

## 19.34 Environmental Impact of Transnational Corporations

CONSIDERING that:

- the present model of development which is being implemented in most countries promotes foreign investment in various sectors of their economies;
- to attract such investments, governments modify their national policies, granting increasing guarantees to foreign investors;
- foreign investment is mainly designed to finance activities related to the extraction of natural resources and/or large-scale industrial processes;
- these types of activities generate, in most cases, serious environmental impacts;
- governments do not lay down environmental requirements for investments by transnational corporations;
- many transnational corporations see it as an advantage which reduces their costs that they are not required to use technologies aimed at minimizing the environmental impact of their operations, which is why they transfer their most harmful processes to other countries;

AWARE that there are transnational corporations which do not implement policies which include the minimalization of their environmental impact in countries other than that of primary incorporation;

The General Assembly of IUCN - The World Conservation Union, at its 19th Session in Buenos Aires, Argentina, 17-26 January 1994:

1. RECOMMENDS that all States develop environmental policies which require foreign investors to apply measures aimed at minimizing negative environmental impact, as well as at restoring environments which have been altered by the effects of their operations;
2. CALLS UPON transnational corporations to implement, within their operations, measures aimed at minimizing their environmental impact, even in countries which do not have regulations governing this situation.