

1.82 Private Sector Financial Operations

RECOGNIZING that in the last five years private investment flows to developing countries have grown to such an extent that they now amount to three times the flow of official development assistance;

NOTING the important role of bilateral export credit and investment insurance agencies in catalyzing private direct investment in developing nations;

RECALLING the recommendation of Agenda 21 that “business and industry, including transnational corporations, should be encouraged to establish worldwide corporate policies on sustainable development” and should “encourage overseas affiliates to modify procedures in order to reflect local ecological conditions and share experiences with local authorities, national governments and international organizations” (¶30.22);

NOTING the growing role of multilateral agencies such as the World Bank and other multilateral development banks in financing, insuring and guaranteeing private investment and in setting sustainable development criteria for supporting such investment;

CONCERNED that the growing worldwide financing of private sector investment by bilateral export credit and investment insurance agencies follows no commonly agreed environmental and social standards;

NOTING that the environmental guidelines of the International Finance Corporation of the World Bank already serve as minimum sustainable development standards for some bilateral export credit and investment insurance agencies such as the US Overseas Private Investment Corporation;

FURTHER NOTING that the role of business in sustainable development is being addressed throughout the present World Conservation Congress and is the subject of a high-level panel discussion;

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

1. REQUESTS the Director General to study and report to Council on the opportunities for IUCN member programmes to promote sustainable development through the potential of private sector finance, including portfolio equity investment, private sector lending, and private direct investment;
2. URGES the Union to interact with the private sector in order to influence how it assesses environmental damage and risk;
3. URGES bilateral export credit and investment insurance agencies to coordinate through international fora, such as the Organisation for Economic Cooperation and Development (OECD) and the Bern Union (The International Crediting and Investment Association), the elaboration and implementation of common environmental and sustainable development investment criteria that take account of and build upon the environmental guidelines of the International Finance Corporation of the World Bank as a minimum baseline;
4. URGES IUCN members to promote the actions called for in the previous paragraph.