

Second United Nations Conference on the Least Developed Countries, to be held in 1990, and in the preparatory meetings for that Conference;

5. *Requests* the Secretary-General to submit a report to the Commission on Transnational Corporations at its sixteenth session on the implementation of the present resolution.

*15th plenary meeting
24 May 1989*

1989/24. Code of conduct on transnational corporations

The Economic and Social Council,

Taking note of the reports of the Secretary-General on a code of conduct on transnational corporations⁴⁴ and on international arrangements and agreements related to transnational corporations,⁴⁵

Reiterating that the Commission on Transnational Corporations, meeting in special session, continues to be the competent and authoritative body of the United Nations for negotiating the code of conduct on transnational corporations,

Reaffirming the need to finalize the code of conduct on transnational corporations as soon as possible.

Taking into account the comments on the subject made by delegations during the fifteenth session of the Commission,⁴⁶

Request the Chairman presiding at the special session of the Commission on Transnational Corporations, in co-ordination with the Executive Director of the United Nations Centre on Transnational Corporations, to intensify consultations on the code of conduct on transnational corporations, with a view to resuming negotiations on the code in the context of the special session of the Commission on Transnational Corporations, if possible no later than the end of 1990.

*15th plenary meeting
24 May 1989*

1989/25. Transnational corporations and environmental protection in developing countries

The Economic and Social Council,

Recalling General Assembly resolutions 42/186 of 11 December 1987 on the Environmental Perspective to the Year 2000 and Beyond, 42/187 of 11 December 1987 on the report of the World Commission on Environment and Development and 43/196 of 20 December 1988 on a United Nations conference on environment and development,

Aware that large industrial enterprises, including transnational corporations, are frequently the repositories of scarce technical skills for the preservation of the environment, and conduct activities in sectors that have an impact on the environment and, to that extent, have a specific responsibility,

Recognizing the role that the United Nations Centre on Transnational Corporations can play in analysing the activities and strategies of transnational corporations in the context of environmental protection and preservation,

Expressing concern that pollution-intensive processes which disrupt the ecological balance and use technology that poses a high risk for the environment have been transferred to developing countries through the operations of transnational corporations,

Expressing concern about the illegal traffic in and dumping of toxic and other hazardous wastes and products in many countries, particularly developing countries,

Noting with satisfaction the recent adoption of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal,⁴⁷

Emphasizing the need for all transnational corporations to develop further technologies that are not pollution-intensive or environmentally hazardous and to apply them wherever they operate,

Aware of the co-ordinating role of the United Nations Environment Programme in the field of the environment,

1. *Takes note* of the report of the Secretary-General on transnational corporations and issues relating to the environment;⁴⁸

2. *Requests* the Secretary-General, in consultation with leading experts in this field, transnational corporations and appropriate international organizations, to conduct an analytical study of the main sectors of activity that have adverse effects on environmental preservation and the factors that determine the allocation of activities between developed and developing countries;

3. *Requests* the Secretary-General, in view of the specific responsibilities in this field of large industrial enterprises, including transnational corporations, to continue to develop ways and means of strengthening the participation of those enterprises in efforts to preserve and protect the environment, including, in particular, the elaboration of a set of criteria and operational principles;

4. *Requests* the Secretary-General to gather data on existing sources of information on technologies that are environmentally hazardous and on the availability of alternative technologies, and to make recommendations on ways and means of increasing and facilitating the effective transfer of alternative technologies to developing countries;

5. *Requests* the Secretary-General to identify ways in which developing countries in particular might benefit from the experience of other countries in their efforts to protect the environment in relation to the activities of industrial enterprises, including transnational corporations;

6. *Requests* the Secretary-General, in consultation with Governments and other interested parties, to examine, within the context of overall efforts for the preservation of the environment, in particular for strengthening the role of transnational corporations, the feasibility of establishing a fund financed by voluntary contributions from transnational corporations and devoted to supporting the efforts of developing countries to protect the environment;

7. *Requests* the Secretary-General to submit to the Commission on Transnational Corporations at

⁴⁴E/C.10/1989/4.

⁴⁵E/C.10/1989/5.

⁴⁶See *Official Records of the Economic and Social Council, 1989, Supplement No. 10 (E/1989/28/Rev.1), chap. IV.*

⁴⁷See UNEP/IG.80/3.

⁴⁸E/C.10/1989/12.

its sixteenth session a report on the implementation of the present resolution.

*15th plenary meeting
24 May 1989*

1989/26. Contribution of the United Nations Centre on Transnational Corporations to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990

The Economic and Social Council,

Recalling General Assembly resolution S-13/2 of 1 June 1986 on the United Nations Programme of Action for African Economic Recovery and Development 1986-1990,

Recalling its resolution 1988/1 of 5 February 1988 and its decision 1988/161 of 27 July 1988,

Taking note of the report of the Secretary-General on investment of transnational corporations in Africa,⁴⁹ submitted to the General Assembly at its forty-third session in the context of the mid-term review of the implementation of the Programme of Action,

Bearing in mind the fact that transnational corporations can contribute to Africa's economic recovery and development through increased direct investment in productive sectors of African economies,

Recognizing that investment by transnational corporations in Africa would constitute a significant source of non-debt-creating resource flows to Africa,

Noting with concern that the share of investments made by transnational corporations in developing countries has been substantially declining in general and in Africa in particular,

1. *Requests* the Secretary-General to prepare a report containing, *inter alia*, recommendations on alternative strategies that would create a mutually beneficial framework and lead to concrete measures to encourage transnational corporations to respond positively to improvements in the investment climate in Africa and thereby promote economic growth and self-sustaining socio-economic development, in accordance with the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 and the Lagos Plan of Action for the Economic Development of Africa, adopted in 1980,⁵⁰ especially in those sectors in which transnational corporations can make a major contribution through capital mobilization, technical expertise, transfer of technology and market access;

2. *Invites* the home countries of transnational corporations, as a complement to measures taken by developing countries themselves, to encourage investment by such corporations in all developing countries, particularly those in Africa, and, to that end, to consider providing, *inter alia*, financial and fiscal incentives, including tax-sparing;

3. *Requests* the Secretary-General to continue to mobilize resources for increased support of technical assistance requirements of African countries, at the national, subregional and regional levels, to enable them to increase their capacities to deal with transnational corporations, so as to take advantage of investment opportunities through transnational corporations;

⁴⁹A/43/500/Add.2.

⁵⁰A/S-11/14, annex 1.

4. *Requests* the Secretary-General to upgrade the report prepared for the mid-term review of the implementation of the Programme of Action,⁴⁹ to provide detailed and comprehensive coverage of foreign direct investment in Africa on a sector-by-sector basis and to report thereon to the Commission on Transnational Corporations at its sixteenth session.

*15th plenary meeting
24 May 1989*

1989/27. Activities of transnational corporations in South Africa and Namibia

The Economic and Social Council,

Recalling its previous resolutions on the activities of transnational corporations in South Africa and Namibia, in particular resolution 1988/56 of 27 July 1988, in which it urged all transnational corporations to stop immediately all forms of collaboration with the racist minority régime in South Africa and called for specific actions by Member States and transnational corporations to end such collaboration,

Noting with grave concern the brutal perpetuation of the inhuman system of *apartheid* in South Africa and the continued denial of the civil and political rights of the majority of the population in that country,

Bearing in mind the fact that continued investments, trade, technological co-operation and other covert or overt activities by transnational corporations inside and outside South Africa provide sustenance to *apartheid*,

Noting the current efforts to implement Security Council resolution 435 (1978) of 29 September 1978 and attain the independence of Namibia,

Having examined the reports of the Secretary-General on the activities of transnational corporations in South Africa and Namibia and collaboration of such corporations with the racist minority régime in that area⁵¹ and on the responsibilities of home countries with respect to the transnational corporations operating in South Africa and Namibia in violation of the relevant resolutions and decisions of the United Nations,⁵²

1. *Reiterates* its abhorrence of *apartheid*, which is a crime against humanity, and condemns the South African régime for its perpetuation of *apartheid*, for its continued oppression of the majority of the people of South Africa and for its acts of military and economic destabilization against the neighbouring independent States;

2. *Condemns* those transnational corporations that continue to collaborate with the racist minority régime in South Africa in defiance of United Nations resolutions and international public opinion and, in many cases, in violation of measures adopted by their home countries;

3. *Welcomes* as an initial step the measures taken by some Governments to impose restrictions on investments, bank loans and other economic activities in South Africa, as well as the divestment by some transnational corporations of their equity investments in South Africa;

4. *Deeply regrets* that the measures taken so far fall short of the comprehensive and mandatory

⁵¹E/C.10/1989/8 and Corr.1.

⁵²E/C.10/1989/9.