

integration processes among developing countries, as called for in Council resolutions 1989/21, 1989/22 and 1989/23, all of 24 May 1989;

"2. Supports the technical co-operation activities of the Centre and requests the continuation of its efforts to develop its programmes of support for co-operative activities of small and medium-sized enterprises in developing countries;

"3. Requests the Secretary-General to prepare further studies on the role of transnational corporations in services and on strengthening the negotiating capacity of developing countries in their dealings with transnational corporations, as well as a report on other ongoing and future research, for submission to the Commission on Transnational Corporations at its seventeenth session;

"4. Also requests the Secretary-General to prepare an in-depth and updated report on the role of transnational banks in the reduction of the external debt of developing countries, in particular the changes in tax and other laws and regulations and in accounting and fiscal practices necessary to encourage and implement debt reduction schemes, for submission to the Commission on Transnational Corporations at its seventeenth session;

"5. Further requests the Secretary-General to prepare an analytical report on debt-equity swaps, and their positive or negative effects on overall development and foreign direct investment flows of debtor countries, taking into account the experience of countries that have adopted those schemes;

"6. Takes note of the suggestion to undertake country-specific studies on the contribution of foreign direct investment to development, with a view to analysing how initiatives of host countries, home countries and international organizations can help in stimulating the flow of investment capital, technology and skills to host countries and identifying proposals for technical assistance designed to support their development objectives, on the understanding that those studies should be undertaken only upon the request of Governments, with their participation and for their use only."

146. At the 13th meeting, on 12 April, the Commission had before it a draft resolution, which was submitted by the Chairman as a result of informal consultations held on draft resolution E/C.10/1990/L.5 and subsequently issued as document E/C.10/1990/L.8.

147. At the same meeting, the Commission adopted the draft resolution contained in E/C.10/1990/L.8 (see chap. I, sect. A, draft resolution III). No action was taken on draft resolution E/C.10/1990/L.5.

148. After the draft resolution was adopted, statements were made by the representatives of France, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Cuba, Tunisia, Peru, the Federal Republic of Germany, Egypt, Canada and Mexico, as well as by the observer for Bolivia (on behalf of the States Members of the United Nations that are members of the Group of 77).

149. Upon the adoption of the resolution, the Executive Director of the Centre read out an oral statement concerning programme budget implications of the draft resolution as contained in document E/C.10/1990/L.8 (see annex I). He added that in the implementation of section III, paragraph 4 of the resolution, the report would give particular attention to the changes in tax and other laws and regulations and in accounting and fiscal practices necessary to encourage and implement debt reduction schemes. The Executive Director also said that in the further work called for in section II, paragraph 3 of the resolution, the Centre would, among other things, elaborate operational principles for environmental protection.

Chapter XII

QUESTION OF EXPERT ADVISERS

150. The Commission considered agenda item 13 at its 9th meeting, on 9 April 1990. It had before it a note by the Secretariat (E/C.10/1990/17 and Add.1).

151. The Executive Director of the United Nations Centre on Transnational Corporations indicated that the selection of expert advisers to the Commission on Transnational Corporations, which takes place every two years, was one of the tasks before the Commission at the present session. He observed that the group of independent experts was a unique feature of the Commission. It was created to assist the Commission and the Centre in providing advice on matters under consideration. In that way, the multidisciplinary nature of the Commission was enhanced. As in the past, the present group of expert advisers had contributed in significant ways to the implementation of the Commission's mandate and were also helpful in designing and interpreting major aspects of the Centre's work programme. The Executive Director expressed his gratitude in particular to those expert advisers who were retiring this session for their dedication to the goals of the Commission and for so generously sharing their knowledge and experience.

152. He then referred to the list of nominees for expert advisers contained in the note by the Secretariat. He observed that the names of four candidates from trade unions and other backgrounds were not included since their nominations could not be confirmed in time before the meeting. Therefore, he proposed that the Commission leave those positions open and authorize the Executive Director of the Centre, in consultation with the Chairman of the Commission, to fill those positions as soon as the nominations were confirmed.

Action taken by the Commission

153. The Commission:

(a) Thanked the retiring expert advisers for their valuable contribution and decided to select the following expert advisers to serve until the end of the eighteenth session: 11/

Business background

PETER FRERK (Federal Republic of Germany)
LAURENCE McQUADE (United States of America)
JOSE MARIA BASAGOITI (Mexico)
KARL-ERIK ONNESJÖ (Sweden)
ANTONIO COLOMBO (Italy)
SAMUEL ESSON KWESI JONAH (Ghana)

11/ The curricula vitae of the expert advisers are contained in the note by the Secretariat (E/C.10/1990/17 and Add.1).

Academic background

MANMOHAN SINGH (India)
OSWALDO SUNKEL (Chile)
OSCAR SCHACHTER (United States)
SIDNEY DELL (United Kingdom)
WANG LINSHENG (China)
NIKOLAI G. ZAITSEV (Soviet Union)

Trade union and other backgrounds ^{12/}

(b) Authorized the Executive Director of the Centre, in consultation with the Chairman of the Commission, to fill the four remaining vacancies as soon as the nominations are confirmed.

^{12/} Four additional expert advisers are to be selected in consultations between the Chairman of the Commission and the Executive Director of the Centre.

Chapter XIII

PROVISIONAL AGENDA FOR THE SEVENTEENTH SESSION OF THE COMMISSION

154. The Commission considered item 14 of its agenda at its 10th meeting, on 10 April 1990. It had before it a note by the Secretariat containing the draft provisional agenda for its seventeenth session together with a list of requested documentation (E/C.10/1990/L.7).

155. The Executive Director of the United Nations Centre on Transnational Corporations made a statement.

156. Following statements by the representatives of Tunisia, Egypt and Brazil, as well as by the Executive Director in response to questions raised, and the Chairman, the Commission adopted the draft provisional agenda for its seventeenth session as orally amended during the discussion (see chap. I, sect. B, draft decision).

Chapter XIV

ADOPTION OF THE REPORT OF THE COMMISSION

157. At its 10th, 11th and 12th meetings, on 10 and 11 April 1990, the Commission adopted the draft report on its sixteenth session (E/C.10/1990/L.3 and Add.1-11), as revised and amended during the discussion.

Chapter XV

ORGANIZATION OF THE SESSION

A. Opening and duration of the session

158. The Commission on Transnational Corporations held its sixteenth session at United Nations Headquarters from 2 to 12 April 1990. The Commission held 13 meetings (1st to 13th).

159. The session was opened by the Executive Director of the Centre on Transnational Corporations.

160. The Director-General for Development and International Economic Co-operation, in his opening address to the Commission, stressed the growing integration processes and increased interdependence in the world economy, which provided new opportunities for transnational corporations to play a constructive and significant role in increasing trade, transfer of capital, technology and managerial expertise. The Director-General briefly indicated some of the main issues concerning the role of transnational corporations that required the attention of the international community. He referred specifically to the role of transnational corporations in tackling such global problems as the protection of the environment and the solution of the debt crisis. The Director-General also indicated the need to deal on a priority basis with such emerging problems as the role of foreign direct investment in services, the implications of regional integration processes, the role of transnational corporations in the development of the least developed countries and the consequences of developments in Eastern Europe for patterns of foreign direct investment flows.

161. He stressed the continuing need for agreed international norms and standards concerning the conduct of transnational corporations, as well as the need for monitoring the role of transnational corporations in different national economies with a view to identifying areas of action for ensuring congruence between the business interests of transnational corporations and the socio-economic objectives of host countries.

B. Attendance

162. The following States members of the Commission attended the session: Argentina, Brazil, Byelorussian Soviet Socialist Republic, Canada, China, Costa Rica, Cuba, Cyprus, Czechoslovakia, Egypt, France, German Democratic Republic, Germany, Federal Republic of, Ghana, India, Indonesia, Iran (Islamic Republic of), Italy, Jamaica, Japan, Mexico, Netherlands, Norway, Peru, Philippines, Poland, Republic of Korea, Sierra Leone, Swaziland, Switzerland, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela, Zaire and Zimbabwe.

163. The following expert advisers attended the session: José Maria Basagoiti (Mexico), Ernst-Otto Czempiel (Federal Republic of Germany), Peter Frerk (Federal Republic of Germany), Roland Guyvarc'h (France), Kamal Hossain (Bangladesh), Laurence McQuade (United States of America), Alexis Sierralta (Venezuela),

Kari Tapiola (Finland), Raul Trajtenberg (Uruguay/Argentina), Wang Linsheng (China), Nikolai G. Zaitsev (Union of Soviet Socialist Republics), William Robbins (United Kingdom of Great Britain and Northern Ireland).

164. The following States Members of the United Nations were represented by observers: Austria, Bangladesh, Belgium, Bolivia, Chile, Fiji, Hungary, Ireland, Mali, Mauritania, Mongolia, Papua New Guinea, Romania, Spain, Sweden, Yugoslavia and Zambia.

165. The following specialized agencies were represented: International Labour Organisation, World Bank, United Nations Industrial Development Organization.

166. The following intergovernmental organizations were represented by observers: Commission of the European Communities, International Bauxite Association, Organisation for Economic Co-operation and Development.

167. The following non-governmental organizations in consultative status with the Economic and Social Council, category I, were represented by observers: International Chamber of Commerce, International Confederation of Free Trade Unions, International Council of Women, World Federation of Trade Unions.

C. Election of officers

168. At its 1st and 5th meetings, on 2 and 5 April 1990, the Commission elected the following officers by acclamation:

Chairman: Marek Kulczycki (Poland)

Vice-Chairmen: Carlos Sersale di Cerisano (Argentina)
Adian Silalahi (Indonesia)
Lukabu Khabouji N'Zaji (Zaire)

Rapporteur: Jon Ramberg (Norway)

D. Agenda and organization of work

169. At its 1st meeting, on 2 April, the Commission adopted the provisional agenda contained in document E/C.10/1990/1 (see annex II).

170. At the same meeting, the Commission approved the organization of work of the session as set out in document E/C.10/1990/L.2, as orally amended.

E. Documentation

171. The documents before the Commission at its sixteenth session are listed in annex III.

Annex I

PROGRAMME BUDGET IMPLICATIONS OF DRAFT RESOLUTION III, ENTITLED
"ACTIVITIES OF THE UNITED NATIONS CENTRE ON TRANSNATIONAL
CORPORATIONS"

1. Under the terms of operative paragraphs 1 to 3 of section II of draft resolution E/C.10/1990/8, the Commission would recommend to the Economic and Social Council that it:

(a) Request the Executive Director of the United Nations Centre on Transnational Corporations to prepare a comprehensive and analytical study for submission to the Commission at its seventeenth session with a view to helping the Commission make a significant and action-oriented contribution to the preparatory work of the United Nations Conference on Environment and Development;

(b) Also request the Executive Director of the Centre, in preparing the study requested, to focus on the role of transnational corporations in promoting access to and transfer of environmentally sound technologies to developing countries, to include specific and innovative proposals to strengthen such transfer and, in co-operation with the relevant organs and organizations of the United Nations system, to investigate measures that could mobilize transnational corporations to protect and enhance the environment in relation to development;

(c) Request the Executive Director of the Centre to continue examination of those issues, including ways and means of strengthening the participation of transnational corporations in the efforts to increase environmental protection and provide access to information on cleaner technologies, to examine the feasibility of financial mechanisms which will encourage transnational corporations to contribute to the protection of the environment of developing countries, and to report to the seventeenth session of the Commission with a view to assisting it in its contribution to the Preparatory Committee of the Conference.

2. The activities of the Centre on Transnational Corporations on environment issues have been included under programme element 2.9 of subprogramme 2 (Minimizing the negative effects of transnational corporations and enhancing their contribution to development) of section 9 of the 1990-1991 programme budget. The activities referred to in the above operative paragraphs of the draft resolution are additional to those. The related costs for implementing them would, therefore, constitute an additional requirement for the current biennium.

3. The Secretary-General is not in a position at this stage to provide a precise estimate of the level and composition of the additional 1990-1991 requirements and the related programme budget implications of the draft resolution. The consultations within the Secretariat on that subject are still under way. A written statement of the programme budget implications of the draft resolution under consideration will therefore be submitted to the Economic and Social Council at its 1990 session at the time of its review of the decision of the Commission in accordance with rule 31 of the Rules of Procedure of the Economic and Social Council. It has been estimated at this point, however, that the requirements would be in the order of approximately \$300,000 for each year of the 1990-1991 biennium.

4. With regard to activities proposed under other operative paragraphs of section III of the draft resolution, it is estimated by the Secretary-General that their implementation would not entail any costs over and above the provisions made under section 9 of the 1990-1991 programme budget.

Annex II

AGENDA OF THE SIXTEENTH SESSION

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. Recent developments related to transnational corporations and international economic relations.
4. Work related to the code of conduct on transnational corporations and other international arrangements and agreements:
 - (a) Code of conduct on transnational corporations;
 - (b) Other international, regional and bilateral arrangements and agreements related to transnational corporations.
5. International standards of accounting and reporting.
6. Transnational corporations in South Africa and Namibia:
 - (a) Report and recommendations of the Panel of Eminent Persons established to conduct the second public hearings on the activities of transnational corporations in South Africa and Namibia;
 - (b) 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.
7. Transnational corporations and issues relating to the environment.
8. Role of transnational corporations in services, including transborder data flows:
 - (a) Role of transnational banks;
 - (b) Role of transnational corporations in other services.
9. Ongoing and future research.
10. Strengthening the negotiating capacity of developing countries in their dealings with transnational corporations.
11. Comprehensive information system.
12. Activities of the United Nations Centre on Transnational Corporations.
13. Question of expert advisers.
14. Provisional agenda for the seventeenth session of the Commission.
15. Adoption of the report of the Commission on its sixteenth session.

Annex III

DOCUMENTS BEFORE THE COMMISSION AT ITS SIXTEENTH SESSION

<u>Document symbol</u>	<u>Agenda item</u>	<u>Title or description</u>
A/44/576-S/20867, annex	15	Report and recommendations of the Panel of Eminent Persons established to conduct the second public hearings on the activities of transnational corporations in South Africa and Namibia
E/C.10/1990/1	2	Provisional agenda
E/CN.10/1990/2	3	Recent developments related to transnational corporations and international economic relations: report of the Secretary-General
E/C.10/1990/3	3	Transnational corporations and development: policies to stimulate the transfer of investment capital, technology and skills to developing countries in the 1990s: report of the Secretary-General
E/C.10/1990/4	3	Home country incentives for investment in least developed countries: report of the Secretary-General
E/C.10/1990/5	4 (a)	Progress made in the code of conduct on transnational corporations: report of the Secretary-General
E/C.10/1990/6	4 (b)	International arrangements and agreements related to transnational corporations: report of the Secretary-General
E/C.10/1990/7	5	Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its eighth session
E/C.10/1990/8	6 (b)	Measures relating to trade, finance, investment and technology transfer to South Africa: report of the Secretary-General

<u>Document symbol</u>	<u>Agenda item</u>	<u>Title or description</u>
E/C.10/1990/9	10	Foreign direct investment in Africa and strategies to encourage transnational corporations to respond positively to the improved investment climate: report of the Secretary-General
E/C.10/1990/10	7	Transnational corporations and the environment: report of the Secretary-General
E/C.10/1990/11	8 (a)	Transnational banks and external indebtedness: report of the Secretary-General
E/C.10/1990/12	8 (b)	Transnational service corporations and the Uruguay Round: report of the Secretary-General
E/C.10/1990/13	9	Trade-related aspects of intellectual property rights and trade-related investment measures: report of the Secretary-General
E/C.10/1990/14	10	Experience gained in technical co-operation activities with respect to the formulation and implementation of foreign investment policies: report of the Secretary-General
E/C.10/1990/15	11	Information services provided by the United Nations Centre on Transnational Corporations to developing countries: report of the Secretary-General
E/C.10/1990/16	9, 10, 11 and 12	Activities of the United Nations Centre on Transnational Corporations and the activities of the joint units established with the regional commissions: report of the Secretary-General
E/C.10/1990/17 and Add.1	13	Question of expert advisers: note by the Secretariat
E/C.10/1990/18	9	Non-conventional transnational corporations: report of the Secretary-General

<u>Document symbol</u>	<u>Agenda item</u>	<u>Title or description</u>
E/C.10/1990/CRP.1	12	Draft programme on transnational corporations of the medium-term plan for the period 1992-1997: note by the Secretariat
E/C.10/1990/L.1	2	Status of documentation for the session: note by the Secretariat
E/C.10/1990/L.2	2	Organization of the work of the session: note by the Secretariat
E/C.10/1990/L.3, Add.1, Add.2 and Corr.1, and Add.3-11	15	Draft report
E/C.10/1990/L.4	6	Activities of transnational corporations in South Africa: draft resolution submitted by Mali on behalf of the States Members of the United Nations that are members of the Group of African States
E/C.10/1990/L.5	12	Activities of the United Nations Centre on Transnational Corporations: draft resolution submitted by Malaysia on behalf of the States Members of the United Nations that are members of the Group of 77
E/C.10/1990/L.6	4 (a)	Code of conduct on transnational corporations: draft resolution submitted by Malaysia on behalf of the States Members of the United Nations that are members of the Group of 77
E/C.10/1990/L.7	14	Draft provisional agenda for the seventeenth session of the Commission
E/C.10/1990/L.8	12	Activities of the United Nations Centre on Transnational Corporations: draft resolution submitted by the Chairman on the basis of informal consultations held on draft resolution E/C.10/1990/L.5

