

Model United Nations of the Russian Far East

III Regional
MUNRFE
Conference

ISSUE BOOK



SECOND COMMITTEE
OF THE UNITED NATIONS
GENERAL ASSEMBLY



Marching into the Future:
Marching into the Future:
Financial, Military and Atomic Security
Financial, Military and Atomic Security

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WELCOMING LETTER

*“Give me control of a nation’s money supply,
and I care not who makes its laws”*

Mayer Amschel Rothschild

Honorable delegates of the II MUNRFE Regional Conference!

We highly appreciate all the delegates of the Second Committee, those who decided to eradicate financial and economic injustice in the world. We have a great pleasure to assist you in realizing your economic genius in the committee.

Any goal of the United Nations could not be achieved without money and its regulation. The efficiency and productiveness of the Second Committee may cause great changes in budgets of states, nations and, as a result, living standards of lots of people. In order to establish the UN financial policy a delegate has to be aware of the global financial system that operates with a great number of figures and utilizes lots of economic mechanisms. We believe all of you will express your deep knowledge, great level of professionalism and strongest passion in debating.

Debating in the Second Committee gives you a chance to get aware of complicated financial world and understand the great influence of economy. We hope that it would be the most interesting and productive committee at the Conference due to the activeness of its delegates.

We wish you GOOD LUCK in preparation and welcome to analyzing this Issue Book.

With best regards,

II Regional MUNRFE Session UN GA Second Committee Chairperson and Vice-Chairperson

Sergey Lebedev and Marina Katynskaya

BACKGROUND OF THE GA SECOND COMMITTEE

The General Assembly (GA) is one of six principal organs of the United Nations with equal representation of all Member States. As determined in the UN Charter, the functions and powers of the GA include approving the UN budget, considering reports from the Security Council and other UN organizations, and making recommendations in regard to maintaining international peace and security. Due to the wide range of topics, the General Assembly may establish such committees as it deems necessary for the performance of its functions. Therefore there are six main committees of the GA, dealing with specific matters. The **General Assembly Second Committee (GA 2nd)** handles Economic and Financial issues.

The task of the Second Committee is to discuss any financial and economic topics that are introduced in the General Assembly. After examining the issues in-depth, the Second Committee makes recommendations to the Assembly in the form of resolutions and reports which include implications and further suggestions which will have a direct impact on achieving the goals of the General Assembly and the UN as a whole. Due to the fact that it is a sub-committee of the General Assembly, all 192 Member States are represented in Second Committee.

The committee covers topics of macroeconomic policy such as international trade, debt crisis, financing for development, sustainable development, human settlements, poverty eradication, strengthening humanitarian and disaster relief assistance, globalization and interdependence, operational activities for development, and information and communication technologies for development.

To enhance its efficiency in the field of economic development, the Second Committee invited the World Bank, International Monetary Fund (IMF) and other regional development banks to successfully integrate development strategies to help Member States reach the Millennium Development Goals (MDGs). It calls for the continued collaboration and support of the multilateral financial institutions and supports the efforts of developing countries to create an environment conducive to attracting foreign investment.

Since its establishment the Committee has made recommendations concerning a great number of economic crises. For the last ten years the global recession sharpened the problems of capital liquidity, creditworthiness and dramatic debt growth. Failures to solve these problems apparently resulted in one of the strongest financial and economic crisis in the world history. Therefore to improve the international financial

system, government reforms and improved multilateral surveillance is a must step for the global community. Multilateral surveillance remains in the center of crisis prevention efforts. Adopting the recommendations to the Member States, the Second Committee must have adequate tools relative to the magnitude of capital account volatility in order to reestablish financial institutions' relevance of and importance to the emerging markets.

LIST OF THE AGENDA ITEMS:

1. External debt and development: towards a durable solution to the debt problems of developing countries sovereignty
2. Institutional response of the UN towards the global financial crisis

DESCRIPTION OF THE AGENDA ITEMS

Agenda item №1: External debt and development: towards a durable solution to the debt problems of developing countries sovereignty

The international economy has been a main focus of the United Nations (UN) since its inception. Within the sphere of international economics, the UN has been involved through two of its independent specialized agencies: the International Monetary Fund and the World Bank Group. In the beginning, according to the World Bank and IMF mandate the majority of their loans and assistance went to Western Europe. With the end of colonialism in the 1960s the two agencies began to direct their programs where they were most needed: the newly independent states. Since the 1960s the majority of programs in these international financial institutions have been dedicated to furthering the debt stability and growth of developing states.

Since 1990, the total debt stock of developing countries rose from \$1,421.6 billion to \$2,384.2 billion in 2002. This increase in debt amongst the developing countries has been recognized by the UN as a main deterrent to development, as well as stability in these countries. Since the adoption of the Millennium Development Goals (MDG), the General Assembly Second Committee has constantly addressed the topic of the external debt crisis and development, with most of its work focused on determining the best way to assist indebted countries in finding debt stability, while also addressing their development needs.

Currently, the main actors who are involved in tackling a debt crisis faced by a sovereign borrower are the World Bank and IMF, as well as the Paris Club of Creditors. All of these organizations address the challenge of a debt crisis in similar yet different manners.

The International Monetary Fund and World Bank established a number of programs focused on debt relief and sustainable development. In 1996, IMF and World Bank introduced their debt relief program entitled the Heavily Indebted Poor Countries Initiative (HIPC). However, the qualifications necessary to be accepted into the HIPC Initiative are rigorous and accordingly, only 40 countries have met the requirements to be considered for the program.

Another program of the IMF and World Bank designed to manage debt relief is the Multinational Debt Relief Initiative (MDRI), proposed by the Group of 8 (G-8) in 2005 in an attempt to promote the MDGs. 22 states have benefited from the program and the debt stock of these countries has been reduced by \$37.6 billion in 2006.

Experts claim that quite a small number of countries can afford to participate in the programs. Moreover, the requirements of participation are often not beneficial to the country. The UN General Assembly and its Second Committee have commented on the need to deal comprehensively with the debt problems of low-and middle-income countries. The requirements to participate have been seen as detrimental due to the fact that placing debt service at a high priority forces a government to rearrange its budget, taking funds away from health, education, social expenditures and investment into real economy. As a result, the IMF and World Bank programs are sometimes considered as the reason for the debt and lack of development in the Least Developed Countries (LDCs). Quite often the programs initiated by the IMF and World Bank to improve the ability of a State to pay its debt make the governments do so at the cost of investment into social services and human development.

Despite enhancing HIPC and MDRI many leaders of the LDCs still find that IMF and IDA limit their sovereignty, demanding to implement certain reforms in the countries. Furthermore, many of the countries who have received assistance under the HIPC Initiative have had to request more loans due to natural disasters and conflict in order to support reconstruction needs, which placed these countries back in an unstable debt situation.

Agenda item №2: Institutional response of the UN towards the global financial crisis

When the United States «property bubble burst», dramatic increases in mortgage defaults brought insurmountable consequences for the world's banking sector and financial markets. Numerous banks were over-exposed to bad loans or the complex financial assets derived from them. As a result, market participants became risk adverse, so when questions arose about the solvency of major financial institutions, this triggered a severe credit crunch which ultimately affected the real economy.

In the light that all regions felt the impact of the economic crisis through rapidly declining equity markets Miguel d'Escoto Brockmann, the President of the United Nations General Assembly, convened a panel of experts to discuss the large array of issues related to the crisis, including the reform of financial institutions.

In October 2008 the General Assembly established a Commission of Experts whose mandate was to reflect on the causes of the crisis, assess impacts on all countries and suggest adequate responses as to avoid its recurrence and restore global economic stability. The Commission's main function was to identify the broad principles for institutional reforms of the global financial system to ensure sustained global economic progress and stability which will be of benefit to all countries, developed and less developed.

In September 2009 the Commission presented a range of credible and feasible proposals aimed at reforming the international monetary and financial system, in the broad interest of the international community. These proposals included establishment of a new global reserve system based on the expanded role of the special drawing rights (SDR). It also recommended reforming the governmental structure of the World Bank and the IMF with the realignment of shares and establishing new international specialized institutions for the global economic system coordination.

At the G-20 Summit on Financial Markets and the World Economy on November 15, 2008, in Washington DC, the leaders of these nations concluded that major changes are needed in the global financial system. The G-20 recommendations implied that major measures were needed to reduce risk, to provide oversight, and to establish an early warning system of impending financial crises. The G-20 leaders also agreed that any necessary reforms could be successful only if they were grounded in a commitment to free market principles, including the rule of law, respect for private property, open trade and investment, competitive markets, and efficient, effectively-regulated financial systems.

To add, the Washington Action Plan from the G-20 Leader's Summit in November 2008 contained specific policy changes that were addressed at the April 2, 2009 Summit in London. The regulatory and other specific changes were assigned to existing international organizations such as the Financial Stability Forum and Bank for International Settlements, as well as international standard setting bodies such as the Basel Committee on Banking Supervision, International Accounting Standards Board, International Organization of Securities Commissions, and International Association of Insurance Supervisors. While the London Summit provided for more funding for international financial institutions, some larger issues, such as governance of and reform of the World Bank and the IMF are yet to be determined.

As for fostering policy changes, international community faces several fundamental challenges. First is whether any long term institutional policies should be designed to restore confidence and induce return to the normal functioning of a self-correcting system or whether the policies should be directed at changing a system that may have become inherently unstable, a system that every decade or so creates bubbles and then lurches into crisis. The international institutions have observed that market discipline still works and that the focus of new regulations should not be on eliminating risk but on improving market discipline and addressing the tendency of market participants to underestimate the systemic effects of their collective actions.

The coordination of the response of state governments, regional, sub-regional and international organizations is still unreliable. Financial institutions cooperation is still at a nascent stage compared to other areas such as trade. This claims measures to reform the international financial system.

In the second quarter of 2009, the economic situation appears to have plateaued and some countries are showing tentative signs of recovery. However, there is also a risk that the global economy could take another plunge. Therefore the world community feels the need to strengthen the institutional regulations of the consequences of the global financial crisis and concentrate on eradicating its causes to avoid the second wave.

DOCUMENTS PREPARATION BLOCK

Each delegate of the GA Second Committee is required to submit one Policy Paper on any of two agenda items. The deadline for submission of all three Policy Papers per each team is the 30th of April, 2011, 23:59 (GMT +09:00). A leader of a team sends all the documents of his/her teammates in one archive to savenkov_doc@mail.ru. The archive should be named by the capitalized name of your country, e.g. UGANDA.rar or FRANCE.rar. Each document should be named as follows: Country Name_Committee_Document Name_Number Of Issue.doc, e.g. China_2ndGA_PP_1.doc, or Russia_2ndGA_Res_3.doc. Please save documents as .doc but not .docx

Please, take into account that in case you are late with your documents sending, you will not have a chance to get high scores for them. Anyway, if you are eventually late with the deadlines, it does not mean that you must not send your documents at all.

Please, contact us if you have any questions: savenkov_doc@mail.ru.

Policy Papers Requirements

A Policy Paper should be prepared by each delegate for any of two agenda items. The written statements serve several functions for the delegation preparing for the conference. First, it provides an important exercise in the concise expression of national policy views. Second, it provides an important guide post in the preparation efforts. Third, it will provide a policy reference file in each committee during the conference session. Fourth, hopefully it will foster clearer, more concise and directed committee discussions. The Policy Paper must be 2/3 of sheet in length.

It must consist of three paragraphs and contain the following:

The first paragraph

- Background of the main elements of the problem or concern (e.g. brief historical overview of the issue)
- UN action taken in the past on the issue

The second paragraph

- Provide the current status of the issue,
- Current action or resolutions by the UN (i.e. current or last session of UN);

The third paragraph

- Main reasons that support your country's point of view or position on the issue, or strongest reasons favoring opposition and strongest points of rebuttal,
- Solution or resolution your country might propose to the issue. The proposed solution should be directed toward the issue at the international level and not toward the selected country's internal policy.

Policy Paper Format:

Margins: Up -2 cm, Down – 1,5 cm, Left – 3 cm, Right- 1,5 cm.

When you are writing the heading of the document: first you write the name of the country, then single space, name of the committee, then single space, Agenda Item, then double space and the first paragraph starts. The heading of the policy paper is all in Capital Letters, there is no indent in the beginning of each paragraph. There is a single space between each paragraph; the entire text should be justified (on both margins). Make sure you use Times New Roman, 12, single-spaced.

Policy Paper Sample

THE REPUBLIC OF GEORGIA

SECOND COMMITTEE

ELABORATING INNOVATIVE STRATEGIES FOR IMPLEMENTING THE MILLENNIUM DEVELOPMENT GOALS TILL 2015 OR CREATING NEW FRAMEWORKS FOR ACHIEVING SUSTAINABLE DEVELOPMENT

In 2001, recognizing the need to assist impoverished nations more efficiently, United Nations (UN) Member States adopted the targets of the Millennium Development Goals (MDGs) with the aim to spur development by improving social and economic conditions in the world's poorest countries. However, these targets were primarily established at the Millennium Summit in 2000, where all world leaders present adopted the United Nations Millennium Declaration, signed in September 2000, from which the eight goals were promoted with 21 targets for each goal and a series of measurable indicators for each target. To accelerate progress towards the MDGs, the G-8 Finance Ministers met in London in June 2005 and reached an agreement to provide enough funds to the World Bank, the International Monetary Fund (IMF), and the African Development Bank (ADB) to cancel an additional \$40–55 billion debt owed by members of the Heavily Indebted Poor Countries (HIPC).

Realizing the MDG's Progress towards reaching the goals can be marked as uneven. While implementing the MDG program in such countries as China and India are graduated as successful, areas needing the most reduction, such as the Sub-Saharan Africa regions have yet to make any drastic changes in improving their quality of life. The Sub-Saharan Africa reduced their poverty about one percent, and are at a major risk of not meeting the MDGs by 2015. Taking into account increasing global uncertainties, such as the economic crisis and climate change, the world community leads to an opportunity to reconsider and reconstruct the MDG approach to development policy of the UN Member States.

The Republic of Georgia calls upon to the most efficient realizing the MDG's program and recommends to concentrate on the Goals 2, 5 and 6 as the most actual problems. Georgia proposes to contribute the major part of the MDG's budget for achieving the majority of targets focused on the social progress of developing states. The objectives of these goals should be directed to establishing primary schools accessible for all citizens, universities, hospitals, special centers for HIV/AIDS treatment and other dangerous diseases, specializing on new technologies and actually help patients. These actions should result in increasing the level of education, medicine and reduce the quantity of people who advanced HIV/AIDS infection.

Resolution Requirements

A resolution is a formal statement of opinion or recommendation to be presented to the appropriate organ of the MUNRFE for adoption. Armed with a full understanding of its country's stand on an issue, a delegation can draft a suitable resolution on the issue. The item for resolution as well as policy papers depends on delegates' choice.

Resolutions are the basic decisions or statements of the constituent units of the United Nations. While drafted by individual states or groups thereof, they declare the official policy for the particular organ or body. While resolutions have a standard format, they may serve different purposes. Most resolutions state or reaffirm the policy of the Body on a particular item. Some resolutions include an entire treaty, declaration, or convention, making it available for state accession. Some resolutions may give directions, requests, or suggestions to other UN bodies, other international bodies, or specific funds and programs. They may condemn the actions of a state, urge collective action, and, in the case of the Security Council, require compulsory compliance.

The length of resolution is not limited but should be of a reasonable size and sufficient for encompassing all important details.

The resolution is divided into two parts: preamble and operative. The preamble phrases are the justifications for action. They denote Charter authorization for action, past resolution precedents, and statements about the particular problem. They are similar to the given in a logic proof. All actions taken in the resolution should be deductible from or supported by the preamble phrases. The policy portion of the resolution is composed of operative paragraphs. Each of these starts with a verb.

Taken as a whole, the operatives should deal thoroughly with one complete idea and should be arranged in logical progression. They should not be a collection of unrelated thoughts or statements on a broad topic. Instead, the resolution should deal as completely as possible with a given aspect of a topic. In doing so, more states can become involved in the resolution process, the quality of the resolutions will improve, and the overall treatment of a topic will be more detailed and specific.

Resolution Format:

Margins: Up – 2 cm, Down – 1,5 cm, Left – 3 cm, Right – 1,5 cm.

The heading of the resolution looks like this:

First line: A/2/1/Res.1

A means General Assembly; 2 – number of session (in our case it is always 2 since this is the II Regional MUNRFE Session); 1 – number of agenda item; Res.1 – number of a resolution.

No space

Second: Committee name – Second Committee

No space

Third: you just write II Regional MUNRFE Session

No space

Forth: name of the country you represent (also referred as sponsorship list)

Then **double** space

Name of the resolution centered and in capital letters

Then **single** space and you write the phrase: *The General Assembly, (italicized, with coma afterwards)*

Then **single** space and first preamble clause starts

There is a **single** space between the clauses, and double space between preamble and operative clause.

The entire text should be **justified** (on both margins), there is a 1.25 centimeters **indent** at the beginning of all preamble and operative clauses.

Make sure you use **Times New Roman, 12, single-spaced.**

Resolution Sample

A/2/1/Res.2
Second Committee
2nd Regional MUNRFE Session
The United Mexican States

EXTERNAL DEBT CRISIS AND DEVELOPMENT

The General Assembly,

Deeply convinced that the adoption of the Declaration on Definition and Interpretation of Principles of Self-Determination and Territorial Integrity would contribute to the strengthening of international peace and security,

Recalling the United Nations Millennium Declaration adopted by heads of State and Government on 8 September 2000,

Reaffirming the Monterrey Consensus of the International Conference on Financing for Development, which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

Recalling its resolution 57/270 B of 23 June 2003 on the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields,

Concerned that the current global economic recovery is uneven but determined to ensure that it leads to sustained world economic growth, to sustainable development and to a durable solution of the external debt problems of developing countries,

1. Reaffirms the determination, as expressed in the United Nations Millennium Declaration, to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term;
2. Emphasizes that the international financial system, along with enhanced official and private external financing, and foreign direct investment, are key elements for a durable solution to the external debt problems of developing countries;
3. Stresses that sustainable debt financing is an important element for mobilizing resources for public and private investment, and that national comprehensive strategies to monitor and manage the external liabilities embedded in the domestic preconditions for debt sustainability, including sound macroeconomic policies and public resource management, are a key element in reducing national vulnerabilities.
4. Fully supports strong and coherent cooperation among the international community in terms of finding solution to the problem existing.

LINKS:

1. www.un.org/en/ga/second/ - Second Committee site
2. www.ecb.int – European Central Bank site
3. www.imf.org – site of International Monetary Fund
4. www.worldbank.org – World Bank site
5. banglapraxis.wordpress.com – public interest research
6. www.globalresearch.ca – Center for Research on globalization
7. www.globalissues.org – site of global issues