1. The role of Investments and Trade in Services in economic development
2. Millennium Development Goals and post 2015 Development Agenda
Message from the Executive Board

Greetings delegates!

This Background Guide is designed to be the beginning of your research process, and by no means should encompass the scope of your research. The agenda of the committee is open-ended but requires focused research in certain key aspects that have been listed in this guide. The delegates must research thoroughly and go deep into the technicalities associated with the agenda. A good delegate is one who is clear about his/her country’s stand and has vast knowledge about the agenda. If there is something we want to really stress on, then it is: Research well! That is the first step towards becoming a good MUNer.

We urge all members of the committee to take the time to read the background guide and use it as a starting point for their research. We urge every delegate to come to the conference with an open mind, ready to meet and work with new people, and not be afraid of speaking in front of the committee, drafting a working paper, or supporting or opposing a resolution.

Please remember, you the delegates, will make the committee. The Executive Board is a mere facilitator. It shall be your prerogative to decide the direction in which you want to take this committee. Under no circumstances can information be quoted from this document. This document has been provided for your basic understanding and to provide you all with a platform to begin your research.

As your executive board, we want active participation from all the delegates, and we shall feel more than happy to clear any doubts that you may have, or any clarifications that you may seek. Please feel free to reach out. Happy Researching!

Regards,

Executive Board

You may contact us on the following email id in case of any queries and concerns—

umunecosoc@gmail.com
Acceptable sources of Information

Within the committee information can be quoted from the following sources:

1. News Sources:
   a. Reuters (http://www.reuters.com/) – Any Reuters article which clearly makes mention of the fact or is in contradiction of the fact being stated by a delegate in council.
   b. State operated News Agencies – These reports can be used in the support of or against the State that owns the News Agency. These reports, if credible or substantial enough, can be used in support of or against any Country as such but in that situation, they can be denied by any other country in the council. The Executive Board shall remain neutral towards the credibility of these reports. Some examples are,
      b.i. RIA Novosti (Russia) http://en.rian.ru/
      b.ii. IRNA (Iran) http://www.irna.ir/ENIndex.htm
      b.iii. BBC (United Kingdom) http://www.bbc.co.uk/
      b.iv. Xinhua News Agency and CCTV (P.R. China) http://cctvnews.cntv.cn/

2. Government Reports: These reports can be used in a similar way as the State Operated News Agencies reports and can, in all circumstances, be denied by another country. However, the essential difference is that if a government report is being denied by a certain country, it can still be accepted by the Executive Board as a credible source of information. Examples are,
   a. Government Websites like the State Department of the United States of America http://www.state.gov/index.htm
   c. Permanent Representatives to the United Nations Reports http://www.un.org/en/members/ (Click on any country to get the website of the Office of its Permanent Representative.

3. UN Reports: All UN Reports and publications are considered as credible sources of information.
   b. UN Affiliated bodies like the International Atomic Energy Agency (http://www.iaea.org), International Committee of the Red Cross (http://www.icrc.org/eng/index.jsp), etc.

Committee Introduction
All delegates are requested to know the following points about the UNECOSOC about the working of the committee and its various powers and functions.

(The following text has been extracted from the charter of the United Nations)

CHAPTER X: THE ECONOMIC AND SOCIAL COUNCIL

COMPOSITION

Article 61

1. The Economic and Social Council shall consist of fifty-four Members of the United Nations elected by the General Assembly.
2. Subject to the provisions of paragraph 3, eighteen members of the Economic and Social Council shall be elected each year for a term of three years. A retiring member shall be eligible for immediate re-election.
3. At the first election after the increase in the membership of the Economic and Social Council from twenty-seven to fifty-four members, in addition to the members elected in place of the nine members whose term of office expires at the end of that year, twenty-seven additional members shall be elected. Of these twenty-seven additional members, the term of office of nine members so elected shall expire at the end of one year, and of nine other members at the end of two years, in accordance with arrangements made by the General Assembly.
4. Each member of the Economic and Social Council shall have one representative.

FUNCTIONS and POWERS

Article 62

1. The Economic and Social Council may make or initiate studies and reports with respect to international economic, social, cultural, educational, health, and related matters and may make recommendations with respect to any such matters to the General Assembly to the Members of the United Nations, and to the specialized agencies concerned.
2. It may make recommendations for the purpose of promoting respect for, and observance of, human rights and fundamental freedoms for all.
3. It may prepare draft conventions for submission to the General Assembly, with respect to matters falling within its competence.
4. It may call, in accordance with the rules prescribed by the United Nations, international conferences on matters falling within its competence.

Article 63

1. The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly.
2. It may co-ordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations.

Article 64

1. The Economic and Social Council may take appropriate steps to obtain regular reports from the specialized agencies. It may make arrangements with the Members of the United Nations and with the specialized agencies to obtain reports on the steps taken to give effect to its own recommendations and to recommendations on matters falling within its competence made by the General Assembly.
2. It may communicate its observations on these reports to the General Assembly.

Article 65

The Economic and Social Council may furnish information to the Security Council and shall assist the Security Council upon its request.
Article 66

1. The Economic and Social Council shall perform such functions as fall within its competence in connection with the carrying out of the recommendations of the General Assembly.
2. It may, with the approval of the General Assembly, perform services at the request of Members of the United Nations and at the request of specialized agencies.
3. It shall perform such other functions as are specified elsewhere in the present Charter or as may be assigned to it by the General Assembly.

VOTING

Article 67

1. Each member of the Economic and Social Council shall have one vote.
2. Decisions of the Economic and Social Council shall be made by a majority of the members present and voting.

PROCEDURE

Article 68

The Economic and Social Council shall set up commissions in economic and social fields and for the promotion of human rights, and such other commissions as may be required for the performance of its functions.

Article 69

The Economic and Social Council shall invite any Member of the United Nations to participate, without vote, in its deliberations on any matter of particular concern to that Member.

Article 70

The Economic and Social Council may make arrangements for representatives of the specialized agencies to participate, without vote, in its deliberations and in those of the commissions established by it, and for its representatives to participate in the deliberations of the specialized agencies.

Article 71

The Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence. Such arrangements may be made with international organizations and, where appropriate, with national organizations after consultation with the Member of the United Nations concerned.

Article 72

1. The Economic and Social Council shall adopt its own rules of procedure, including the method of selecting its President.
2. The Economic and Social Council shall meet as required in accordance with its rules, which shall include provision for the convening of meetings on the request of a majority of its members.
Agenda A: The role of Investments and Trade in Services in economic development

The Service Sector

The services sector plays an increasingly important role in the global economy and the growth and development of countries.

Services are becoming crucial in a country’s development, including for the achievement of the Millennium Development Goals, such as poverty reduction and access to basic services, including education, water and health services.

Noteworthy Facts:

- **International trade in services** covers trade in intangibles, such as peoples’ skills \(^1\). Services trade is carried out through four modes of supply namely: cross-border supply, consumption abroad, commercial presence and presence of a natural person. International trade in services through these modes does not physically cross national border and thus is not affected by customs tariffs and other taxes applied to merchandise trade.

- Services trade is affected by domestic regulations in force in the sectors concerned in countries. International trade in services is thus sensitive to behind the border, national regulations that affect the supply of services.

- World Bank has pointed to the **higher contribution of growth in the services sector to poverty reduction** than the contribution of growth in the agriculture or manufacturing sectors \(^2\).

- **Strengthening the domestic services sector** by increasing its backward and forward linkages with the primary and the secondary sectors, as well as its linkage with trade, can be an effective component of a comprehensive development strategy.

- The 2011 World Development Indicators show that the services sector accounted for almost 71% of global GDP in 2010 and is expanding at a quicker rate than the agriculture and the manufacturing sectors. Moreover, trade in services is growing at a pace faster than trade in goods since the 1980s. In 2011, commercial services exports grew 11% to US$ 4.1 trillion — 29.82% coming from developing countries and 2.85% from transition economies.
Trade in services demonstrated relative resilience in the latest financial and economic crises in terms of lower magnitude of decline, less synchronicity across countries and earlier recovery from the crises. Such resilience has led many countries to incorporate services trade into their post-crisis national trade and growth strategies.

Defining Services

There exists no unique classification list of services. Different studies and organizations classify services differently. According to the International Monetary Fund (IMF), services include distributive services (e.g. transportation), producer services (e.g. banking and finance), social services (e.g. education) and personal services (e.g. catering). The WTO, on the other hand, classifies services on the basis of the UN Central Product Classification: business services; communication services; construction and related engineering services; distribution services; educational services; environmental services; financial services; health related and social services; tourism and travel related services; recreational, cultural and sporting services; transport services; and other services not included elsewhere. Notwithstanding the type of classification used, all services share common characteristics. First of all, contrary to goods, services are intangible and invisible.

These two characteristics have important implications for negotiations because they make it difficult to measure the real value of services and to assess their contribution to production. Moreover, services are perishable and non-storable. Unlike goods, services require simultaneous production and consumption, which is personal contact between customers and suppliers.

Trade in services is possible only via sales through a foreign affiliate or if either the customer or producer travels across borders. For example, in construction services the supplier moves to the location of the consumer. In tourism, the consumer moves to the location of the supplier. Thus, services require factor mobility. While foreign investment and labour mobility are also issues affecting goods trade, they are fundamental aspects of trade for some services. Factor mobility poses a political economy challenge both in the home and in the host country.

Role of Service Sector for Economic Development

Service sector is the lifeline for the social economic growth of a country. It is today the largest and fastest growing sector globally contributing more to the global output and employing more people than any other sector.

The real reason for the growth of the service sector is due to the increase in urbanization, privatization and more demand for intermediate and final consumer services. Availability of quality services is vital for the well being of the economy.

In advanced economies the growth in the primary and secondary sectors are directly dependent on the growth of services like banking, insurance, trade, commerce, entertainment etc.
In alignment with the global trends, Indian service sector has witnessed a major boom and is one of the major contributors to both employment and national income in recent times. The activities under the purview of the service sector are quite diverse. Trading, transportation and communication, financial, real estate and business services, community, social and personal services come within the gambit of the service industry.

TRADE IN SERVICES: AN OVERVIEW

Before proceeding with the in–depth analysis of how a developing country could become competitive in services exports, it is necessary to provide an adequate overview of the political economy of trade in services and the role of developing countries in the multilateral framework of trade in services liberalization.

The importance of trade in services–

According to the World Trade Organization (WTO), services represent the fastest growing sector of the global economy which accounts for about 70 per cent of world gross domestic product (GDP), one third of global employment and nearly 20 per cent of global trade.

Services are becoming the most important sector in many economies. Services account for about 70 per cent of economic activity in high–income countries and even in low income countries services generate at least 45 per cent of GDP. The fast paced evolution of information and telecommunications technology has arguably been one of the key drivers of services growth.

Services are important in their own right and as inputs to all other businesses. Services are vital to the functioning of any economy because they have an effect on competitiveness and play an intermediation function in the production process. Like capital goods, services play a key role as determinants of the productivity of the factors of production by facilitating transactions through space or time.

Indeed, services are inputs in the production of goods and other services and, through these, they contribute to economic growth and the development of countries. Low–cost, high–quality services generate economy–wide benefits. There is a relationship between high growth in services and high overall economic growth, albeit the causality relationship cannot be established.

Still, service sector growth is usually associated with a reduction in poverty, due to the creation of new jobs and an indirect effect on consumption, and greater participation of women in the labour market.
GATS: multilateral regulatory framework for trade in services

General Agreement on Trade in Services— is a specific multilateral regulatory framework for international services trade formulated by the world trade organisation. Concluded during the Uruguay Round in response to the impressive growth of the service economy over the past 30 years and the greater potential for trading services brought about by technological progress, it is in force since 1995.


(It will be highly appreciated if delegates focus on the drawbacks of this agreement and measures to counter the same. This can serve as major point of discussion which may include the very question of ratification of GATS)

Modes of supply

Under GATS, countries make specific commitments on different modes of supply. According to the ‘Scheduling of Initial Commitments in Trade in Services: Explanatory Note” “modes are essentially defined on the basis of the origin of the service supplier and consumer, and the degree and type of territorial presence which they have at the moment the service is delivered.”

Following the criteria established by the Explanatory Note, there are four ways in which international transactions take place: cross-border supply, consumption abroad, commercial presence and movement of natural persons.

<table>
<thead>
<tr>
<th>Mode</th>
<th>Other Criteria</th>
<th>Supplier Presence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode 1: Cross-border supply</td>
<td>Service delivered within the territory of the Member, from the territory of another Member</td>
<td>Service supplier not present within the territory of the member</td>
</tr>
<tr>
<td>Mode 2: Consumption abroad</td>
<td>Service delivered outside the territory of the Member, in the territory of another Member, to a service consumer of the Member</td>
<td></td>
</tr>
<tr>
<td>Mode 3: Commercial presence</td>
<td>Service delivered within the territory of the Member, through the commercial presence of the supplier</td>
<td>Service supplier present within the territory of the Member</td>
</tr>
<tr>
<td>Mode 4: Presence of a natural person</td>
<td>Service delivered within the territory of the Member, with supplier present as a natural person</td>
<td></td>
</tr>
</tbody>
</table>
Examples of cross-border supply (mode 1) include software services supplied by a supplier in one country through mail or electronic means to consumers in another country. Consumption abroad (mode 2) occurs for example when the consumer moves to another country for tourism or to receive medical or educational services. An example of commercial presence (mode 3) is an insurance company owned by citizens of one country establishing a branch in another country. Examples of movement of natural persons (mode 4) include a doctor of one country supplying through his physical presence services in another country.

With regards to mode 4, it includes both independent service suppliers, and employees of the services supplier of another country. Mode 4 only covers people moving temporarily, albeit no definition of temporary is provided. Very few unconditional commitments have so far been scheduled for mode 4, and the discussion at the political level often confuses mode 4 with migration, that is a permanent movement of persons.

GATS key principles and structure

This link has been provided to the delegates for the basic understanding of the treaty http://www.aic.lv/rec/Eng/new_d_en/gats/GATS_ovw.html

GATS covers all internationally-traded services, except services supplied in the exercise of governmental authority and, in the air transport sector, traffic rights and all services directly related to the exercise of traffic rights. It provides a “comprehensive set of multilateral rules covering international trade in services as well as a forum for continuous negotiations”.

GATS represents an important step in the process of service liberalisation, which requires the removal of all discriminatory barriers that affect services and services providers. Contrary to trade in goods, services are subject primarily to non-tariff barriers, which are more difficult to measure and less transparent than tariff barriers, and which may derive from a complex relationship between legitimate policy objectives and protectionist aims. Indeed, international service transactions are impeded by a variety of regulatory barriers, regarding especially foreign direct investment and the movement of the service providers, which span from certifications and licenses to quotas.

The most common barriers to trade in services, which stem from the absence or inadequate enforcement of national competition standards, are “quantitative restrictions or prohibitions on the provision of services by foreign residents: price-based measures applied through differential taxes on the transactions of foreign providers, or through additional charges on the regulatory processes that they engage in: additional licensing or certification requirements: and lack of access to distribution and communication networks”.

Source: WTO
Liberalization means allowing the private sector to participate in the provision of services: allowing foreign providers of services to compete on a non-discriminatory basis with state-owned companies and with the domestic private sector: and eliminate restrictions that create incentives for an inefficient and non-optimal provision of services. The benefits of service liberalisation derive from better market access abroad, increased competitiveness and efficiency of all sectors of the domestic economy as well as enhanced national welfare. Indeed, service liberalisation provides access to foreign capital and technology that, through enhanced competition and innovation, can offer consumers more choice in terms of quality and price at home and improve the productivity of producers.

**Two main reasons contribute to make service liberalisation even more beneficial than liberalisation of merchandise trade:** barriers to trade in services are higher, less transparent and more distortive of competition than those to trade in goods; and most of the restrictions applied to services are non-revenue generating quotas.

Also, services liberalisation would allow innovations to take place at a faster pace. Countries with liberalised markets have been great product and process innovators. This is due primarily to the intermediate nature of services which allow or transfer of skills and technologies that benefit the wider economy. However, service liberalization cannot yield the expected benefits if policymakers do not make adequate efforts to introduce competition, if they fail to strengthen regulation and to carry out appropriate sequencing of reforms, and if they provide inadequate assistance to help implement reforms.

GATS provides a useful tool for service liberalization albeit its reach is limited only to the sectors that countries include in their schedules of specific commitments, thereby locking in their policy regime. GATS is useful to all stakeholders involved in trade in services, from governments to enterprises. The latter in particular benefit from the increased transparency that GATS provides because they can supply services under predictable, stable conditions and can plan long-term investments with greater certainty.

GATS is based on four basic trade principles: most-favoured nation (MFN), market access, national treatment and transparency. According to the MFN principle, WTO Members should treat services providers in the same way as they would treat those from their most favoured trade partner and prohibits Members from discriminating between services and services providers from different member countries. According to the market access principle, access to the domestic market should not be trade distorting. The national treatment principle entails that foreign services and services providers should be treated no less favourably than domestic services and service providers. Finally, transparency means that a country’s regulations should be clear and readily accessible to foreign service providers.

GATS applies a hybrid approach to multilateral liberalisation of international services markets. On the one hand, GATS is based on a general obligation of MFN treatment, which is limited by a ‘negative list’ of exceptions. Such exemptions, however, have a limited duration and could only be taken during the Uruguay Round and in the follow-up sectoral negotiations”. On the other hand, members make specific commitments on market access and national treatment in selected sectors by means of a ‘positive list approach’. Within each sector, members make commitments for different modes of services supply. Yet again the commitments are subject to a ‘negative list’ of nonconforming measures (i.e. the measures that violate principles of market access and national treatment).
The level of liberalization under the GATS’ hybrid approach depends on the number of services sectors that are not included in the list of exemptions to the MFN treatment and on the sectors put in the positive list of commitments for which no nonconforming measures are maintained.

Alongside the non-discriminatory treatment of foreign service suppliers and the transparency of regulatory regimes, other key tenets of the GATS are: recognition of standards; objective and reasonable regulations; and, most importantly, progressive liberalization through further negotiations. These principles provide powerful incentives that will help to attract capitals, expertise and access to international information networks that global service companies control, increase the predictability and transparency of market access regimes and circumscribe anticompetitive practices by foreign-service providers, and the conduct of state-owned service providers.

The GATS also includes annexes, which outline issues in specific services sectors, such as professional services, air transport, financial services, maritime transport, and telecommunications.

**Liberalisation through GATS negotiations**

Liberalization can occur unilaterally as well as at a plurilateral and multilateral level. Although GATS remains the main forum for multilateral negotiations, plurilateral trade agreements (PTAs) covering services have flourished since the mid-1990s. 83 services PTAs have been notified since 1995. They account for almost 30% of all WTO-notified PTAs. Moreover, many governments have carried out policy reforms to relax restrictions on foreign provisions of services autonomously, outside the realm of negotiations. Indeed, the commitments inscribed in the Members’ schedules of commitments at the end of the Uruguay Round were essentially confined to existing regimes in a limited number of sectors whereas further progress has been the result of unilateral liberalisation by individual countries.

Albeit unilateral liberalisation may be feasible, countries should enter reciprocal negotiations to liberalise trade in services for three main reasons. First of all, negotiations allow for deeper liberalization through the reciprocal exchange of concessions. Secondly, governments’ reforms are more credible through binding commitments. Thirdly, negotiations allow for regulatory cooperation.

Following GATT Article XIX, which establishes that WTO Members should engage in further negotiations with a view to achieve higher levels of service liberalization, GATS has been characterised by continuous negotiations and deliberations in committees and working parties in order to expand the coverage of the agreement. The latest round of negotiations began in 2000 and became part of the ‘single undertaking’ under the Doha Development Agenda at the Doha Ministerial Conference in November 2001. Currently, services negotiations focus on four topics: market access, domestic regulation, GATS rules and implementation of LDC modalities.
Trade in services and developing countries

Most developing countries tend to believe that trade in services is the realm of developed countries and that they are not able to play a greater role in services liberalisation. However, albeit trade statistics confirm that developed countries play a major role in trade in services, several developing countries have the potential to participate more actively in trade in services by becoming service exporters, provided that, as pointed out by Cattaneo, they liberalise services in a proper sequence and implement policy reforms that create an enabling environment for private sector service providers.

Developing countries can sustain services-led growth because there is enormous space for catching up and convergence. Also, the globalisation of services contributes to expanding the opportunities for developing countries to develop on the basis of their comparative advantage and to specialise in sectors other than manufacturing and agriculture. For example, due to their advanced skills and lower labour costs, many developing countries have substantial untapped potential to satisfy the demand for Business Process Outsourcing services such as accounting, engineering, IT and legal services. It is not necessary for developing countries to become industry based economies before becoming services exporters. As India exemplifies, a developing country can directly move from an agriculture based economy to a knowledge based economy, as long as it is able to fulfil its potential as services exporter.

The passive role that many developing countries have taken so far in services liberalisation depends also on a number of other factors. First of all, most developing countries are often unable to engage meaningfully in service negotiations because of lack of adequate human, financial and administrative resources. Indeed, numerous developing countries often do not have a permanent representation in Geneva, at the heart of the multilateral trade world, and they frequently lack human resources with adequate competences in trade policy. Also, they often have limited financial resources which constrain their ability to engage more actively in trade negotiations. Secondly, many developing countries tend to be more defensive in their commitments to market access because they are afraid of repercussions that further entry of foreign service suppliers could have on their domestic market, especially in terms of employment. Indeed, several developing countries have voiced concerns over the risks from further services liberalisation regarding, among others, the impact of opening domestic service sectors on poverty and the risk of displacement of unskilled labour as a result of the local establishment of foreign services providers or the entry of new domestic competitors.

Thirdly, many developing countries are often ill-equipped to implement commitments adequately, especially in case of North–South Agreements. The difficulties faced by most developing countries in their ability to engage meaningfully in service negotiations translate into cautious negotiating stances and levels of bound commitments.

However, many developing countries would greatly benefit from service liberalisation because it will allow resources to be allocated more efficiently. A better allocation of resources improves price, choice and quality of services and the overall economic capacity, which in turn facilitates trade in manufacturing and agriculture, a traditional export earner for developing countries. By gaining market access several developing countries would be able to export those services where they have relative strength or comparative advantage. Indeed, access to foreign markets is important for most developing economies because it enables them to improve their export earnings and the employment opportunities of their nationals, as well as to increase the efficiency in their own economies so as to mobilise resources for development.
Services Exports

Services exports represent an opportunity for many developing countries because they can directly affect overall competitiveness and growth and indirectly affect poverty, employment and consumption. Moreover, increasing services exports may alleviate balance of payments deficits, which affect many developing countries, by creating potentially significant new export earners.

Finally, increased exports of services allow developing countries to diversify their development strategy and to move away from relying on agriculture and natural resources only to grow.

Services exports are to be analysed and understood in the general context of trade in services and in relationship with services imports. Current trends, patterns and flows of trade services, import services and export services help clarify the political economy framework within which the research takes place.

Services Imports

Service imports play a significant role for service exports. They allow capital and knowledge to flow in the importing country and, as a consequence, contribute to increasing the productivity and competitiveness of all sectors of the economy, including services that are exported.

Developed countries have been the main commercial service importers in the past two decades. However, in the last ten years the increase in service imports can be attributed primarily to the growth of developing countries such as China and India as well as developed countries such as Ireland and Singapore.

Europe & Central Asia and North America alone accounted for 62.5 per cent of commercial service imports in 2009. However, their share of world service imports has decreased from an initial 64.4 per cent in 2000. On the contrary, Middle East & North Africa, South Asia and Sub-Saharan Africa have increased their share of world service imports of 1.2 per cent each from 2000 to 2009.

Importance of Service Sector for Least Developed Countries and CARICOM

For developing countries and least developed countries (LDCs), service trade is the new frontier for enhancing their participation in international trade and, in turn, realizing development gains. However, positively integrating developing countries, especially LDCs, and Land–Locked Developing Countries (LLDC) into the global services economy and increasing their participation in services trade, particularly in modes and sectors of export interest to them, remains a major development challenge.
It is therefore imperative to increase public and private sector advocacy and awareness, to mobilize policy attention and resources to boost the sector’s contribution to growth and development in developing countries and LDCs.

Given the multifaceted contribution of services to national economy and trade, it is critically important to design and implement a services-driven development strategy within a coherent and comprehensive policy framework, ensuring linkages with other policy areas and overall national development objectives.

Investment in services and economic growth

Investment has different meanings in finance and economics. In economics, investment is the accumulation of newly produced physical entities, such as factories, machinery, houses, and goods inventories.

In finance, investment is putting money into an asset with the expectation of capital appreciation, dividends, and/or interest earnings. This may or may not be backed by research and analysis. Most or all forms of investment involve some form of risk, such as investment in equities, property, and even fixed interest securities which are subject, among other things, to inflation risk. It is indispensable for project investors to identify and manage the risks related to the investment.

By Definition: Investment refers asset or item that is purchased with the hope that it will generate income or appreciate in the future. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. (http://www.investopedia.com/terms/i/investment.asp)

Investments need not take place only through a government’s initiatives, these may be done by way of private sector or involvement of domestic or international financial institutions.

Few methods of Investments

Microfinance is a source of financial services for entrepreneurs and small businesses lacking access to banking and related services. The two main mechanisms for the delivery of financial services to such clients are: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group. The impact of microcredit is a subject of much controversy. Proponents state that it reduces poverty through higher employment and higher incomes. This is expected to lead to improved nutrition and improved education of the borrowers’ children. Some argue that microcredit empowers women. In the US and Canada, it is argued that microcredit helps recipients to graduate from welfare programs.
Critics say that microcredit has not increased incomes, but has driven poor households into a debt trap, in some cases even leading to suicide. They add that the money from loans is often used for durable consumer goods or consumption instead of being used for productive investments, that it fails to empower women, and that it has not improved health or education.

The available evidence indicates that in many cases microcredit has facilitated the creation and the growth of businesses, providing overall economic growth. It has often generated self-employment, but it has not necessarily increased incomes after interest payments. In some cases it has driven borrowers into debt traps. There is no evidence that microcredit has empowered women. In short, microcredit has achieved much less than what its proponents said it would achieve, but its negative impacts have not been as drastic as some critics have argued. Microcredit is just one factor influencing the success of small businesses, whose success is influenced to a much larger extent by how much an economy or a particular market grows.

Public Private Partnership

A public–private partnership (PPP) is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. These schemes are sometimes referred to as PPP, P3 or P^3_. It is one the dormant and indirect methods of investing in the service sector.

PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project. In some types of PPP, the cost of using the service is borne exclusively by the users of the service and not by the taxpayer. In other types (notably the private finance initiative), capital investment is made by the private sector on the basis of a contract with government to provide agreed services and the cost of providing the service is borne wholly or in part by the government.

Government contributions to a PPP may also be in kind (notably the transfer of existing assets). In projects that are aimed at creating public goods like in the infrastructure sector, the government may provide a capital subsidy in the form of a one-time grant, so as to make it more attractive to the private investors. In some other cases, the government may support the project by providing revenue subsidies, including tax breaks or by removing guaranteed annual revenues for a fixed time period.

There are usually two fundamental drivers for PPPs. Firstly, PPPs are claimed to enable the public sector to harness the expertise and efficiencies that the private sector can bring to the delivery of certain facilities and services traditionally procured and delivered by the public sector. Secondly, a PPP is structured so that the public sector body seeking to make a capital investment does not incur
any borrowing. Rather, the PPP borrowing is incurred by the private sector vehicle implementing the project and therefore, from the public sector’s perspective, a PPP is an "off-balance sheet" method of financing the delivery of new or refurbished public sector assets.

*PPP projects usually deal in development of infrastructural facilities however, it is still a matter of dispute among economists whether it is apt for provision of services and development of the service sector as a whole.*

**Public investments**

Public investment by the state and local governments builds the nation’s capital stock by devoting resources to the basic physical infrastructure (such as roads, bridges, rail lines, airports, and water distribution), innovative activity (basic research), green investments (clean power sources and weatherization), and education (both primary and advanced, as well as job training) that leads to higher productivity and/or higher living standards. While private actors also invest in these areas, they do so to a much smaller degree, in part because the gains from public investment accrue not just to those undertaking the investment, but to a wide range of people and businesses.

In recent years, some debate has centered around increasing public investment to provide a near-term boost to the job market, based on research showing that infrastructure investment is about the most efficient fiscal support one can provide to a depressed economy. But there is also an enormous amount of economic evidence demonstrating that public investment is a significant long-run driver of productivity growth—and hence growth in average living standards. This lesson was lost in recent decades because—in a break from historical trends—productivity acceleration in the late 1990s was driven largely by private-sector investments in information and communications technology (ICT) equipment, and not by increased public investments.

- Public investment can play a major role in increasing growth and domestic employment, both over the cycle and in the medium term, by increasing demand and enlarging the capital base of the economy.
- Public investment can be designed to encourage certain types of private investment, not to crowd them out. By providing key infrastructure, public investment can turn previously uneconomical private investments into profitable ones.

These findings strongly suggest that increasing public investment is a more urgent policy priority than cutting spending. A significant increase in public investment spending would boost jobs in the short run and pay enormous dividends in more rapid productivity growth in coming decades.

**Foreign Direct Investment**

*Foreign direct investment (FDI)* is a direct investment into production or business in a country by an individual or company of another country, either by buying a company in the target country or by expanding operations of an existing business in that country. Foreign direct investment is in contrast to portfolio investment which is a passive investment in the securities of another country such as stocks and bonds.
An increase in FDI may be associated with improved economic growth due to the influx of capital and increased tax revenues for the host country. Host countries often try to channel FDI investment into new infrastructure and other projects to boost development. Greater competition from new companies can lead to productivity gains and greater efficiency in the host country and it has been suggested that the application of a foreign entity’s policies to a domestic subsidiary may improve corporate governance standards.

Furthermore, foreign investment can result in the transfer of soft skills through training and job creation, the availability of more advanced technology for the domestic market and access to research and development resources. The local population may be able to benefit from the employment opportunities created by new businesses.

These are the four most popular and ‘widely in practice’, methods of investments for the development of service sector. The delegates are requested not to limit their research to the aforementioned methods. Though these solve the general purpose, the question of mobilization of domestic and international investment in the service sector still remains. The delegates are expected to address the following in their discussions—

1. Enabling domestic environments: governance issues; sound macroeconomic policies, including fiscal and private savings policies; special needs of Africa, the least developed countries, small–island developing States, landlocked and transit developing countries and other developing countries as well as countries with economies in transition with special difficulties in attracting financing for development of service sector.
2. Strengthening public finances: development and enforcement of effective and equitable tax systems; enhanced allocation of public expenditures for infrastructure and social development; capacity–building and technical assistance.
3. Strengthening the domestic financial sector: institutional issues; supervision; harmonization of codes and standards; innovative instruments; access to microcredit; capacity–building and technical assistance.

Case studies–

Least developed countries (LDCs)

What are the least developed countries?

Forty–nine countries are currently designated by the United Nations as “least developed countries” (LDCs). These are: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, the Gambia, Guinea, Guinea–Bissau, Haiti, Kiribati, Lao People’s Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Timor–Leste, Togo, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, Yemen and Zambia. The list of LDCs is reviewed every three years by the United Nations Economic and Social Council in the light of recommendations by the Committee for Development Policy (CDP).
Capital accumulation is the process whereby investment increases various kinds of capital stock: physical capital, human resources, financial capital and natural resources. The patterns and sources of investment mobilization, and the policies applied to guide the investment process, have a direct impact on the type of growth achieved and its impact on employment. Capital accumulation is often seen as a function of private agents in an economy, and in fact the private sector accounts for the bulk of capital accumulation, except for human capital accumulation.

The need for a substantial State role is even more evident in LDCs, since the institutions which facilitate and foster active private corporate involvement tend to be less developed and since private agents themselves often do not operate on the scale required for large investments. This means that a strong investment–growth–employment nexus in LDCs requires the involvement of a developmental State.

Policymakers should be aware that different types of economic activities are associated with diverse levels of employment intensity. For example, services are generally more intensive in their use of the labour force than are activities in the extractive industries. Thus, if investment in activities which are more employment-intensive is promoted, the resulting GDP growth will also be more employment-intensive. If, on the other hand, the investment is directed primarily into extractive industries, it is highly likely that the intensity of employment will be low. A major policy implication is that policy interventions have to be designed to encourage investment in activities with the strongest employment effects.

Caribbean Community (CARICOM)

Established in 1973, the Caribbean Community (CARICOM) is an organization of 15 Caribbean nations and dependencies. CARICOM’s main purposes are to promote economic integration and cooperation among its members, to ensure that the benefits of integration are equitably shared, and to coordinate foreign policy. Its major activities involve coordinating economic policies and development planning; devising and instituting special projects for the less-developed countries within its jurisdiction; operating as a regional single market for many of its members (Caricom Single Market); and handling regional trade disputes. The secretariat headquarters is based in Georgetown, Guyana.

Member states individually face a lot of economic turbulence and their GDP growths range between 1 to 3%. In many cases some nations have also faced negative growth as low as −8.5% of the gdp.

The demographic conditions of LDCs and most member states in the Caricom are very similar. Delegates are recommended to focus on the special needs of these countries and also discuss and solve the issues and areas where they lack.

Major International Financing Bodies

The International Monetary Fund (IMF) is an international organization that was initiated in 1944 at the Bretton Woods Conference and formally created in 1945 by 29 member countries. The IMF’s stated goal was to assist in the reconstruction of the world’s international payment system post–
World War II. Countries contribute money to a pool through a quota system from which countries with payment imbalances can borrow funds temporarily. Through this activity and others such as surveillance of its members' economies and the demand for self-correcting policies, the IMF works to improve the economies of its member countries.

The IMF describes itself as “an organization of 188 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.” The organization’s stated objectives are to promote international economic co-operation, international trade, employment, and exchange rate stability, including by making financial resources available to member countries to meet balance of payments needs. Its headquarters are in Washington, D.C., United States.

IMF conditionality is a set of policies or conditions that the IMF requires in exchange for financial resources. The IMF does not require collateral from countries for loans but rather requires the government seeking assistance to correct its macroeconomic imbalances in the form of policy reform. If the conditions are not met, the funds are withheld.

Conditionality is perhaps the most controversial aspect of IMF policies. The concept of conditionality was introduced in an Executive Board decision in 1952 and later incorporated in the Articles of Agreement.

Conditionality is associated with economic theory as well as an enforcement mechanism for repayment. Stemming primarily from the work of Jacques Polak in the Fund’s research department, the theoretical underpinning of conditionality was the "monetary approach to the balance of payments."

These loan conditions ensure that the borrowing country will be able to repay the Fund and that the country won’t attempt to solve their balance of payment problems in a way that would negatively impact the international economy. The incentive problem of moral hazard, which is the actions of economic agents maximising their own utility to the detriment of others when they do not bear the full consequences of their actions, is mitigated through conditions rather than providing collateral: countries in need of IMF loans do not generally possess internationally valuable collateral anyway.

Conditionality also reassures the IMF that the funds lent to them will be used for the purposes defined by the Articles of Agreement and provides safeguards that country will be able to rectify its macroeconomic and structural imbalances. In the judgment of the Fund, the adoption by the member of certain corrective measures or policies will allow it to repay the Fund, thereby ensuring that the same resources will be available to support other members.

The World Bank is a United Nations international financial institution that provides loans to developing countries for capital programs. The World Bank is a component of the World Bank Group and a member of the United Nations Development Group.

The World Bank’s official goal is the reduction of poverty. According to its Articles of Agreement, all its decisions must be guided by a commitment to the promotion of foreign investment and international trade and to the facilitation of capital investment.

One of the strongest criticisms of the World Bank has been the way in which it is governed. While the World Bank represents 188 countries, it is run by a small number of economically powerful countries. These countries (which also provide most of the institution's funding) choose the leadership and senior management of the World Bank, and so their interests dominate the bank. Another source of criticism has been the tradition of having an American head the bank, implemented because the United States provides the majority of World Bank funding. "When economists from the World Bank visit poor countries to dispense cash and advice," observed The Economist in 2012, "they routinely tell governments to reject cronyism and fill each important job with the best candidate available. It is good advice. The World Bank should take it.” Jim Yong Kim is the most recently appointed president of the World Bank.

Kindly note, these two institutions provide direct ‘funding’ to nations and should not be confused with international organisations which ‘invest’. However, they prove to be a major source of financial assistance to various nations.

Agenda B: Millenium Development Goals and Post 2015 Development Agenda

The Eight Millennium Development Goals (MDGs) – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education – have been a milestone in global and national development efforts. The framework has helped to galvanize development efforts and guide global and national development priorities. While three of the eight goals have been achieved prior to the final deadline of 2015, progress has been uneven within and across countries. Thus, further efforts and a strong global partnership for development are needed to accelerate progress and achieve the goals by 2015.

What are Millennium Development Goals?

The Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration. All 189 United Nations member states at that time (there are 193 currently) and at least 23 international organizations committed to help achieve the following Millennium Development Goals by 2015. The Eight Millennium Development Goals are displayed below:
Developing the post 2015 Agenda: SDG’s — introduction

The outcome document of the 2010 High-level Plenary Meeting of the General Assembly on the MDGs requested the Secretary-General to initiate thinking on a post–2015 development agenda and include recommendations in his annual report on efforts to accelerate MDG progress.

The outcome of the Rio+20 Conference on Sustainable Development initiated an inclusive intergovernmental process to prepare a set of sustainable development goals (SDGs). There is broad agreement on the need for close linkages between the two processes to arrive at one global development agenda for the post–2015 period, with sustainable development at its centre.

Link to the General Assembly (plenary) resolution –
UN Conference on Sustainable Development – or Rio+20

The United Nations Conference on Sustainable Development - or Rio+20 - took place in Rio de Janeiro, Brazil on 20-22 June 2012.

In Rio, Member States decided to launch a process to develop a set of SDGs, which will build upon the Millennium Development Goals and converge with the post 2015 development agenda.

The Conference also adopted ground-breaking guidelines on green economy policies.

Governments also decided to establish an intergovernmental process under the General Assembly to prepare options on a strategy for sustainable development financing.

Governments also agreed to strengthen the UNEP on several fronts with action to be taken during the 67th session of the General Assembly. They also agreed to establish a high-level political forum for sustainable development.

Governments also requested the United Nations Statistical Commission, in consultation with relevant United Nations system entities and other relevant organizations, to launch a programme of work in the area of measures of progress to complement gross domestic product in order to better inform policy decisions.

RELEVANT LINKS


Linkages between the role of ECOSOC and UN (As a whole)

- Building on its success in reviewing progress on the MDGs through the Annual Ministerial Review (AMR), the Economic and Social Council will play a major role in the preparations, implementation and follow up of a post-2015 development agenda.
- The ECOSOC strengthening process and the Council’s mandated role in the integration of the three dimensions of sustainable development should also bolster the Council’s role as a monitoring platform in the post-2015 era.
- In addition, dialogue is being initiated through the Development Cooperation Forum (DCF) on the possible features of a renewed global partnership for development, and characteristics of a monitoring and accountability framework.

- The ECOSOC strengthening process and the Council’s role coming out of the Rio+20 Conference in the integration of the three dimensions of sustainable development should further bolster the Council’s role in the post-2015 era.
- The Secretary-General established the UN System Task Team on the Post–2015 UN Development Agenda.
- In its first report to the Secretary-General in May 2012, REALIZING THE FUTURE WE WANT FOR ALL, the Task Team outlines a vision for the post–2015 development agenda and suggests four key dimensions of inclusive economic and social development.
environmental sustainability and peace and security. Members of the Task Team also prepared a set of 18 think pieces that explore how different themes could potentially be reflected in a new framework.

- The Task Team published a second report on a RENEWED GLOBAL PARTNERSHIP FOR DEVELOPMENT in March 2013. The report provides recommendations on key dimensions and a potential format for a global partnership in the post-2015 era. It advises that the partnership should include universal commitments calling for actions from all countries, according to their national capabilities.

- In July 2012, the Secretary-General launched his High-level Panel of Eminent Persons to provide guidance and recommendations on the post-2015 development agenda.

- There are currently two important parallel processes that are taking place within the UN: the UN Conference on Sustainable Development (Rio+20) and initial discussions on a post-2015 development agenda. These two processes are interlinked and both have significant implications for ECOSOC, both in terms of its role and working methods and its substantive contribution to the debate. ECOSOC’s role is particularly important given its role and mandate on development.

Primary issues raised by Member States

1. The world had changed dramatically since the adoption of the Millennium Declaration and formulation of the MDGs. The post-2015 UN development agenda must reflect those changes, while building on the MDG framework. It was also stressed that current collective efforts to achieve the MDGs must remain a top priority. The need to strengthen the emphasis brought by the MDGs on the multidimensional nature of poverty was also mentioned.

2. A range of challenges that had emerged or intensified since 2000 would need to be addressed. Among those mentioned were sustainable development, inclusive growth, inequalities, demographic dynamics, governance, conflict, food security and nutrition. The intergenerational dimension of a number of these issues was noted. Also mentioned was the need to expand the coverage of issues under the global partnership for development, with specific reference to trade, migration and subsidies.

3. The link to the Rio +20 was stressed, along with the need to work toward one UN development agenda post 2015, with sustainable development at its centre. The discussions on Sustainable Development Goals (SDGs), green economy and the institutional framework for sustainable development were noted as important elements of progress. Clarification was sought on how to achieve greater convergence of the Rio+20 and post-2015 processes, while ensuring Member-State leadership and making full use of Secretariat expertise and participation of all stakeholders.

4. Concrete, quantifiable, time-bound goals, which could be communicated in a clear and straightforward manner, must be the focus of the post-2015 UN development
agenda. The need to preserve the catalytic power of the clear and simple MDG framework was reiterated, in order to build political momentum, ensure feasibility of implementation and strengthen measurability and accountability for progress. By the same token, the need to avoid an overloaded agenda, while still ensuring an inclusive process, was stressed.

5. The post–2015 UN development agenda should be applicable for all countries, not only Least Developed Countries. The importance of universal applicability of the agenda was noted by a number of delegations. A number of related questions were raised:

How to balance universality with the principle of common but differentiated responsibilities, especially in the realm of sustainable development;

How a universal framework would align with a continued focus on poverty eradication;

How to take a balanced approach toward national and systemic/international level issues, including the challenge of measurement in relation to some of the systemic issues, such as governance.

6. The post–2015 UN development agenda must recognize that “one size does not fit all” and balance global agenda setting with national target setting. The post–2015 agenda must take into account national ownership, priority setting and different national circumstances and means of implementation.

Delegates shared the view on an open and inclusive consultation process, engaging all stakeholders, on the post–2015 UN development agenda.
OVERVIEW

- The number of people living under the international poverty line of $1.25 a day declined from 1.8 to 1.4 billion between 1990 and 2005.

- The proportion of people living in extreme poverty in developing regions dropped from 46 per cent to 27 per cent — largely the result of extraordinary success in Asia.

Over a 25-year period, the poverty rate in East Asia fell from nearly 60 per cent to under 20 per cent. Poverty rates are expected to fall to around 5 per cent in China and 24 per cent in India by 2015. In contrast, little progress has been made in reducing extreme poverty in sub-Saharan Africa, where the poverty rate has declined only slightly, from 58 to 51 per cent between 1990 and 2005. Sub-Saharan Africa, West Asia and parts of Eastern Europe and Central Asia are the few regions not expected to achieve the MDG poverty reduction target.

ECOSOC

In 2007, the Council held its first-ever Annual Ministerial Review on the theme of global poverty and hunger. A Ministerial Declaration which provides policy guidance and recommendations for action was adopted by ECOSOC. Ministers from six developing countries — Bangladesh, Barbados, Cambodia, Cape Verde, Ethiopia and Ghana — delivered “National Voluntary Presentations”, which detailed their countries’ recent efforts to cut poverty, while offering case studies on successful initiatives. In 2012, ECOSOC will return to the issue of poverty with an AMR devoted to jobs and growth.

Link to Annual Ministerial Review 2007–
The UN Development Programme (UNDP) is supporting India’s “Mahatma Gandhi National Rural Employment Guarantee Scheme.

UNDP provided technical expertise to establish the Ethiopian Commodity Exchange, bringing together farmers, farming co-operatives, domestic traders, agro-industrial processors, commodity exporters and institutional buyers to meet and trade through a secure, low-cost platform.

The World Food Programme (WFP) provides food assistance, including cash and voucher transfers to the hungry.

The Office of the UN High Commissioner for Human Rights (OHCHR) provides technical advice and support in many countries, such as in Nepal, and Liberia, on integrating human rights into MDG-based development planning.

In Mali, UNDP is working with a women’s mango cooperative which aims to give women farmers the right skills to grow and treat their produce for export.

In 2009, the UN Children’s Fund (UNICEF) and UN Economic Commission for Latin America and the Caribbean (ECLAC) carried out the first regional comparative study of child poverty to promote inclusive, efficient public policy for children and adolescents.

In 2008, enrolment in primary education in developing regions reached 89 per cent, up from 83 per cent in 2000.

Roughly 69 million school-age children are not in school, down considerably from 106 million in 1999. Among the remaining unenrolled group, almost half (31 million) live in sub-Saharan Africa, while another quarter (18 million) reside in South Asia.

Global enrolment in primary education continues to rise, reaching 89 per cent in the developing world in 2008. Between 1999 and 2008, enrolment increased by 18 percentage points in sub-Saharan Africa, and by 11 and 8 percentage points in South Asia and North Africa, respectively.
ECOSOC

In 2011, the Council held its Annual Ministerial Review on the theme of education and adopted a strong Ministerial Declaration, highlighting key policies to better promote access to education and improve its quality. Ministers from ten countries — Bangladesh, Belarus, Germany, Mauritius, Pakistan, Qatar, Senegal, Turkey, and Venezuela — delivered “National Voluntary Presentations”, which detailed their countries’ recent efforts to achieve universal primary education, while offering case studies on successful initiatives. In 2013, ECOSOC will again return to the issue of education with an AMR devoted to promoting science, technology and innovation.

Link to AMR 2011—
Link to ministerial Declaration 2011—

UN System

• The UN Educational, Scientific and Cultural Organization (UNESCO) helps nations build quality, universal primary education systems.

  UNESCO's “Basic Education in Africa Programme”, for example, encourages countries to adopt legal frameworks guaranteeing 8-10 years of uninterrupted basic education.

• The UN Population Fund (UNFPA) supports an Ethiopian programme called “BerhaneHewan”, which discourages child marriages and promotes measures aimed at keeping girls in school. In Malawi, UNFPA is working with Youth Councils to repeal a law allowing girls as young as 16 to be married and to support campaigns to keep girls in school.

MDG 3

Overview

• Education: In developing regions, 96 girls were enrolled in primary and in secondary school for every 100 boys in 2009. This is a significant improvement since 1999, when the ratios were 91 and 88, respectively. However, only three regions—the Caucasus and Central Asia, Latin America and the Caribbean, and South–Eastern Asia—have achieved gender parity in primary education (defined as a gender parity index between 97 and 103).
Exceptionally, in Eastern Asia, girls slightly outnumber boys in primary school. Progress for girls has lagged in most other parts of the developing world, and equal access to education in the early years remains a distant target in Northern Africa, Oceania, Southern Asia, sub-Saharan Africa and Western Asia.

- **Jobs**: The share of women employed outside of agriculture remains as low as 20 per cent in regions such as South and West Asia, and North Africa.

- **Politics**: the global share of women in parliament continues to rise slowly, reaching 19 per cent in 2010, up from 11 percent in 1995.

Girls’ enrolment ratios in primary and secondary school have increased significantly in recent years, though large disparities remain at the university level, particularly in sub-Saharan Africa and West Asia. On the job front, men continue to outnumber women in paid employment, though the share of women in paid non-agricultural jobs is slowly increasing, reached 41 per cent globally in 2008.

**ECOSOC**

In 2010, the Council held its [Annual Ministerial Review](#) on the theme of gender equality and women’s empowerment. Ministers from 13 countries — Australia, Brazil, Congo (Republic of), France, Guatemala, Korea, Moldova, Mongolia, Namibia, Netherlands, Norway, Portugal, and the United States — delivered “[National Voluntary Presentations](#)”, which detailed their countries’ recent efforts to achieve gender parity while offering case studies on successful initiatives.

**UN System**

- The UN Population Fund (UNFPA) and UN Children’s Fund (UNICEF) have teamed up to reduce female genital mutilation in numerous African countries, including: Burkina Faso, Djibouti, Egypt, Ethiopia, Gambia, Guinea, Guinea-Bissau, Kenya, Senegal, Somalia, Sudan and Uganda.

- UNDP installed hundreds of diesel-run generators, known as multi-functional platforms, in rural areas across Burkina Faso, Mali and Senegal to help ease some of the most time-consuming chores for women, such as fetching water, grinding and milling.

- The UN Educational, Scientific and Cultural Organization’s (UNESCO) “Girls’ Education Initiative” develops legal tools to reduce gender-based violence in schools, while also supporting innovative methods to bring education to marginalized women, via, for example, mobile phone technology.

- The UN Trust Fund to End Violence against Women supports national and local action to address violence against women and girls.
Overview

- Between 1990 and 2008, child mortality in developing countries dropped from 100 to 72 deaths per 1,000 live births.

- Of the 67 countries defined as having high child mortality rates, only 10 are currently on track to meet the MDG target.

Since 1990, child mortality has been cut by more than half in North Africa, East and West Asia, Latin America and the Caribbean. Yet in other regions, notably sub-Saharan Africa, little to no progress has been made in recent years.

ECOSOC

In 2009, the Council held its Annual Ministerial Review on the theme of ‘Global Public Health’. Ministers from 7 countries — Bolivia, China, Jamaica, Japan, Mali, Sri Lanka, Sudan — delivered “National Voluntary Presentations”, which detailed their countries’ recent efforts to improve public health (including child health), while offering case studies on successful initiatives. Countries also adopted a strong “Ministerial Declaration”, highlighting key policies to promote healthier societies.


Link to Ministerial review—

UN System

- In 2010, UN Secretary-General Ban Ki-moon, together with leaders from governments, foundations, NGOs and business, launched the “Global Strategy for Women’s and Children’s Health”, a series of simple steps to improve women’s and children’s health — measures which, if implemented, could save 16 million lives by 2015.

- The World Health Organization (WHO) and UN Children’s Fund (UNICEF), in partnership with governments, provides high-impact, cost-effective health and nutrition interventions to reduce the number of neonatal and early childhood deaths from preventable and easily treatable causes. UNICEF purchases vaccines, negotiates favourable prices and forecasts vaccine requirements to ensure sustainable supplies. When delivering vaccines, UNICEF adds micronutrient supplements to offset malnutrition, another critical factor in child survival.
• Working with governments, health providers and communities in the field, UNICEF also helps families learn essential skills and basic health knowledge, such as best practices in breastfeeding and complementary feeding, hygiene and safe faeces disposal.

**MDG 5**

**Overview**

• More than 350,000 women die annually from complications during pregnancy or childbirth, almost all of them — 99 per cent — in developing countries.

• In sub-Saharan Africa, a woman’s maternal mortality risk is 1 in 30, compared to 1 in 5,600 in developed regions.

New data show signs of progress in improving maternal health — the health of women during pregnancy and childbirth — with some countries achieving significant declines in maternal mortality ratios. Progress has been made in sub-Saharan Africa, with some countries halving maternal mortality levels between 1990 and 2008. Other regions, including Asia and Northern Africa, have made even greater headway.

**UN System**

• In 2010, UN Secretary-General Ban Ki-moon, together with leaders from governments, foundations, NGOs and business, launched the “Global Strategy for Women’s and Children’s Health”, a series of simple steps to improve women’s and children’s health — measures which, if implemented, could save 16 million lives by 2015.

• The United Nations Population Fund (UNFPA), the UN Children’s Fund (UNICEF), the World Health Organization (WHO), and the World Bank, as well as the Joint UN Programme on HIV/AIDS (UNAIDS), have joined forces as Health 4+ (H4+) to support countries with the highest rates of maternal and newborn mortality. The H4+ partners support emergency obstetric and neonatal care needs assessments and help cost national maternal, newborn and child health plans, mobilize resources, increase the number of skilled health workers, and improve access to reproductive health services.

• In 2009, WHO, UNICEF and UNFPA partnered with the African Union Ministers of Health and various NGOs to launch the “Campaign on Accelerated Reduction of Maternal Mortality in Africa” (CARMMA), now active in 20 African countries. The campaign aims to save the lives of mothers and newborns.
Overview

- Globally, nearly 23 per cent of all people living with HIV are under the age of 25. And young people (aged 15 to 24) account for 41 per cent of new infections among those aged 15 or older.

- In 2009, an estimated 2.6 million people were newly infected with HIV. This represents a drop of 21 per cent since 1997, the year in which new infections peaked.

- In 2009, 33.3 million people were living with the virus—a 27 per cent increase over 1999. Sub-Saharan Africa remains the most heavily affected region, accounting for 69 per cent of new HIV infections, 68 per cent of all people living with HIV and 72 per cent of AIDS deaths.

- The number of people receiving antiretroviral treatment for HIV or AIDS increased 13-fold from 2004 to 2009. As a result, the number of AIDS-related deaths declined by 19 per cent over the same period. Although new infections are waning, the number of people living with HIV has grown.

- Globally, in 2009, about 16.6 million children were estimated to have lost one or both parents to AIDS, up from 14.6 million in 2005: 14.8 million of these children live in sub-Saharan Africa.

- An estimated 53 per cent of pregnant women living with HIV received antiretroviral medicines in 2009, up from 45 per cent in 2008. Sub-Saharan Africa is home to about 91 per cent of the 1.4 million pregnant women who are in need of treatment.

- Globally, deaths from malaria are down by an estimated 20 per cent—from nearly 985,000 in 2000 to 781,000 in 2009.

The number of new HIV infections fell steadily from a peak of 3.5 million in 1996 to 2.7 million in 2008. Although the epidemic appears to have stabilized in most regions, new HIV infections are on the rise in Eastern Europe and Central Asia. Globally, the number of people living with HIV is continuing to increase because of the combined effect of new HIV infections and the beneficial impact of antiretroviral therapy. There are 17.5 million children who have lost one or both parents to AIDS, with over 80 per cent in sub-Saharan Africa.
In 2009, the Council held its Annual Ministerial Review on the theme of global public health. Ministers from 7 countries — Bolivia, China, Jamaica, Japan, Mali, Sri Lanka, Sudan — delivered “National Voluntary Presentations”, which detailed their countries’ recent efforts to improve public health (including child health), while offering case studies on successful initiatives. Countries also adopted a strong “Ministerial Declaration”, highlighting key policies to promote healthier societies.

**UN System**

- The Joint United Nations Programme on HIV/AIDS (UNAIDS) brings together the efforts and resources of ten UN System organizations to assist countries with technical support in the implementation of their national AIDS plans.

- The UN Children’s Fund (UNICEF), the World Health Organization (WHO), the UN Population Fund (UNFPA) and UNAIDS have helped countries scale up programmes for the prevention of mother–to–child transmission of HIV, through, among others, training, guidance and technical support to access Global Fund resources.

- The UN Foundation’s “Nothing but Nets” campaign — in partnership with the U.S. President’s Malaria Initiative, the Canadian Red Cross, WHO and UNICEF, among others — distributed 2.8 million insecticide–treated bed nets in Mali, covering 95 per cent of all children under five.

- The Office of the UN High Commissioner for Human Rights (OHCHR), in partnership with UNAIDS and UNDP, has developed a Handbook on HIV/AIDS and Human Rights for national human rights institutions.

**Overview**

- **Sanitation**: Since 1990, some 1.7 billion people have gained access to safe drinking water. Still, roughly 884 million suffer from unsafe drinking water and 2.6 billion lack access to basic sanitation services, such as toilets or latrines.

- **Biodiversity**: On current trends, the loss of species will continue throughout the 21st century.

- **Urban slums**: though the share of the urban population living in slums is declining, the absolute number of slum dwellers continues to rise, with some 828 million people...
living in slums today.

In 2008, the Council held its Annual Ministerial Review on the theme of sustainable development. Ministers from 8 countries — Belgium, Chile, Finland, Kazakhstan, Lao, Luxembourg, Tanzania and the United Kingdom — delivered “National Voluntary Presentations”, which detailed their countries’ recent efforts to improve environmental sustainability, while offering case studies on successful initiatives. Countries also adopted a strong “Ministerial Declaration”, highlighting key policies to promote cleaner, greener societies.

Relevant Links:

UN System

- The UN Children’s Fund (UNICEF) helps governments and partners implement community-based water quality surveillance systems to screen for contaminants like human feces, arsenic, fluoride and nitrates. UNICEF also promotes a range of low-cost sanitation, water and hand-washing facilities and helps improve sanitation and promote hygiene (hand washing, etc.) in schools.

- The UN Economic and Social Commission for Western Asia (ESCWA) was tasked by the Ministerial Water Council of the League of Arab States to lead the establishment of a regional mechanism for monitoring the water supply and sanitation targets and other related indicators in Arab countries.

- The UN Economic Commission for Europe (UNECE) has supported the Russian Federation in the development of Regional Biomass Action Plans to help the private sector and regional governments integrate the biomass sector with the forestry, woodworking, agricultural, electricity, municipal heating, waste and recycling sectors.
Overview

- Official development assistance (ODA) stands at 0.31 per cent of national income for developed countries, far short of the recommended 0.7 per cent UN target.
- Debt burdens have eased for developing countries and remain well below historical levels.
- Only 1 in 6 people in the developing world has Internet access.

Despite falling short of expectations, ODA levels continue to rise nonetheless, reaching almost $120 billion in 2009, an all-time high. In a positive sign on trade, developing countries are increasingly gaining access to global markets. Meanwhile, access to information and communications technology (ICT) is also expanding — but still closed to the majority of the world’s people.

ECOSOC

Starting in 2009, the Economic and Social Council has organized, as part of the preparatory process for the ECOSOC’s Annual Ministerial Review (AMR), a series of annual special events to strengthen the partnership between governments, the private sector and the philanthropic community.

In 2008, the Council has held its biennial Development Cooperation Forum (DCF) every two years, bringing countries together to review aid effectiveness and to scale-up partnership efforts.

The DCF had an impact of the outcome document of the Doha Follow-up Conference on Financing for Development in November/December 2008. The conference re-emphasized the importance of the DCF as the focal point within the United Nations system for holistic consideration of issues of international development cooperation and recognized the efforts of the forum to improve the quality of ODA and to increase its development impact.

UN System

- In 2009, the UN Conference on South–South Cooperation articulated the emerging consensus that cooperation among developing countries — via aid, trade, technical assistance and investment — is helping drive progress on the Millennium Development Goals.
• In May 2009, near the beginning of the H1N1 pandemic, UN Secretary-General Ban Ki-moon and the Director-General of the World Health Organization (WHO) obtained agreement from pharmaceutical companies to donate at least 10 per cent of their vaccine production to poor countries.

• The GAVI Alliance (Global Alliance for Vaccines and Immunization)—a public–private global health partnership that includes WHO, the UN Children’s Fund (UNICEF) and the World Bank—is working to accelerate access to vaccines, strengthen immunization systems and introduce innovative new immunization technologies. Since its launch in 2000, the GAVI Alliance has helped prevent over 1.7 million deaths.

• At the beginning of the Internet revolution, the UN and its Economic and Social Council (ECOSOC) took a lead role in promoting the advantages of the new digital order in developing countries, and with the International Telecommunication Union (ITU), in improving their role in Internet governance. The Global Alliance for ICT and Development (GAID), a UN body, helped to close the digital divide by facilitating public–private partnerships.

Beyond 2015

(Delegates are requested to go through this link and the others provided in this guide thoroughly for a clearer idea about the Post 2015 development agenda and process)

Enormous progress has been made towards achieving the Millennium Development Goals, (MDGs). Global poverty continues to decline. More children than ever are attending primary school. Child deaths have dropped dramatically. Access to safe drinking water has been greatly expanded. Targeted investments in fighting malaria, AIDS and tuberculosis have saved millions.

The UN is working with governments, civil society and other partners to build on the momentum generated by the MDGs and carry on with an ambitious post-2015 sustainable development agenda that is expected to be adopted by UN Member States at a Summit in September 2015.

At the September 2010 MDG Summit, UN Member States initiated steps towards advancing the development agenda beyond 2015. In June 2012 at Rio+20, the UN Conference on Sustainable Development, UN Member States adopted ‘The Future We Want’ outcome document, which set in motion many of the inter-governmental processes for the post-2015 development agenda, including the Open Working Group on Sustainable Development Goals, the Intergovernmental Committee of Experts on Sustainable Development Financing, and the High-level Political Forum.
The Global Conversation

To foster an inclusive global conversation, the UN Development Group has coordinated national, global and thematic consultations. To date more than 90 consultations, involving partnerships with multiple stakeholders, including local ministries, businesses and civil society groups, have been supported by the UN with more planned.

Through the MY World survey, the United Nations global survey for a better world, more than 1.4 million people have voted on which six development issues most impact their lives, and the number of voters continues to grow. Complementing MY World is the World We Want online platform, where citizens have engaged further in the various consultations on the post–2015 development process.

Inputs from the global conversation were included in the following reports presented to the UN Secretary-General and Member States:

- UN Development Group: ‘A million voices: The world we want’ (2013)
- UN Global Compact: ‘Architects for a better world’ (2013)

These reports and others informed the Secretary-General’s report, “A Life of Dignity for All,” which provides a vision for bold action to achieve the MDGs and calls for a new and responsive sustainable development framework that meets the needs of both people and planet.

The Secretary-General presented his report to Member States at the Special Event towards achieving the MDGs, which was hosted by President of the UN General Assembly on 25 September 2013.

Between now and the September 2015 Summit, the Secretary-General and UN System will keep supporting UN Member States as intergovernmental deliberations continue. Results from consultations and other processes in 2014 will feed into the Secretary-General’s Synthesis Report, which is expected by the end of 2014.

Record of a Thematic Discussion taken place in the ECOSOC on 4th July 2013—
The Post-2015 Sustainable Development Agenda

(Section is a Quick Re-cap and highlights the objectives of the meeting which delegates are to deliberate upon. All delegates are required to carry out an in–depth study of the following points for discussion in committee.)

What will happen after 2015 – the target date for the Millennium Development Goals?

With strong leadership and accountability to meet commitments, the progress seen in implementing the MDGs can be accelerated and expanded in most of the world’s countries, and more MDG targets can be met by 2015. The progress that is made towards the MDG targets today will translate into improving more lives, now and under future development objectives. Therefore, accelerating MDG progress and preparing for the post–2015 UN development framework are part of the same effort.

Looking beyond the MDGs, much remains to be done to build the future we want. Continuing gaps – on poverty, hunger, health, gender equality, water, sanitation and many other issues – will still need attention after 2015. The UN sustainable development agenda for the period after 2015 will build on the progress achieved through the MDGs while addressing persistent inequalities and new challenges facing people and planet.

What will the post–2015 agenda look like?

The new development agenda will need to advance sustainable development—improving economic and social well-being while protecting the environment. -- and address issues including inclusive growth, equality, peace and security, governance and human rights. It must be bold, ambitious and universal – relevant to all people and all societies, everywhere. It must constitute global transformational change for people and planet, with common, shared responsibilities for all countries, recognizing that countries have different capabilities.

It will draw on experience gained in implementing the MDGs – both in terms of results achieved and areas for improvement. The agenda must be concrete, understandable and inspirational, with time-bound targets, for which measurable indicators can be developed.

How will the Sustainable Development Goals (SDGs) that were mandated by the outcome of the Rio+20 Conference fit into the post–2015 sustainable development framework?

In the outcome document for the Rio+20 UN Conference on Sustainable Development (Rio de Janeiro, June 2012) entitled “The Future We Want,” countries recognized the success of the MDGs in galvanizing action to eradicate poverty and promote human development. They agreed to build on the success of the MDGs by developing a set of sustainable development goals that are global in nature and universally applicable. Since Rio+20, the UN General Assembly has established a 30–member Open Working Group to develop these goals, and this work is now ongoing.

Member States will also discuss strategy for financing sustainable development and consider options for improved sharing of technology, as a contribution to the post–2015
framework. In September 2013, Member States are expected to agree on a roadmap to integrate all these complementary strands with ongoing efforts to accelerate and review progress towards the achievement of the MDGs.

What was the Secretary General’s High-level Panel?

The UN Secretary-General’s High-level Panel on Post–2015 was formed in July 2012 with 27 members, including government leaders and representatives from civil society and the private sector. It was tasked with advising the Secretary-General on the future development agenda. The Panel produced a bold yet practical development vision which has been presented to the Secretary-General as one input to his report on the ongoing work on MDG acceleration and post–2015 to be considered by UN Member States in September 2013. The Panel’s report was also presented to all Member States in the General Assembly, and to the Open Working Group on the sustainable development goals.

At the core of the Panel’s proposals are five transformational shifts. The new agenda must include everyone. It requires us to put sustainable development at its core in order to drive prosperity and eliminate inequalities while addressing threats to humanity from climate change and environmental degradation. It makes creating jobs and sustainable livelihoods a priority. It establishes that peace, security and freedom from violence are essential. And it calls for forging a new global partnership to support this transformative agenda.

What is the consultation process for creating the post–2015 sustainable development agenda?

Work to develop a post–2015 sustainable development agenda has begun through an open and inclusive process involving Governments, the private sector, civil society groups, academics and youth. Worldwide consultations involving nearly one million people have been completed, including some 90 national consultations and 11 global thematic consultations. An online platform – The World We Want 2015 – has connected people in a global conversation, while MY World, a survey seeking opinions on the issues that matter most, has received over half a million votes in over 190 countries.. These inputs from civil society were presented to the High-level Panel on Post–2015 and will also inform the Secretary-General’s report to UN Member States in September 2013. In addition, they will be used by the UN System in preparing inputs to the deliberations of the 30–member Open Working Group established by the UN General Assembly to develop a set of sustainable development goals.

What is the Sustainable Development Solutions Network?

Launched by the UN Secretary-General, the Sustainable Development Solutions Network draws on academic and technical expertise worldwide to support the UN development framework by identifying pathways to address the challenges of ending poverty, increasing social inclusion and achieving sustainable development. The Network,
directed by Professor Jeffrey Sachs, Special Adviser to the Secretary-General on the MDGs, launched its report on 6 June 2013 and will continue to promote viable solutions that can be implemented on the ground.

(All delegates are also required to study the intricacies of the transformation process and work towards development the ideal plan for the post 2015 development agenda)

**Additional links to begin research—**

http://www.un.org/esa/ffd/
http://www.post2015hlp.org/
http://unsdsn.org/
http://www.worldwewant2015.org/