

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 Implementation of the Monrovia Strategy 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;

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*

⁴⁹A/43/500/Add.2.

⁵⁰A/S-11/14, annex 1.

⁵¹E/C.10/1989/8 and Corr.1.

⁵²E/C.10/1989/9