several delegations specifically noted that the Commission had not established priorities among the subprogrammes other than the code of conduct.

12. One possible solution suggested was that the Commission should review and comment on the objectives and strategies contained in the draft medium-term plan and, as appropriate, in the programme narrative contained in the programme budget proposals, and should recommend what priority should be accorded to the subprogrammes. The Commission should also comment on the future programme elements of the programme budget proposals, with special attention to those elements accorded the highest and lowest priority. These comments would then be transmitted to the General Assembly in accordance with the usual planning or programming process for programme budget proposals.

D. Regional activities

13. In the discussion of the subprogramme on regional activities, most delegations approved recommendation (b) in paragraph 242 of the report of the Secretary-General (E/AC.51/98/Add.1). ^{13/} However, with respect to recommendation (a), the Committee requested further information on the precise nature of the present mandate of the joint units and the activities to be undertaken in the event the Committee agreed to the recommendation for the widening of the mandate of the joint units, including the possible resource implications involved. Other delegations agreed with the recommendation contained in the report concerning the widening of the mandate of the joint units.

14. In response, the Secretariat provided the members of the Committee with an informal paper showing present activities now being undertaken by the joint units and the proposed activities planned in the event the mandates are widened.

^{13/} Para. 242 of E/AC.51/98/Add.1 read as follows:

"242. Bearing in mind that the regional joint units are already undertaking activities beyond those of providing information inputs and other support and liaison functions to the Centre itself, consideration should be given to:

"(a) Providing the regional joint units with a wider mandate to enable them to carry out at the regional level those parts of the over-all programme which can best be implemented or supervised at this level.

"(b) Clarifying the division of responsibilities between the Centre and the joint units in the medium-term plan and programme budgets by specifying a programme of work for each of the joint units at the subprogramme and programme element levels with clear statements of output, expected completion dates and resource requirements."

The Secretariat also informed the Committee that, in the event that the Committee recommended an expanded mandate, a statement of financial implications would be submitted which would almost certainly include a request for significant additional resources over and above those provided for in the proposed programme budget for the biennium 1980-1981. It was pointed out, however, that these financial implications should be considered in the light of possible reallocation of resources deriving from the implementation of other recommendations contained in the Secretary-General's report accepted by the Committee.

15. The Committee agreed that the division of responsibilities between the Centre and the joint units should be clarified in the medium-term plan and the programme budget as recommended in the report of the Secretary-General. In that regard, some delegations further suggested that, in order to avoid any conflicts arising from differing tasks assigned to the joint units by the Commission and the regional commissions, the latter, when assigning special activities to the joint units, should submit them in their programme budgets along with a clear listing of priorities.

16. On the question of the activities of the joint units, the Committee noted that some had gone beyond their mandates as presently constituted. Those past activities which had been on a limited scale were not called into question. One delegation pointed out that it would be premature to expand the mandates of the joint units, since the Committee was given utterly insufficient information on the activities carried out by those units at the present time. Debate centred on whether or not and to what extent the revision of those mandates was necessary for the future.

17. Some delegations believed that the Commission on Transnational Corporations should widen the mandates of the joint units by ratifying the existing state of affairs. That ratification should include a clear delineation of the respective roles of the Centre and the joint units and emphasize the necessity to remain within currently approved expenditure levels. It was stressed by those delegations that the joint units should not become independent regional centres on transnational corporations. Their role should remain one of support for the global aims of the Centre and any work given to them by the regional commissions should neither duplicate nor substitute for work which should rightly be carried out by the Centre itself.

18. Other delegations favoured increasing the mandates of the joint units. They argued that, if the joint units were not empowered to perform matters related to transnational corporations in their respective regional commissions, the regional commissions would be forced to resort to other mechanisms, which would result in costly duplication of effort. Co-ordination would thus be seriously hampered. It was further argued that the joint units had de facto carried out some tasks assigned to them by their regional commissions. This they had done without detailed work programmes with fixed deadlines for every output. The expansion of their mandates would both regularize their position and also make it possible to establish fixed deadlines within well defined mandates for their activities. Those delegations made it clear that this growth in the joint units could not be at the expense of the Centre. They stressed that increased mandates for the units should establish beyond any doubt the central position of the Centre in all matters related to transnational corporations in the United Nations system, leaving the units only as focal points of such matters in their respective regions.

E. Policy analysis (Research)

19. In its discussion on research being carried out by the Centre for Transnational Corporations and its joint units, many members agreed with the conclusions and recommendations set out in chapter VI of the evaluation report (E/AC.51/98/Add.1) and summarized in chapter II of the main report (E/AC.51/98). However, other members felt that the analysis was not based on data sufficient for unequivocal support of its conclusions. In particular, the analysis of the responses to questionnaires, as presented in the report, was not sufficiently comprehensive, since no responses had yet been received from Governments. ^{14/} Other Committee members felt that it may be premature to make long range judgements on the value of different parts of the research programme at this early stage in its development. However, several members strongly endorsed the conclusions and recommendations in the evaluation report, since they were quite consistent with the findings in documents submitted to the Commission on Transnational Corporations (E/C.10/47, para. 31; E/C.10/49, para. 21; and E/C.10/50, para. 1), that is, that Governments gave higher priority to research efforts which (a) strengthened the negotiating capacity of Governments of host countries, in particular the developing countries, in their dealings with transnational corporations, and (b) assisted in securing effective international arrangements concerning the operation of transnational corporations designed to promote their contributions to national development goals and world economic growth while controlling their negative effects. Others pointed out that although (a) and (b) had hitherto received too little emphasis and should receive more, it was not possible to say that they should become the principal guidelines for the selection of future research projects. One delegation indicated that it might not be appropriate for the Committee to indicate research priorities, since this function more appropriately belonged to the Commission on Transnational Corporations.

F. Comprehensive information ^{15/}

20. Chapter VII of the evaluation report (E/AC.51/98/Add.1) presented a somewhat critical analysis of the Centre's subprogramme on the comprehensive information system. The analysis, conclusions and recommendations in chapter VII and the relevant section of chapter II in the main report (E/AC.51/98) led to an extensive discussion on this item. While all members of the Committee felt that the information on transnational corporations was extremely important and useful, particularly to developing countries, there were differing views on the nature of the information that should be collected and disseminated by the Centre and on the usefulness of different elements in the existing subprogramme.

^{14/} In connexion with the questionnaires, it was pointed out by the Assistant Secretary-General that, although the responses received at the time the report was prepared were limited, additional responses received after completion of the report corroborated the earlier findings.

^{15/} At the request of the Committee, the representatives of the Centre provided a presentation (with slides) on the development of the Centre's comprehensive information system. The presentation was well prepared and was appreciated by members of the Committee.

21. In the discussion on this subprogramme, the Committee focused on three main themes. First, the utility or effectiveness of the subprogramme, including the prospective effectiveness of the computerized part; second, its compatibility with other information systems in the United Nations system; and third, the importance of obtaining user feedback and comments. A major conclusion of this discussion was that the main thrust of the Centre's work in the development of the information system did not appear to be fully consonant with the expressed needs of Governments. Although the largest proportion of resources and staff time was allocated to the computerized part of the system, the output from those elements did not appear to be commensurate with its cost and as useful to Governments as outputs from other non-computerized elements of the system. Some delegations pointed out that this information will be useful when the code of conduct enters into force, when it will be needed to verify the implementation of the code of conduct by the transnational corporations. The Committee's review suggested that a reallocation of the resources of this subprogramme might be advisable to permit the Centre to respond more quickly to requests from Governments in those areas to which they had given the highest priority. Those areas included (a) information on policies, laws and regulations affecting transnational corporations, (b) contracts and agreements between transnational corporations and Governments of host countries and (c) in-depth analyses of specific corporate or industrial areas.

22. It was acknowledged in the evaluation report that parts of the comprehensive information system were still in the developmental stage and for this reason the evaluation could not be based purely on the results or impact of the system's output. With this in mind, the evaluation also focused, where appropriate, on the design of the system itself and drew conclusions on this aspect of the system's development (E/AC.51/98/Add.1, paras. 88-94). In reviewing these sections of the report, a number of delegations agreed that insufficient attention had been given to building into the system means of obtaining and utilizing user-feedback in a continuous process. The need for careful cost analyses was pointed out. The Committee reiterated that Member States should be the main users of the information system and that it should be developed keeping in view their expressed needs. Moreover, much greater effort should be given to establishing mechanisms to obtain their views as to the effectiveness of the programme's output as well as to determine their own needs on a priority basis.

23. With regard to the system's compatibility with other information systems in the United Nations family, there was a difference of view as to existing compatibility and to the additional costs that would be involved in making the system compatible with those used by the International Labour Organisation, the United Nations Industrial Development Organization and the United Nations Environment Programme. The Committee regretted that the Inter-Organization Board for Information Systems had not been consulted at the outset with a view to ensuring inter alia, that this system would be compatible with the others. The Committee noted that the system was fully compatible only with that of the United Nations Library; nevertheless, it had already produced very useful information on other information systems as well as on bibliographic and documentary sources. One delegation expressed doubts on the need for compatibility if other technical considerations were to be satisfied.

24. The attention of the Committee was drawn to other documentation which had been presented to the Commission on Transnational Corporations and which presented

a more favourable view of the comprehensive information system. ^{18/} Nevertheless, it was pointed out by some Committee members that the same documentation supported the major conclusions and recommendations of the evaluation report regarding the priority needs of Governments, particularly those in developing regions, for information on contracts and agreements and laws and regulations which could assist them in negotiating with transnational corporations, and not general corporate information generated by the computerized part of the system.

25. At the request of the Committee, information was provided on resources allocated to the subprogramme as a whole and on elements within the subprogramme. It was noted by the Committee that the subprogramme absorbed the largest proportion of the Centre's resources (40 per cent in the 1978/1979 budget, 46 per cent in the proposed 1980/1981 budget). Within the subprogramme, the computerized elements, particularly that part dealing with corporate profiles, received a much larger proportion than other programme elements. It was noted, however, that many of these elements were interdependent. The information on corporate profiles was basic to other programme elements also.

26. The Committee generally accepted the relevant conclusions and recommendations of the evaluation report (E/AC.51/98/Add.1, paras. 88 to 94). It acknowledged the unique character of the system as the only one in the United Nations dealing exclusively with transnational corporations and emphasized the importance of preserving the programme's over-all effectiveness. The Committee felt that the need for a possible reallocation of resources and redeployment was indicated. However, the importance and usefulness of the subprogramme to Member States, particularly the developing countries, should not be underemphasized and the resources allocated among the various components of the subprogrammes should therefore be commensurate with the tasks assigned to the Centre by the relevant intergovernmental bodies.

27. In response to a number of queries with respect to how many State trading corporations were listed in the corporate profile file and their geographic distribution, the representative of the Centre pointed out that this question should be answered at various levels. At the level of general information, the Centre collected information on various companies from sources such as press clippings, company directories and commercial data banks. Those sources did not usually differentiate between private enterprises and State enterprises and thus almost all State enterprises were covered as well as private enterprises. He said that at the analytical level, the Centre processed such information in connexion with specific studies on particular industries or issues. In that connexion, the Centre was aware of the fact that the Commission on Transnational Corporations had not decided on a precise definition of transnational corporations. Opinions of Governments differed as to whether State enterprises fell within the scope of transnational corporations. While it would not be appropriate for the Centre to prejudge the issue of definition, he continued, the Centre had included relevant information on State enterprises in industry analyses for comparative purposes or for consideration as possible alternatives to private corporations. Similarly, in studies on issues such as that on the question of definition, some State enterprises had also been included to illustrate the implications of various criteria in drawing the boundary line.

^{16/} See particularly the "Progress report on the information system on transnational corporations" (E/C.10/47).

G. Formulation of a code of conduct

28. Chapter VIII of evaluation report (E/AC.51/98/Add.1) provided the Committee with an analysis of the Centre's work in assisting in the formulation of a code of conduct and other international agreements and arrangements. This subprogramme had been given the highest priority by the Commission on Transnational Corporations. The evaluation report had concluded that, in carrying out this subprogramme, the Centre had met all of the requirements of the intergovernmental working groups on the formulation of a code of conduct and on international agreements on illicit payments, as had the Commission itself.

29. In considering the recommendations proposed, the Committee felt that it might be premature for the Centre to begin to shift the emphasis from the formulation of a code of conduct to its implementation and monitoring. However, the Committee agreed that the latter aspect would soon become the more important one and agreed that, at an appropriate time, careful preparatory work should be started on ways and means to implement the code of conduct. Similar views were expressed with regard to the promotion of the understanding and acceptance of the code of conduct through wider public information activities. On the question of the distribution system for documentation related to the code of conduct, however, the Committee fully agreed that the system should be revised to include methodology for assessing the quality and quantity of the documentation as well as the methodology and ways to achieve the over-all objective of the code of conduct.

H. Subprogramme on advisory services

30. In the discussion on this item, the Committee in general concurred with the recommendations contained in the evaluation report (E/AC.51/98, para. 17, and E/AC.51/98/Add.1, para. 180). Several delegations expressed serious concern over a statement made by the Executive Director of the Centre when he referred to the establishment of the Centre as executing agency for the United Nations Development Programme. According to those delegations, the Department of Technical Co-operation for Development was established as the sole executing body for the United Nations as an executing agency. One delegation drew the attention of the Committee to General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system, in which the role of the Department of Technical Co-operation for Development was highlighted. Concern was expressed by other delegations that the establishment of the Centre as an executing agency would infringe on the authority of the Department of Technical Co-operation for Development and violated the guidelines established by the General Assembly. It was further pointed out that, in response to Assembly resolution 32/197, the Department of Technical Co-operation for Development had been established "to manage the United Nations regular programme of technical co-operation and implement UNDP projects and projects financed from extrabudgetary resources for which the United Nations is an executing agency" (ST/SGB/162 of 23 March 1978). Consequently, the Committee wished to be assured that the practical arrangements at present being negotiated between the Centre and UNDP should in no way infringe on the mandate of the Department of Technical Co-operation for Development.

31. The representative of the Centre responded by pointing out that the arrangements currently being worked out would not lead to the Centre's becoming a separate executing agency for UNDP. He stated that modalities were being defined with a view to ensuring the prompt and effective execution of UNDP projects

on matters related to transnational corporations which are addressed to the United Nations in its capacity as executing agency. The representative of the Centre pointed out that the Director-General for Development and International Economic Co-operation, the Under-Secretary-General for Administration and Management, the Under-Secretary-General for Technical Co-operation for Development, and the Executive Director of the Centre on Transnational Corporations had agreed that the interests of the United Nations as an executing agency would be best served if UNDP projects related to transnational corporations be forwarded directly to the Centre on Transnational Corporations for action, while keeping the Department of Technical Co-operation for Development fully informed at all times. He added that the specific procedures were being worked out between the Centre and the Department which would ensure that the Department's over-all responsibilities for technical co-operation activities in the United Nations would be ensured.

I. Conclusions and recommendations

1. Programme formulation and the review process

32. The Committee agreed with the recommendations of the Secretary-General that the Commission on Transnational Corporations should have the relevant parts of the proposed medium-term plan and the programme narrative of the draft programme budget placed on its agenda; that the programme of work presented to the Commission on Transnational Corporations should be derived from the medium-term plan and programme budget, should follow the format of these documents and should be cross-referenced to them so that what are now two processes can be made related stages of a common process; that the Economic and Social Council should formulate procedures to relate better what are now separate reviews of the same programme by the Committee for Programme and Co-ordination and its two sessional committees, the Economic Committee and the Policy and Programme Co-ordination Committee; and that the Commission should refer to the relevant parts of the medium-term plan and programme budget in assessing progress in the implementation of this programme's work.

33. As far as the setting of priorities within the Centre's work programme was concerned, the Committee recognized that all components of the work of the Centre were intimately related, but urged that a fuller definition of priorities be attempted.

34. The Committee noted from the report of the Secretary-General that some activities of the Centre carried out in co-operation with specialized agencies appeared to be supplementary to the programme of work approved in planning documents. The Committee believed that in the future the work programme should specify the division of labour between the Centre and the specialized agencies.

2. Policy analysis (Research)

35. The Committee agreed that the Centre should develop a system of obtaining the views of Governments on a regular basis on the work of this subprogramme.

36. More information would be needed on the views of Governments before the Committee could endorse the statement in the report of the Secretary-General that the quality of documents ranged from good to excellent.

37. The Committee recognized that, in its policy analysis work, the Centre had concentrated on the first of the three objectives with which it was mandated by the Commission at its second session in March 1976. The Committee considered that more emphasis could now be placed on the second and third objectives. 16/

3. Comprehensive information system

38. The Committee regretted that, when the Centre drew up plans for the establishment of a comprehensive information system, the Inter-Organization Board for Information Systems (IOB) was not consulted or its views sought in order to advise on the co-ordination and compatibility of the system with related United Nations systems, such as, inter alia, those of the International Labour Organisation, the United Nations Industrial Development Organization and the United Nations Environment Programme.

39. The Committee urged that the Centre on Transnational Corporations take action to effect the recommendations contained in paragraph 35 of chapter IV of the present report (A/34/38 (Part III)) concerning IOB.

40. The Committee was unanimously of the opinion that development of the information system and the manner of its co-ordination with related United Nations systems should contribute directly to the role of the Centre as the prime authority on transnational corporations within the United Nations system, as well as to compatibility among such systems. In order for such a system to serve effectively the objectives defined by the relevant intergovernmental bodies, the Committee recommends that:

(a) The resources allocated among the various components of the information system should be commensurate with the tasks assigned to them according to the priorities assigned by intergovernmental organs;

17/ At its second session, the Commission defined the objectives of the transnational corporations programme as follows:

- "(a) To further understanding of the nature and the political, legal, economic and social effects of the activities of transnational corporations in home countries and host countries, and in international relations, particularly between developed and developing countries;
- "(b) To secure effective international arrangements for the operation of transnational corporations designed to promote their contribution to national development goals and world economic growth while controlling and eliminating their negative effects;
- "(c) To strengthen the negotiating capacity of host countries, in particular the developing countries, in their dealings with transnational corporations." (Official Records of the Economic and Social Council, Sixty-first Session, Supplement No. 5 (E/5782), para. 6).

(b) Close co-ordination should be maintained and strengthened with related systems within the United Nations and duplication avoided;

(c) A feedback system should be established in order to monitor more effectively changing needs and user responses.

41. It was pointed out that careful analysis of the information collected by the Centre was necessary. In this respect the Centre should consider reallocating some of the resources at present committed to the computerized profile information part of the system to other information needs.

42. The Committee pointed out that Governments are the main users of the information system and that it should be geared primarily to their needs. A systematic method of obtaining their views on the system must be developed.

4. Code of conduct

43. The Committee was of the opinion that the recommendation in the report of the Secretary-General (E/AC.51/98, para. 16) that, in anticipation of agreement on the terms of the code of conduct, emphasis should be shifted from formulation of the code to implementation and/or monitoring of it, was somewhat premature. The main function of the Centre over the next 12 months would be to support the Intergovernmental Working Group on the Formulation of a Code of Conduct for Transnational Corporations; it could then shift its attention to assisting in the implementation of the agreed code. The Committee was in agreement with the Secretary-General's recommendation that greater attention should be given to means of promoting understanding and acceptance of the code of conduct, but stressed that these activities could only be implemented as negotiations on the code drew to a close.

5. Advisory services

44. The Committee agreed that the Centre's initial efforts to organize the information and experience gained in the course of its advisory missions should be continued and strengthened and that this information should be made available in a systematic and accessible fashion within the limits of confidentiality; that the experience gained in advisory and training projects should be utilized as inputs to the decisions on objectives and activities of other programmes; and that direct consultations should be held with government officials whenever possible, in order to supplement the existing methods for obtaining user feedback.

45. The Committee was informed of arrangements being worked out which would result in UNDP projects related to transnational corporations being forwarded directly to the Centre for action. The Committee noted that these arrangements would not lead to the Centre's becoming a separate executing agency for UNDP. The Committee drew attention to the Secretary-General's Bulletin (ST/SGB/162 of 23 March 1978), in which it was stated that, in response to General Assembly resolution 32/197, the Department of Technical Co-operation for Development was set up "to manage the United Nations regular programme on technical co-operation and implement UNDP projects and projects financed from extrabudgetary resources for which the United Nations is the executing agency". The Committee stressed that practical

arrangements currently being worked out should in no way infringe on the over-all responsibilities of the Department of Technical Co-operation for Development.

6. Mandate of the joint units

46. With regard to the mandate of the joint units, the Committee recommends to the Economic and Social Council that:

(a) The joint units should be the focal point of all matters specifically regional relating to transnational corporations, while the Centre on Transnational Corporations should continue as the focal point for all transnational corporations and related matters in the United Nations system. To this end, the role of the Joint Unit as it has resulted from various understandings reached under the authority of the Secretary-General by the Centre on Transnational Corporations and the regional commissions should be ratified. Such ratification should include a clear delineation of the respective roles of the Centre and the joint unit;

(b) The Commission on Transnational Corporations should give precise guidelines on the role of the joint units;

(c) It should request the Secretary-General to ensure that any other proposals for modification of the mandates of the joint units are submitted for the normal course of review and approval by the relevant specialized bodies and legislative organs; and

(d) It should call upon the regional commissions to assist and co-operate in the implementation of paragraph (c) above.

47. The Committee recommends to the General Assembly that the real growth in resources for the programme as a whole resulting from the implementation of the preceding recommendations should not exceed the percentage of real growth that may be decided upon by the Assembly for the budget as a whole for the duration of the medium-term plan for the period 1980-1983.

7. Programmes to be evaluated in 1980

48. The Committee decided to evaluate, at its twentieth session in 1980, the manufactures programmes and the programme on human settlements.