OPEN EYE MODEL UN CONFERENCE 3.0

Committee: Economic and Social Council

Agenda: Mobilizing Financial Resources for developing countries sustainable development

Chairs: Siva Nanda Rajesh and Divij Punjabi

Position: President and Vice President

Letter from the Dais

Dear Delegates,

It is our esteemed pleasure to welcome you all to **the Economic and Social Council (ECOSOC)** at **Open Eye Model United Nations 3.0 (OEMUN 3.0)** along with the Secretariat.

This Background guide will never be enough for research, however, it will give you enough insight into the agenda. Also, embedded in this study guide, are a series of hints, at which direction your research should be heading. The Dais encourages you to research further about the agenda, foreign policies and intricate details.

We hope that every delegate has a great time during the conference. An MUN is not only about battling out your foreign policy but also meeting new people, fostering friendships, learning new things and having a time to remember.

Feel free to drop your queries to the executive board. If this is your first MUN, it is highly encouraged that you should contact the dais and come to pace with the intricacy of the committee, agenda and the procedure of the MUN conference. Feel free to contact us.

Just to conclude, the background guide aims to make an effort to give delegates a better understanding of the agenda and give them a base to build their research upon. We will be following **UNA - USA Rules of Procedure.**

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Looking forward to seeing you all in committee!

Regards,

Siva Nanda Rajesh and Divij Punjabi (Chairs of ECOSOC)

Introduction and Mandate of the Committee

The Economic and Social Council is at the heart of the United Nations system to advance the three dimensions of sustainable development – economic, social and environmental. It serves as the focal point for promoting debate and creative thinking, building consensus on next steps, and coordinating efforts to meet internationally agreed-upon objectives. It's also in charge of following up on key UN conferences and summits. The UN Charter established ECOSOC in 1945 as one of the six main organs of the United Nations. The committee links a diverse of other UN entities that are dedicated to sustainable development, by providing overall coordination and guidance.

The entities include regional economic and social commissions, functional commissions facilitating intergovernmental discussions of major global issues, and specialized agencies, programmers and funds at work around the world to translate development commitments into real changes in people's lives. Reforms over the last decade, particularly General Assembly resolution 68/1, have strengthened ECOSOC's leading role in identifying emerging challenges, promoting innovation, and achieving a balanced integration of the three pillars of sustainable development—economic, social and environmental.

ECOSOC is charged with giving special attention to coordinated follow-up on major UN conferences and summits. ECOSOC structures its work around an annual theme of global importance to sustainable development. This ensures focused attention, among ECOSOC's array of partners, and throughout the UN development system. By emphasizing combined economic, social and environmental concerns, ECOSOC encourages agreement on coherent policies and actions that make fundamental links across all three.

What are Sustainable Development Goals?

Sustainable Development Goals (SDGs) Also known as the Global Goals, The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015. On the 1st of January Of 2016, The Sustainable development goals of the 2030 Agenda for Sustainable development officially came into force. Over the next fifteen years, with these new Goals that universally apply to all, countries are meant to mobilize efforts to end all forms of poverty, fight inequalities, tackle climate and many more issues the world faces, while also ensuring that no one is left behind. The SDGs are a plan of action to target and resolve the challenges the world faces, with a collection of 17 interlinked global goals designed to be "A blueprint to achieve a better, more sustainable future for all."

They are a global effort and each of the countries in the United Nations has committed to achieving the goals by 2030. Each year, there is a follow up on the progress at the High-Level Political Forum on Sustainable Development. The purpose of the SDGs is to encompass numerous aspects seen as critical to humanity and the planet, some of them which include Hunger, Poverty, Inequalities, and various other developments.

The 17 Goals:

1. **No Poverty:** End poverty in all its forms everywhere.
2. **Zero Hunger:** End hunger, achieve food security and sustainable agriculture.
3. **Good Health and Well-Being**: Ensure healthy lives and promote wellbeing for all.
4. **Quality Education**: Ensure equitable quality education and promote learning.
5. **Gender Equality**: End gender inequality and empower all women and girls.
6. **Clean Water and Sanitation:** Ensure sustainable management of water and hygiene.
7. **Affordable and Clean Energy:** Ensure access to affordable modern energy for all.
8. **Industry, Innovation and Infrastructure:** Promote productive employment for all.
9. **Decent Work and Economic Growth:** Build resilient infrastructure and innovation.
10. **Reduced Inequalities:** Reduce inequality within and among the nations.
11. **Sustainable Cities and Communities:** Make human settlements safe and resilient.
12. **Responsible Consumption and Production:** Ensure sustainability in both.
13. **Climate Action:** Take action to combat climate change and its impacts
14. **Life below Water:** Sustainably use the marine resources for development.
15. **Life on Land:** Protect and promote sustainable use of ecosystems, forests, etc.
16. **Peace, Justice and Strong Institutions:** Provide access to peaceful justice for all.
17. **Partnerships for the Goals:** Revitalize the global partnership for development.

Introduction to Agenda

Meeting the 2030 Agenda Sustainable Development Goals will require unprecedented investments in areas such as health and education, environmental protection, infrastructure and sustainable energy, rural development, peace and security and actions to tackle climate change. Even one single coin can be used effectively in support of sustainable development, and in particular reach those communities and people who are far behind than the rest of the world. While financing needs for this agenda are significantly high, there are also more opportunities for countries to mobilize new and additional resources of finance (public and private, domestic and international) as well as experiment with innovative new financing strategies.

The development financing landscape is dynamic and constantly changing. Many countries are now able to mobilize more domestic resources for development. Foreign direct investment (FDI) flows are on the rise combined with increased capacities to leverage finance from domestic and international capital markets. New development partners, development finance institutions, public-private 'single issue' vertical funds, philanthropic organizations and private 'impact' investors have also emerged or expanded their activities in recent years and now work actively alongside traditional donors, such as United Nations' development agencies. These new sources of finance and expertise increasingly complement traditional development cooperation and create opportunities for new partnerships and collaborations which can leverage the finance, expertise and networks of each partner.

Some developing countries are now able to mobilize more domestic resources for development, attract private investment and experiment with innovative finance mechanisms, this is not the case for all. Progress in these areas can be attributed to mostly (large) middle-income economies, while many Least Developed Countries (LDCs), some small island states (SIDS) and fragile states have fewer financing 'options' and remain heavily reliant on traditional donor aid. For these countries, concessional finance is becoming important again as many face widening fiscal deficits and risks to debt sustainability. Most donors meanwhile are far from achieving the longstanding United Nations target of allocating at least 0.7 percent of GNI to Official Development Assistance (ODA) (donors achieved just 0.3 percent on average in 2016), and the share of total aid allocated to LDCs and SIDS has in fact declined in real terms over recent years. Financing gaps in many countries remain high.

DEFINITION OF KEY TERMS:

Sustainable Development

The official definition was outlined in the Brundtland Report (1987) as 'development that meets the needs of the present without compromising the ability of the future to meet their own needs.' In simpler terms, it is the idea that resources should be used to satisfy the needs of the current generation while monitoring the ability of future generations to do the same.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all" adopted by the United Nations. ‘’They are a global effort and each of the countries in the United Nations has committed to achieving the goals by 2030.’’

Foreign Direct Investment (FDI)

FDI stands for foreign direct investment and it is an investment made in order to command ownership of a particular entity in one country from another entity in another country.

LDCs and SIDS

LDCs and SIDS stands for Least Developed Countries and Small Island States respectively and refers to the undeveloped/developing countries.

GNI or Gross National Income

It is the total amount of money earned by a nation’s people and business.

Public Procurement

Public Procurement refers to the purchases made by state owned enterprises.

Fiscal Policy

Related to government revenue, especially taxes. Fiscal policy is the use of government revenue collection and expenditure to influence a country's economy.

Key Issues

To attain any goal, tackling the challenges is one of the key steps.In this section, some of the significant financial challenges faced by the international community are addressed. Combating these issues are unquestionably important to achieve the sustainable development goals because every aspect requires smooth funding and availability of resources.

Challenges faced by the Private Sector

- The Private Sector plays a big role in financing the SDGs. Sources of private capital include: investments, insurance, pension funds, Foreign Direct Investment (FDI), annual savings and much more. At the same time financing from the private sector has been relatively low compared to the amount available. Between 2012 and 2018 205.2 billion was mobilized by the development finance intervention with 2018 being the year with the highest amount raised at 48.4 billion.

- In addition to insufficient capital, only a small significant amount of money was evenly distributed to the Least Developed Countries (LDCs) and Low Income Countries (LICs) despite even distributions by regions. Apart from insufficient allocation of capital other issues which plague the private sector include inequality in distribution of capital and and under leveraging of resources.

- In 2018, 61.6% of capital allocated went mainly towards the development of economy and infrastructure, whereas only 5.6% went towards health and education. In the Asia - Pacific region which houses the majority of the developing countries, the private sector can raise upto 10 trillion in funding for the SDGs.

- In order to solve such issues and attract the proper allocation of resources there must be further collaboration between the private sector and the international agency institutions. Organizations such as the International Financial Corporation have taken the role of attracting investment from the private sector and making such projects viable.

Corruption

- Corruption is another limitation to the financing of the SDGs. The International Monetary Fund (IMF) predicts, tackling corruption could increase revenues in developing nations by 1 trillion, which could be allocated for financing of the SDGs and economic growth. According to a UN ESCAP-ADB-UNDP report, 40% of electricity, water and sanitation financing is lost because of corruption.

- Corruption in developing countries usually occurs during public procurement and public enterprises. These reduce public spending efficiency and reduce investments in SDGs. In order to overcome the issue of corruption, countries must put in place reforms, and improve transparency and technology at the same time.
- International Financial Institutions(IFIs) must work with countries in order to overcome corruption; these partnerships can help reduce corruption, for example 40 countries have made it a crime to gain business abroad under the OECD anti-corruption convention; such partnerships and agreements not only reduce corruption but also increase investments and tax revenue.

- Georgia and Rwanda both reduced corruption and saw an increase in tax revenue by 13% and 6% respectively. In addition to corruption, illicit activities associated with corruption such as tax evasion and money laundering have cost the world 800 billion and 2 trillion annually.

- Therefore in order to streamline investments for sustainable development, developing countries must overcome the problem of corruption within their respective political spheres.

Debt

- Another reason why the international community has been falling behind on sustainable development is due to the mounting debt crises. Global debt levels have risen and debt levels have mounted to 247 trillion dollars in july 2019 up from 168 trillion US dollars in 2008. 40% of low income countries are facing debt related problems which causes low investment and financing of the SDGs.

- Furthermore, trade tensions, volatile commodity prices and climate change will only further the issue of debt in developing countries.

- Promotion of soft law principles such as the UNCTAD Principles for Responsible Sovereign Lending and borrowing is another fruitful avenue to pursue, but the international community should also consider revisiting discussions of statutory approaches to a Sovereign Debt Restructuring Mechanism for countries in default and creating a well-endowed global climate disaster fund.

- Going forward it is also critical that the analysis of the issue of debt sustainability start with the massive investments needed to achieve the SDGs. Given the global nature of many of the determinants of developing country debt sustainability, the Financing for Development follow-up process also needs to re-initiate discussions of policy reform at the level of international monetary and financial governance.

- Developing countries are currently facing an asymmetric international monetary system which exposes them to the risk of balance of payments crises and volatile exchange rates, which adversely impacts their trade and investment decisions.

- Therefore, it should remain a paramount objective of the Financing for Development follow-up process to work towards a more development-friendly financial system, which would be focused on proactive facilitation of structural transformation in developing countries.

Major Parties Involved

1. Qatar

Qatar is one of the wealthiest countries in the world, located in the Middle East. Qatar has recently been advancing its sustainable development goals by making improvements in education, thereby trying their best to reduce poverty and hunger. At the same time it has contributed to the sustainable development of other countries as well, in 2019 at the Climate Change Action Summit, Qatar pledged to contribute $100 million to Lower Developed Countries (LDC) in order to fight climate change and take action against the same. At the 5th United Nations conference for climate change Qatar promised to contribute $500,000 for Lower Developed Countries (LDCs), thereby making Qatar an important nation.

2. China

China is one of the world's largest emitters of greenhouse gasses and accounts for a large part of the world's pollution, all of which contribute to climate change. Under the Paris convention China pledged to cut down on its emissions and push for sustainability. China has taken many initiatives in order to achieve sustainability, for example on January 1, 2020 China banned fishing in the Yangtze, with the fishermen and people dependent on these were provided with financial compensation and reskilling opportunities. Chinese authorities have also undertaken initiatives to work alongside local authorities as well, for example: In the cities of Baoding, Shenzhen and Chongqing; cities comprising of a population more than 60 million - WWF China are working closely with local governmental authorities in order to reduce pollution from the transportation industry as well as the public buildings industry.

3. Sweden

Sweden is one of the most sustainable countries today and aims to become fossil fuel free by 2050 under its roadmap 2050 plan. In order to achieve the same it must cut down its greenhouse emission levels by 40% from 1990 and have fossil fuel free cars by 2030 the Sweedish government plans to invest 4.4 billion Krones($633 million) in transportation, energy grids and sustainability, this plan will be financed from hugh taxes which are to be levied on diesel and fuel as well as sale of coal mines. Sweden was also the first country to initiate a carbon tax in 1995; it was levied on all carbon related commodities such as oil and natural gas. Sweden’s environmentally collected tax stands at just over 2% of its GDP compared to an OECD average of 1.54%. Sweden also has 52% of its energy coming from renewable sources of energy, which is one of the highest in the EU, and has even undertaken other initiatives such as human heated buildings.

4. India

Although criticized for its high levels of pollution, India has been taking steps to ensure that sustainability is achieved within India itself. It has done so by launching initiatives such as niti ayog and allocating funds for the same purpose. Other initiatives include the Namami Gange Mission which had a total budget of rupees 20,000 crore aimed at fulfilling the 6th SDG, under which its major policies were centred around rural and urban sanitation, sewage management and much more. India also launched the national clean air program in 2019 as a method for controlling air pollution, pollution from industries and achieving methods for abatement of air pollution. Finally one of India’s most recognized projects for achieving sustainability was the Swachh Bharat Abhyan which aimed at achieving a cleaner India and was launched during the Modi administration.

5. Russian Federation

The Russian Federation has been an active donor in the field of sustainability and has been donating to those countries which require assistance with the matter at hand. The Russian Federation has witnessed improvements in its reach for sustainability.The city has reduced the number of individuals with income below the subsistence level from 10% to 7.2%, unemployment from 1.8% to 1.3%, and mortality of new-borns and children under the age of 5 from 10 to 5 per 1000 live births between 2010 and 2018. Moreover, greenhouse gas emissions have decreased by 18% between 2013 and 2018. It has three main strategies for attaining sustainability which include: The Master Plan 2010-2035 promotes a "balanced urban development", striking a balance between access to green areas, efficient transportation, and quality housing, Investment Strategy 2025 has the long-term objective to create a favourable investment climate that helps improve urban development, Smart City 2030 aims to provide digital solutions that advance urban development, in particular to boost local living standards and ensure more cost-effective measures.

Previous Attempts to Solve the Issue

Addis Ababa Agenda

The Addis Ababa agenda which was formulated in Addis Ababa, Ethiopia from 13-16 July, emphasizes on financing of the sustainable development goals and was subsequently endorsed by the UN general assembly as resolution 69/313 of 27 July, 2015. The agenda creates a strong foundation for financing the sustainable development goals and setting up a framework for achieving the same. It comprises over 100 policies for achieving the sustainable development goals by 2030. The agenda allows governments and civil servants to come up with policies which would help take action for sustainability and lays emphasis on the business and other civil sectors as well.

Monterrey Agenda

The International Conference on Financing for development (Monterrey, Mexico 18 - 22 March, 2002) was a turning point for development approach in the international community. More than 50 heads of states and over 200 ministers on foreign affairs, trade, and finance gathered at the event, in order to come to a consensus with regards to the global agenda. The conference saw unprecedented collaboration between the World Bank, The United Nations and the International Monetary Fund in order to help achieve sustainability and also saw bridging of the gap between underdeveloped and developed countries at the conference. The conference's main aim just as the addis ababa agenda was to focus on financing or sustainability in the Lower Economic Developed Countries (LEDCs).

Focusing Questions:

1. How is proper public procurement going to affect financing of the sustainable development goals?
2. What steps can be taken to solve the issues of corruption, debt and the problems which are being faced by the public sector?
3. Are previous solutions such as the addis ababa agenda still viable or do they need to be altered?
4. What are the various areas of funding for the SDGs and how can they be made viable in order for them to be implemented by LDCs and SIDS?
5. What kind of collaboration can be seen between ECOSOC and other committees which are similar to ECOSOC?
6. What are the possible financial solutions that can combat issues like debt?
7. Since the world is shifting to a digital economy, how can the international community make the digital economy safer and reliable?
8. How can an effective universal sustainable financial system be implemented by tackling cultural and religious variations?

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