

1993/49. Strengthening the role of the Commission on Transnational Corporations

The Economic and Social Council,

1. *Takes note* of the reports prepared for the Commission on Transnational Corporations at its nineteenth session;¹³⁵

2. *Reaffirms* the validity of the Commission on Transnational Corporations and the need further to strengthen its role as the focal point within the United Nations system for comprehensive intergovernmental consideration of issues concerning foreign direct investment as related to transnational corporations;

3. *Emphasizes* the need for the Secretary-General to reinforce the role of the United Nations system, including the joint units established with the regional commissions, in strengthening the capacity of developing countries, in particular, at their request, in the field of foreign direct investment by providing technical cooperation, consultative and advisory services, training, research and information to those countries;

4. *Requests* the Secretary-General, in coordination with multilateral organizations and financial institutions, to give priority to strengthening technical cooperation in order to enhance the capacities of developing countries and other recipient countries to create a favourable investment climate, including in the services sector, in the context of their economic programmes;

5. *Invites* the Governments of developed countries to increase their activities aimed at assisting, in particular, developing countries, in the development of an environment favourable to foreign investment;

6. *Requests* the Secretary-General to give priority to analytical studies, including those on global trends and determinants of foreign direct investment flows, as related, *inter alia*, to transnational corporations, and on the impact of those trends, flows and stocks on all countries, in particular on developing countries;

7. *Also requests* the Secretary-General to submit to the Commission at its twentieth session an analytical and comparative report on the role of foreign direct investment in Africa, with recommendations on ways and means of improving foreign direct investment inflows throughout the African continent;

8. *Further requests* the Secretary-General to submit to the Commission at its twentieth session an analytical report on the flows of foreign direct investment, paying special attention to the situation of the least developed countries, and other developing countries outside Africa, with recommendations on how to improve flows to developing countries;

9. *Requests* the Secretary-General to take steps to ensure that the work of the United Nations system in the field of transnational corporations and related issues is undertaken in a coordinated manner that avoids duplication of work, and to submit a report to the Commission at its twentieth session on the steps taken;

10. *Takes note* of the regional conference held in 1992 on foreign investment flows in Latin America and welcomes the initiative taken by the Secretariat in organizing a similar meeting in 1993 in Africa, at the ministerial level;

11. *Requests* the Secretary-General, with regard to technical cooperation activities, to continue to promote and to provide advice on the interrelationship between foreign direct investment and interregional, regional and sub-regional economic integration and technical and economic cooperation among developing countries;

12. *Requests* the Secretary-General to continue activities in matters relating to the role of transnational corporations in the development of small and medium-sized enterprises;

13. *Stresses* the importance of the role of foreign direct investment, in particular that of transnational corporations, in privatization processes, and reiterates the invitation to the Secretary-General to enhance studies and technical cooperation programmes in this area, in accordance with Economic and Social Council resolution 1992/36 of 30 July 1992;

14. *Takes note* of the results of the consultations on the draft code of conduct on transnational corporations held by the President of the General Assembly from 21 to 23 July 1992;

15. *Invites* Member States, in particular developed countries, to increase financial support flows for research and advisory and information work as it relates to foreign investment;

16. *Takes note* of the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting¹³⁶ and decides that consideration of the draft resolutions contained therein¹³⁷ should be deferred to the twentieth session of the Commission, and reaffirms the importance of the work of the Group in contributing to greater transparency in the activities of transnational corporations;

17. *Recognizes* the need for the integration of the economies in transition into the world economy through, *inter alia*, an increase in inflows of foreign direct investment, and recognizes also the contribution that the United Nations system can make in this regard, taking into account General Assembly resolutions 47/175 and 47/187 of 22 December 1992;

18. *Calls upon* Member States to exchange information among themselves, their relevant private sectors and all competent organs, organizations and bodies of the United Nations system on their activities, programmes and experiences related to the promotion of foreign direct investment, in particular in developing countries;

19. *Reiterates* the urgent need for the removal of the remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations in South Africa in order to build upon the significant developments already achieved;

20. *Recognizes* that some financial institutions are unable to resume their lending activities to South Africa as a result of the inhibiting economic and political difficulties in that country, such as the ongoing violence;

21. *Reiterates further* its obligations towards the complete eradication of apartheid, reaffirmed in General Assembly resolutions 45/176 A of 19 December 1990, 46/79 A of 13 December 1991 and 47/116 A of 18 December 1992 and in the Declaration on Apartheid and its Destructive Consequences in Southern Africa, contained in the annex to General Assembly resolution S-16/1 of 14 December 1989;

22. *Reaffirms* that Governments, entrepreneurs and enterprises, including transnational corporations, have contributed to the demise of the apartheid system, and invites them to give their full and concerted support to that end and to take appropriate measures regarding the vulnerable and critical process currently under way in South Africa, with the aim of achieving the total eradication of the apartheid system and the establishment of a united, non-racial and democratic South Africa;

23. *Requests* the Secretary-General:

(a) To continue, in close cooperation with the relevant organs of the United Nations, the work of collecting and disseminating information on the activities of transnational corporations conducting operations in South Africa;

(b) To continue preparing studies on the scale, form and responsibilities of the operations of transnational corporations in South Africa, including their non-equity business arrangements and their involvement in particular sectors of the South African economy;

(c) To continue examining possible contributions of transnational corporations to the construction of a united and non-racial democratic South Africa in the economic and social fields, taking into account the special need for the development of human resources, particularly the training of black South African entrepreneurs, and for employment, housing and health;

24. *Decides* that the Commission should review its future activities at its twentieth session and, if appropriate, make recommendations to the General Assembly, through the Economic and Social Council, in the context of the ongoing restructuring of the United Nations in the economic and social fields;

25. *Requests* the Secretary-General to report to the Commission at its twentieth session on the implementation of the present resolution.

*45th plenary meeting
29 July 1993*