

1.47 Transnational Corporate Compliance

RECALLING Recommendation 19.34 of the 19th Session of the IUCN General Assembly;

AWARE that some States have only limited capacity to manage environmental impacts and to monitor and regulate the activities of transnational firms in primary, secondary and tertiary sectors of their economies so as to minimize the environmental and social impacts of poor practice or misconduct;

NOTING that developments by some transnational corporations, particularly in the primary and secondary sectors, may not be in keeping with the development status, aspirations or regulatory capacity of host countries and communities in those areas where they are planned or located;

MINDFUL that different countries have different environmental standards, based on different policies and procedures, both regulatory and voluntary, for setting and ensuring compliance with such standards, but that States share a common goal of achieving the highest practicable environmental standards;

ASSERTING as a matter of principle that corporations operating overseas from their home or base country are morally obliged to, and should, operate to the highest environmental standards applying across their area of operation;

The World Conservation Congress at its 1st Session in Montreal, Canada, 14–23 October 1996:

1. CALLS on all States to consider ways of solving the problem of the implementation of weaker environmental standards by transnational firms outside their base country;
2. REQUESTS the Commission on Environmental Law and the Environmental Law Centre to:
 - a) investigate what types of national legislation and institutional support they could contribute to addressing this problem, and make appropriate recommendations;
 - b) investigate appropriate international legal mechanisms, including possible conventions and legally binding and enforceable codes of practice, as a means of addressing this problem;
3. REQUESTS the Director General and the Commissions, within available resources:
 - a) to encourage corporations in all their operations, whether in their home country or offshore, to adopt and comply with the highest environmental standards applying across their area of operation;
 - b) to urge professional associations to adopt codes of ethics and practice and to examine how these can best be applied to their members operating across national boundaries.

Note. This Recommendation was adopted by consensus. The delegation of the State member United States indicated that had there been a vote the delegation would have abstained.