

Forum: General Assembly 2

Issue: Further developing microcredit in order to reduce poverty and gender inequality

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Introduction

According to sources such as the Guardian and BBC, Microcredit has proven to be successful in numerous less economically developed countries (LEDCs). From 1990 to 2008 around 10 million Bangladeshi citizens rose out of poverty as a direct result of microcredit loans provided by the Grameen Bank. These microcredit systems have been utilized well in countries like Bangladesh, the Philippines and Bolivia.

Along with mitigating poverty, microcredit loans also work towards reducing gender inequality in LEDCs. Microcredit organizations have stated that women are better and more likely to repay their debts and use the money for necessities than men. Additional data suggests wives of microcredit beneficiaries begin to have more responsibility and respect at home. This gives women an opportunity to take charge at home and it helps them garner more respect from their husbands. Due to this newfound respect, cases of domestic violence in marriages have decreased and women have begun to feel safer in their homes. For these reasons, microcredit organizations prefer to loan to women in an effort to further reduce gender inequality. In fact, around 97% of borrowers from the Grameen Bank are women. Despite the fact that microcredit has helped reduced gender inequality, there are aspects of it which disadvantage women. In most LEDCs, women tend to be more educated and for this reason, microcredit institutions have the ability to take advantage of them. According to reports provided by the Guardian, these institutions sometimes provide women with half of they wanted or provide them with unfair interest rates. Due to lack of education in accounting and business management, women in these areas aren't aware that they are receiving unfair deals. Although microcredit institutions are mainly based in LEDCs, there are many microcredit operations in MEDCs like Poland and the Czech Republic. These Eastern European nations have seen a lot of success with microcredit and are arguably one of the most profitable microcredit earners in the world. Their models are used worldwide and Western European nations attempt to imitate them.

Although the microcredit system has been shown to be successful in reducing poverty and gender inequality, it sometimes is not applicable to certain business models or people. It is also sometimes used to take advantage of less educated women in LEDCs. For this reason there need to be improvements and amendments to make the loaning process more efficient, fair and flexible.

Definition of Key Terms

Microcredit

Also known as microfinance or micro loans, microcredit are small loans that are provided to an impoverished small business or an individual for the purpose of working towards making that entity self sufficient.

Bank Loan

Money provided by a bank to a borrower in exchange for repayment after a set period of time with interest.

Sustainable Development Goals (SDGs)

A set of UN goals made on September 25th, 2015 in order to tackle the world's most pressing issues ranging from ending starvation to finding affordable, clean energy. The UN aims to reach all the goals in the next 15 years.

Poverty

Poverty comes in two forms, absolute and relative. Absolute poverty occurs when someone cannot obtain their basic needs (food, water and shelter) to support a minimally acceptable standard of health. Relative poverty refers to when people have their basic needs provided for but do not enjoy the luxuries and comforts of the majority of their respective societies.

Gender Inequality

Unequal and unfair treatment or perception of a person based partially or completely on their gender.

Multilateral Development Bank (MDB)

A financial institution made by countries working towards the goal of national development. A bank is comprised of borrowing nations and donor nations. Another function of this bank is to provide financial advice for any kind of development project.

Background Information

The first microcredit bank, Shorebank, was made operational in Chicago in 1974. Ever since then, microcredit has transformed into one of the most integral parts of economic and financial growth. It has slowly but surely begun eliminating poverty from the poorest places on Earth. Microcredit works towards tackling the UN SDGs of no poverty and gender equality. For this reason, the UN has shown great support for many microcredit organizations and provided them with funding. However, despite its success in many places in the world, microcredit also has its shortcomings. Recently in India, the microcredit sector has been failing as borrowers misuse loans and build up overwhelming debt. On many occasions, this has caused the citizens to fall even deeper into poverty and the situation has been exacerbated. Although it has proven on many occasions to be an effective method for tackling not only poverty but also gender inequality, microcredit must be further developed in order to prevent further ramifications.

Microcredit shortcomings

In the past few years, there have been many criticisms to the current microcredit system. Some issues that have arisen include inflexibility in monetary allocation, a lack of accountability with repayments and unfair interest rates with women. Microcredit institutions have been very strict with how the money loaned is used. They expect that all the money is used solely for business purposes. However, in certain instances it is necessary for food or clothing. However, there have been many cases where impoverished people use the loans for luxuries rather than necessities. This leads often times leads to overwhelming debt. Also, women face unfair interest rates with these organizations as they lack the financial knowledge necessary to make a fair deal. These are some of the main issues that need to be addressed in order to improve the microcredit system.

Problems in India

In 2001, the American Indian Foundation (AIF) provided over 100,000 rickshaw drivers with microcredit loans and new lives. Although, microcredit began successfully in India, in the past few years it has seen a noticeable decline. This can partially be blamed on both the borrowers and the lenders. The borrowers are sometimes irresponsible with the money and spend it on luxuries that they don't need and neglect necessary tools and resources. This leads them to borrow more money and the process begins all over again. However, the fault also lies partially with the lenders. Many analysts suggest that lenders can set unreasonably high interests rates in order to exploit borrowers to earn more money. India has the fastest growing microcredit growth in the world because microcredit organizations in India realize how profitable the business is. This environment creates more irresponsible borrowers and exploitive lenders. There needs to be

measures in place to ensure that borrowers use money responsibly and lenders set reasonable interest rates in order to improve the situation in India.

Suicide Epidemic

Microcredit, according to a source from BBC, has proven to be one of the larger contributors to the suicide rate in India for the past few years. Gradually building microcredit debt has become overwhelming for many borrowers and in extreme cases cause them to take their own lives. Thousands of people in India have committed suicide for reasons related to large microcredit debts. The majority of people who commit suicide tend to be men which means that many families experience both personal and financial loss, as social trends show men are typically the breadwinners of the family. This does not help the family's position and makes it nearly impossible to repay their debts.

Microcredit success around the world

Although microcredit is not always successful, there are many areas in the world that have very effectively began to combat poverty due to microcredit. A prime example is Bangladesh, with the help of the Grameen Bank. The founder of the Grameen Bank, Muhammad Yunus, was one of the pioneers of the microcredit system and has helped run the bank effectively ever since its creation. Poverty has begun slowly decreasing in Bangladesh and has also inspired many LEDCs to adopt the microcredit system. Microcredit can now be found worldwide in places like Haiti, Cambodia, Indonesia and the Philippines. The loaning system has reached its current success rates because of the work of organizations the Foundation for International Community Assistance (FINCA) and multilateral development banks (MDBs) like the World Bank and the African Development Bank (ADB). These organizations provide appropriate interest rates and also promote gender equality. Microcredit has also seen success in Eastern Europe in the past few years. The Eastern European microcredit programs have been so successful that Western European nations have used their programs as guidelines.

A push for Gender Equality

Lenders from the Grameen Bank, FINCA and many other microcredit establishments stress the importance of providing more women with loans. In fact, many organizations prefer to loan to women as they have a statistically higher tendency to repay their debts compared to men, according to various bank records. Since women can obtain small loans, they can use the money to do a variety of things, including providing their families with necessities or starting a business themselves. Many women worldwide have created relatively successful businesses like jewelry making or pottery using money loaned by microcredit organizations. This gives women in relationships more independence, responsibility and respect as they can become providers of the

family with their new incomes. Also, this opportunity to have an experience with entrepreneurship is very empowering for women and would provide more women with business opportunities in LEDCs. If microcredit organizations continue to endorse women, it will help reduce gender inequality in LEDCs.

Microcredit in Eastern Europe

The microcredit system in Eastern Europe is one of the best in the world today. They employ many effective strategies to attain these high levels of success. One of these strategies are to have a flexible banking regulations. This allows lenders to be less dependent on commercial banks and work directly with these microcredit organizations. Another strategy they employ is working very closely with development agencies and labor offices. This partnership is effective because these non financial stakeholders have information like knowledge of potential customers. One of the most important qualities of an Eastern European microcredit organization is an effective screen process. Each organization carefully screens each loan applicant and look for information like economic responsibility and previous business experiences. With a combination of all of these strategies, Eastern Europe have developed one of the most successful microcredit system ever. Many strategies used in these systems are applicable for microcredit institutions all around the world.

Major Countries and Organizations Involved

The Foundation for International Community Assistance (FINCA)

A major microcredit organization based in Washington with the goal of providing impoverished people with the necessary resources to succeed. A hallmark of FINCA is holistic funding, meaning that they provide microcredit loans for a wider variety of products like solar lanterns. FINCA being the largest microfinancing network in the world has subsidiaries and branches in Africa, Eurasia, Latin America, the Middle East and South Asia.

Grameen Bank

A nobel prize winning microcredit organization founded and based in Bangladesh. Their main goal is to provide affordable loans with zero collateral to all their clients. As a direct result of their actions over 10 million Bangladeshi citizens have risen above the poverty line. Studies done by the World Bank and other UN entities have revealed that the operation has had a clear positive effect on combating poverty and gender inequality. They have 2,568 branches spread all around Bangladesh.

World Bank

The World Bank is an UN MDB staffed with members from over 170 member nations. Their goals are to find sustainable solutions for combating poverty and to build more prosperity in LEDCs. The World Bank provides microfinance options such as savings, loans, micro insurances and money transfers. Loans from NGOs are illegal in certain countries and for this reason, the World Bank is also working towards making micro financing more accessible in developing nations.

Timeline of Events

Date	Description of event
1974	The first microcredit bank, Shorebank, was made operational in Chicago.
July 12, 1984	John Hatch establishes FINCA with the goal of providing Bolivian farmers with resources and money that would be used for them to become self sufficient. FINCA developed into the biggest microcredit organizations in the world today
1990-2008	10 million Bangladeshi citizens rise out of poverty thanks to the contributions of the Grameen Bank.
February 6, 1997	The Results Educational Fund (REF) convenes in Washington DC. for the first Microcredit summit. In this meeting, methods to reach out and help the poorest families were discussed.
October 13, 2006	Muhammad Yunus receives the Nobel Peace prize for his work with the Grameen Bank. This shows the importance and effectiveness of microcredit organizations.

Relevant UN Resolutions

The UN has written several resolutions which outline how we should further develop microcredit. The only steps that the UN has taken to further microcredit are having regular summits to discuss

improvements to the microcredit model and the suggesting of heavy investments in microcredit organizations.

- Role of Microcredit in the Eradication of Poverty, 10 August 1998 **(A/53/223)**
- Role of Microcredit and Microfinance in the Eradication of Poverty, 19 January 2007 **(A/RES/61/214)**
- Year of Microcredit 2005, 29 July 1998 **(A/RES/53/197)**

Previous Attempts to Solve the Issue

They have been many attempts to try and improve microcredit. One of the main solutions that have been implemented in recent years is the increased investment in microcredit institutions. Microcredit institutions receive their money from large banks and investors and many of these investors believed that an increase in investments would increase the productivity of these institutions. In the early 2000s, around 100 microcredit organizations held over 7.5 billion dollars worth of assets provided to them by principal investors.

Possible Solutions

When utilized properly, microcredit loans have proven to have a direct positive impact on impoverished lives and it can be used to combat gender inequality. However, at the moment, microcredit loans mainly operates on a one size fits all model. This means that these loans are provided in a certain way which only benefit certain businesses and individuals. In order to further develop microcredit so it can reduce poverty and gender inequality, microcredit operations must become more flexible, holistic and technologically advanced. Along with improving the microcredit system, it would be extremely beneficial for microcredit institutions to provide women with education in topics such as accounting and business management. A lack of knowledge in these topics have caused problem for women requesting loans in the past.

Flexibility is crucial towards improving microcredit systems. Organizations should work towards being more open minded and considerate when providing loans. For example, many microcredit operations require that 100% of money loaned should be allocated and used for solely business purposes. Although it is important to invest in business borrowers also need this money for food, clothes and other necessities. Creating a more flexible loaning process will improve the success of both borrowers and lenders.

Another way to further develop microcredit is to have organizations focus on holistic financing. This means widening the range of resources that are being funded. For example, instead of simply allocating money for basic supplies and materials, organizations can fund things like solar powered

lanterns which allow students to study at night. By funding a wider variety of resources microcredit organizations can reach and impact a larger demographic.

One of the most effective solutions to this issue is to integrate more technology into these microcredit operations. For example, it would be beneficial if borrowers could contact microcredit branches through a mobile system rather than travel long distances to these branches. This would save time and energy and make the whole process more streamlined and efficient. Since many microcredit operations have branches in many LEDCs funding the technological upgrades may be a challenge. It would be recommended to request to receive funding from the World Bank or More Economically Developed Countries (MEDCs) in order to implement these changes.

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Appendix

The following links show examples of how microcredit affects gender equality and how it can be used to improve impoverished women's lives.

<https://www.theguardian.com/global-development/2017/jun/07/i-finally-own-something-wives-of-india-rickshaw-drivers-steer-the-finances>

https://www.impatientoptimists.org/Posts/2014/01/5-Reasons-Why-Muhammad-Yunus-Focuses-on-Lending-to-Women#.WYr4_f-GOqQ

These links touch upon possible solutions for further developing microcredit and examples of countries who have utilized microcredit successfully to combat poverty.

<http://www.wsj.com/ad/article/mlf-5-ideas-to-make-microlending-more-effective>

<https://cfi-blog.org/2011/02/18/5-countries-where-microfinance-works/>

Forum: General Assembly 2

Issue: Eliminating hunger, food insecurity and malnutrition through sustainable agriculture

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Introduction

There is enough food to feed the world. Globally, 17% more food per person is produced than 30 years ago. However, according to the Food and Agriculture Organization of the United Nations (FAO), 793 million people in the world are chronically food insecure (undernourished). This means that one in nine people do not have enough to eat on a regular basis. Poverty, rapid population growth and other social and geopolitical factors have resulted in epidemics of hunger. Furthermore, global trends suggest gross misdistribution of food as well as worrying environmental effects of current industrial agriculture methods.

Food insecurity, defined by the FAO as “a situation that exists when people lack secure access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life”, is a central issue in development. Hunger is a central aspect of the global development agenda, and high-level campaigns such as the Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) have placed significant emphasis on ending hunger. The United Nations (UN) and numerous non-governmental organizations (NGOs) including Action Against Hunger, Feeding America and The Hunger Project, and countries around the world attempt to eliminate hunger through various means, one of which is sustainable agriculture. By using methods that are environmentally friendly, beneficial to farmers and foster local economic development, the beginnings of a systemic change can be affected. However, many obstacles stand in the way of eradicating hunger. Its complexities include its close connection with poverty; one issue cannot be ‘solved’ without addressing the other. Hunger is both caused by poverty and perpetuates it, meaning effective solutions to hunger will tackle the impoverished surrounding in which it flourishes. In addition to this, without promoting sustainability at every stage of the food distribution process, little meaningful change can occur.

Definition of Key Terms

Food insecurity

Food insecurity is the limited or uncertain physical, social and economic access to adequate food to meet the dietary needs for a healthy life. It often leads to hunger, malnutrition and, in extreme wide-spread cases, famine.

Malnutrition

Malnutrition is any imbalance, deficiency or excess of nutrients in one's diet. It is exacerbated by poor health and unhealthy environments.

Sustainable agriculture

Sustainable agriculture is the production of food through farming methods that integrate environmental health, economic profitability, and social and economic equity. It should provide for the needs of the present without compromising the ability of future generations to do so as well.

Subsistence farmer

A subsistence farmer is someone who grows food to feed themselves and their family. This self-sufficient approach to farming includes little to no surplus trade, meaning farmers do not sell their crops as their main source of income.

Background Information

Agriculture has been the world's main supply of food for approximately 13,000 years. The cultivation of food and goods through farming has evolved significantly since its simpler beginnings; the new technology and mechanization enabled by the Industrial Revolution, specialization of farms, and increased use of chemicals and genetically modified crops have allowed the agriculture industry to grow into the single largest employer in the world. Agriculture currently provides a livelihood for 40% of the world's population, including 70% of the world's poorest people, and plays a large role many economies. However, for as long as there has been agriculture (and longer), there has been poverty and hunger.

In 1789, economist Thomas Malthus predicted that humanity's habit of using abundant resources to perpetuate population growth rather than development would overtake food production, leading to starvation. This was indeed a leading cause in the many famines that swept Europe during the 14-19th centuries. The idea that technological advancements will never lead to sustainable development

because of population growth is known as the 'Malthusian trap'. It is still pertinent today, especially in explaining why hunger has remained such a significant issue despite the many technological advancements our world has seen in the past two centuries. However, nowadays, other factors including climate change, costs of production, political agendas and improper food distribution play a much larger role in why hunger is as significant an issue as it is.

Although global hunger is far from eradicated, it is worth noting that huge progress in reducing hunger has been made since the end of last century. Only 12.9% of the 23.3% of people recorded as undernourished in 1990-92 still remain. The percentage of people living on less than \$1.25 a day has fallen from 5% in 1990 to 1%. Nonetheless, the demand for food continues to grow, and unsustainable food distribution continues to cost the lives of those who live in extreme poverty.

Food insecurity around the world

Of the world's over 790 million undernourished people, 98% live in developing countries. Asia is the most food insecure region, with over 525 million chronically food insecure. In Sub-Saharan Africa, over 210 million are undernourished. Over 37 million people in Latin America and the Caribbean are also undernourished. However, developed countries such as the United States of America also have groups of undernourished people. According to the United States Department of Agriculture (USDA), 14.5% of American households were food insecure at some point during 2010. The USA is also an example of where the food security of a nation does not guarantee all individuals will be food insecure, as certain groups are far more vulnerable than others. Women (especially low income pregnant women), migrant workers, victims of conflict, the ill, and children under five are all more likely to be undernourished than other demographics. Similar trends can be observed worldwide. 60% of the world's hungry are women. In many places, particularly developing countries, social structures limit women's access to education, employment and financial services, increasing their vulnerability to poverty and hunger. This in turn impacts their children, as mothers suffering from malnourishment face increased risk of complications during childbirth or birthing an underweight baby, which can lead to the child being physically and mentally stunted.

A prime example of a region drastically affected by food insecurity is the Sahel region in Sub-Saharan Africa. Countries such as Mali and Nigeria were hit very hard by the 2012 drought in that area, and its effects left 3.1 million children starving. This situation was worsened by the civil war in Mali. Other governments such as those of Mauritania, Burkina Faso and Chad announced food emergencies in their countries due to the drought. Around 29.2 million people are still food insecure, since a crop reduction of 26% led to increased food prices. For example, rice increased twentyfold in price. Besides environmental factors, terrorism has also contributed to displacement and the following food insecurity issues in the region. This situation is only continuing to deteriorate: the Cadre Harmonisé report (published August

2016) states that 4.5 million people in North-eastern Nigeria are severely food insecure, which is a 50% increase from March 2016.

Causes of food insecurity

Food insecurity stems from a complex array of different sources. Poverty is in most cases the main factor in this equation, but this too can be traced back to a wide selection of causes. Some of the most prominent contributors to global food insecurity are listed below, including geopolitical, economic and environmental factors that exacerbate hunger.

Food distribution

Although it is a real possibility that rapid population growth will lead to a situation where the world's population exceeds its food supply, this is not currently the case. Political and logistical factors cause food to be amassed in certain regions and accessible to certain people, but untouchable to others. Historically, this has also been true: in causes such as the Irish Potato Famine, food was being exported to foreign buyers during the time of the crisis, and it was the lack of political will to feed the starving poor that perpetuated the situation rather than a lack of food. Even developing countries with the highest rates of hunger can be countries with food surpluses, not shortages. The food insecurity comes from the fact that such a large proportion of the population struggle to get food because of a lack of infrastructure (from roads to storage facilities), war and displacement, and chronic poverty. The global rise in food price in recent years, due to various geopolitical factors, also plays into this. Furthermore, an estimated third of all food that is produced for human consumption is lost or wasted, costing nearly \$990 billion globally. In addition to this, the number of overweight people in developed countries like the USA indicates a fundamental imbalance in the global distribution of food. This issue may not be related to food production, but it is still an essential part of sustainable agriculture, since a central goal of sustainable agriculture is social equity.

Industrial crop production

The increasing replacement of food crops with commodity crops in order to increase a country's exports also increases the risk of food insecurity. When viable arable land is used for crops such as corn and soy (predominant ingredients in biofuel), communities that rely on agriculture as a source of income suffer economically and the country as a whole is deprived an assured source of food that is not reliant on international trade. This increased exportation of commodity crops, particularly by the USA, creates problems within the countries that import them as well because local farmers cannot compete with the less expensive commodity crops that have been subsidized by the governments of the countries they were grown in. Political-agricultural practices

such as these are highly unsustainable, as they put both the food security and local economy of a country at risk. Furthermore, modern industrial agricultural techniques not only lead to topsoil depletion and water contamination, but the degradation of rural communities and worse working conditions for farmers, all at increased production costs. Sustainable agriculture is the flip side of this coin, with an emphasis on social and environmental development at the cost of increased exports. Self-sustaining farming would address the issue of hunger directly, as opposed to the round-about trickle-down effect of increased exports leading to a greater economy and subsequent eventual alleviation of poverty.

Environmental factors

A number of environmental factors affect food insecurity. The first is that in many impoverished areas, soil is simply not viable farmland, meaning communities cannot be self-sustaining in terms of food. However, 75% of the world's poorest families do grow their own food, and these communities are at risk as well. The main environmental concern is drought, which causes crop failure, livestock death, and farmland to dry up rendering it unviable. Poverty-stricken families who depend on agriculture for their food and income are at extreme risk of natural disasters, since they cannot afford preventative measures and have no other reliable source of food or income to turn to. Climate change also plays a part in food insecurity, as it leads to increased natural disasters – such as flooding and drought – as well as reduced crop availability due to temperature or atmospheric change and increased risk of illnesses. Finally, other factors (many of which are related to industrial agriculture) lead to environmental issues with food production and access, for example soil degradation and groundwater contamination.

Sustainable agriculture: farms and beyond

There are numerous stages to sustainable agriculture, starting with the land that farms are grown on. In order to be sustainable, land availability and ownership should favour local farmers. Ownership rights also feed into farming practices, since small scale farming produces too small return to be sustainable but large scale farming often leads to corporations buying the land for menial prices. Land management is also vital to sustainable agriculture, both in terms of limiting ecological impact and ensuring a diverse harvest that will satisfy the nutritional needs of the farmers and their families in addition to a steady income. Sustainable agriculture means managing the use of land, water and other resources. However, it also means ensuring that both food and income come back into the community, as well as ecological and equitable distribution methods.

According to the FAO, there are five main principles to sustainable agriculture: improving efficiency of resources, conserving and protecting natural resources, improving rural livelihoods and social well-being, enhanced resilience of people, communities and ecosystems, and responsible and

effective governance mechanisms. Integrating all these principles into agriculture is vital to the eradication of hunger.

The importance of sustainability

Sustainable agriculture centres on the premise that food should be produced in an environmentally and socially beneficial way that meets the needs of the present without compromising those of the future. Industrial agriculture has many environmentally detrimental side effects, such as destroying natural resources including soil and water. Historically, the degradation of natural resource bases is believed to be a leading factor in the decline of ancient civilizations in the Mediterranean, Central America and other regions. In a modern context, sustainable agriculture also presents an opportunity to strengthen local economies in a way that industrial agriculture does not. On an individual scale, farmers' wellbeing could be prioritized higher, and more profit remains theirs and stays within the local economy. However, sustainable agriculture goes beyond farming alone. The 'food system', consisting of every stage from the production to processing to transport to consumption of food, must adopt a sustainable mandate in order for larger scale institutional change to occur. Growers, distributors, retailers and consumers all play a part in this. Therefore, educating businesses and consumers on the benefits of supporting sustainable agriculture is key to ensuring its success.

Major Countries and Organizations Involved

Food and Agriculture Organization of the United Nations (FAO)

The FAO is a specialized agency of the UN whose main goal is to eradicate hunger. It is an intergovernmental organization with 194 Member Nations as well as a member organization (the European Union). The FAO works with governments, civil society, the private sector and development partners such as multilateral development banks (MDBs) to improve capacity building and mobilize resources on all levels to eliminate hunger and malnutrition. They tackle various aspects of food insecurity, including food availability, access, stability and utilization, by providing frameworks and governance systems that will allow countries to better grow and distribute food.

International Fund for Agricultural Development (IFAD)

Established during the 1974 World Food Conference, the IFAD is an international financial institution and a specialized agency of the UN. Its mandate is to provide financing for agriculture development projects focusing on food production in developing countries. It works exclusively with impoverished rural communities to eliminate hunger, raise productivity and income, and improve quality of life. IFAD sustainable agriculture projects target small-scale and subsistence farmers, helping them to

diversify and intensify their crop yields, increase the effectiveness of core support services, empowering local communities and strengthening the institutional capacity of district governments to enhance programming, implementation, monitoring and evaluation of sustainable agriculture efforts.

World Food Programme (WFP)

The WFP is the leading humanitarian organization tackling hunger around the world. It is a branch of the UN, though it receives its principal funding from governments. It delivers emergency food aid and also works with communities to improve nutrition and build resilience to food insecurity. Their main focus is emergency response, but the WFP also has programmes aiming to promote sustainable food distribution.

Committee on World Food Security (CFS)

The CFS is an international and intergovernmental platform whose aim is to foster inclusive cooperation and coordination between relevant stakeholders to promote food security and end hunger. Through the High Level Panel of Experts (HLPE) on Food Security and Nutrition and with support from the FAO, IFAD and WFD, the CFS develops and endorses policy recommendations and guidelines on food security. They have an annual plenary session in Rome, Italy each October, which is one of the most important international cooperation events tackling hunger.

Non-governmental organizations (NGOs)

NGOs, especially charities and humanitarian organizations like Oxfam, Save the Children and CARE, play a big part in providing relief to those suffering from hunger. Like the WFP, their main focus tends to be on immediate aid, but many have projects focused on long-term improvement within the community. Specialized NGOs like The Hunger Project, Action Against Hunger, Rise Against Hunger and Heifer International often work more closely to eradicate hunger and put in sustainable measures to prevent future food insecurity.

Multilateral development banks (MDBs)

MDBs have committed to the UN's sustainable development agenda, including the goal of zero hunger, and hold responsibility in helping developing countries to reduce food insecurity and promote sustainable agriculture. By offering low-interest loans and technical expertise as well as sustainable agriculture projects, MDBs help governments improve food distribution and reduce food insecurity on a national level. Large and well-established MDBs such as the World Bank, the Asian Development Bank, the African Development Bank and the European Investment Bank are crucial in achieving this. However, as with all areas of development, cooperation between MDBs is also vital, as this prevents competitive and self-interested development efforts.

Timeline of Events

Date	Description of event
November 5-16 th , 1974	The World Food Conference was held in Rome, Italy (the FAO's headquarters) to examine the issue of hunger, and set the goal of eradicating it from the world within a decade.
December 1 st -3 rd , 1992	The first International Conference on Nutrition was held in Rome, Italy. Delegates from 154 countries and numerous UN and intergovernmental organizations identified common strategies and methods to eradicate hunger.
November 13-17 th , 1996	The World Food Summit was convened at the FAO headquarters in Rome, and reaffirmed countries' global commitment to ending hunger. The two main outcomes of the conference, the Rome Declaration on World Food Security and the World Food Summit Plan of Action, provided a much-needed framework for this goal and helped influence public opinion to support governments efforts to eradicate hunger respectively.
September 6-8 th , 2000	The Millennium Summit was held at UN Headquarters in New York, USA. The main outcome was the Millennium Declaration, which included the Millennium Development Goals, the predecessors of the SDGs. Goal 1 aimed to halve extreme poverty and hunger, and achieve decent employment for all.
June 10-13 th , 2002	The World Food Summit +5 aimed to examine the progress made since the first World Food Summit and reiterate the global goal of reducing the number of hungry people to about 400 million by 2015.
April 2008	The UN established the High Level Task Force on Food and Nutrition Security to "promote a comprehensive and unified response of the international community to the challenge of achieving global food and nutrition security".
June 20 th -22 nd , 2012	The main outcome document of the Rio +20 conference, Future We Want, reaffirmed the right of all people to have access to food, and the fact that hunger and food insecurity are pressing global issues. At the same conference, the UN Secretary General launched the Zero Hunger Challenge, calling upon governments to end hunger and eliminate the worst forms of malnutrition in their countries.
November 19 th -21 st , 2014	The second International Conference on Nutrition resulted in the Rome Declaration on Nutrition (a political commitment document) and the Framework for Action (a flexible policy framework) aimed at enhancing international

cooperation in matters of nutrition.

September 25th, 2015

The UN launched the 2030 Agenda for Sustainable Development, adopted unanimously by its Member States. This new sustainable development agenda centres around 17 sustainable development goals, including No Poverty and Zero Hunger.

Relevant UN Treaties

- The Future We Want, 22 June 2014 (**A/RES/66/288**)
- Rome Declaration on World Food Security, 17 November 1996

Previous Attempts to solve the Issue

Past attempts by the UN and NGOs as well as by individual countries to end hunger have had mixed success. Conferences such as the World Food Summit and CFS Plenary sessions have brought hunger to the forefront of the global development agenda. However, even large-scale efforts to end hunger such as the MDGs did not experience complete success, with some targets being met but others fallen short of. For example, target 1.A, halving the number of people living in extreme poverty, was met in 2010, 5 years before the deadline. However, target 1.B, achieving full productive employment for all, was not met as 300 million people still lived below \$1.25 a day by 2015. Additionally, target 1.C, halving the number of hungry people, was not met either as the number was only reduced from 857 million in 2000 to 795 million in 2015. Moreover, that only encompasses efforts to eradicate hunger as a whole. Sustainable agriculture is a relatively new approach to eradicating hunger, and has been ignored in favour of immediately effective but unsustainable emergency aid. The Zero Hunger Challenge and the Zero Hunger SDG are still in effect, and as development priorities around the world have shifted to address the issues of the sustainable development agenda it is not unreasonable to hope that progress would continue to occur at current rates. Nevertheless, as the global population continues to grow, new solutions such as sustainable agriculture will need to emerge in a big way to complete the ambitious goal of ending hunger.

Possible Solutions

To address hunger, the multifaceted problem of poverty must be considered as well. Although eradicating poverty has its own set of complex issues, an essential part of any solution to food insecurity will address poverty factors and attempt to foster sustainable economic growth, especially in poor and/or

rural areas, in part through better agriculture practices. This not only means more efficient and eco-friendly farming techniques, but a higher proportion of food, commodity crops and income remaining within the community instead of being exported and traded internationally. However, farming resources are central to agriculture, and better access to technology and financial (even agriculture specific) loans for impoverished farmers will help create sustainable agricultural systems.

Another path to consider is the political and governance aspect. Strengthening political will to improve food distribution and promote sustainable agriculture is important in ensuring widespread change, and part of this is also educating the general public about sustainable agriculture practices and why they are important economically, environmentally and socially. Further international cooperation will also increase chances of a positive political shift towards sustainability in the agriculture industry, which may help promote sustainability in corporate industrial agriculture as well. Governance mechanisms at every level need to see a shift towards sustainability; this way, improving the implementation, monitoring and evaluation of sustainable agriculture becomes easier and more effective.

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Appendix

The documents below provide an introduction to the topics of food insecurity and sustainable agriculture, but it should be noted that further research is expected of delegates.

[Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture](#)

[Food security and nutrition and sustainable agriculture \(UN\)](#)

[Sustainable Food and Agriculture \(FAO\)](#)

Forum: General Assembly Second Committee

Issue: Financing development: implementing the Addis Ababa Action Agenda

Student Officer: Nadezhda Vaillancourt

Position: Chair Second Committee

Introduction

The Third International Conference on Financing for Development (FfD3) – held on 13-15 July, 2015 in Addis Ababa, Ethiopia – aimed to assess and strengthen global efforts to finance sustainable development. The most notable outcome of the conference was the Addis Ababa Action Agenda (AAAA), a global framework intended not only to improve current collection and allocation of funds towards development, but also generate funding for the United Nations' (UN) ongoing sustainable development agenda, implemented through the Sustainable Development Goals (SDGs) agreed upon later in 2015. The General Assembly resolution 69/313 further endorsed the AAAA, but did not allocate significant funding towards its implementation. Though heeded by the UN as a milestone in unifying global undertakings in development, the Addis Agenda was criticized by outsiders as lacking concrete action to implement the intention behind the agreement.

Two years after the agreement, the extent of its implementation is varied. Although certain steps have been taken, particularly by the UN in its immediate aftermath, no visible major global changes in financing development can be attributed to the Addis Agenda since no significant resources were included to achieve its proposed framework. As the Agenda is highly ambitious and rests largely upon the promise agreed by the signatory nations, direct implementation of the AAAA is difficult both to measure and enforce. The lack of commitment to an international tax body by the UN both in the Agenda and in its immediate follow-up presents further difficulty achieving international tax cooperation, as laid out in the Agenda. It also limits the input of developing countries who do not have influential voices in tax-related organizations outside of the UN. The mobilization of public and private funds as well as the social compact to end poverty included in the Agenda are being monitored as per Chapter Three of the agreement, but further steps can and should be taken to ensure that the AAAA is being implemented as comprehensively and effectively as possible.

Definition of Key Terms

Financing development

Financing development refers to the funding allocated towards the process of economic and social growth within a region, typically a country.

Multilateral Development Bank (MDB)

An MDB is an institution dedicated to providing funding at low interest, as well as professional advisory services towards development. Examples include the World Bank, the African Development Bank, and the Asian Development Bank.

Official Development Assistance (ODA)

ODA is defined as all governmental aid dedicated towards the economic development and welfare of developing countries. The term was established by the Organisation for Economic Co-operation and Development (OECD) to measure allocation and effectiveness of aid and development assistance.

Sustainable Development Goals (SDGs)

The SDGs are a series of objectives set by the United Nations with the aim of unifying member nations in tackling issues such as poverty, inequality and environment, agreed in September 2015 and officially taking effect in January 2016.

Background Information

The first FfD conference was held in Monterrey, Mexico in 2002. Sponsored by the UN, this summit signalled a change in global attitude towards financing development, and solidified the importance of international development cooperation. Its main outcome, the Monterrey Consensus, outlines areas such as the mobilization of domestic and international funds for development, trade, debt and other aspects of financing development. One notable outcome of this agreement was the commitment of donor countries to allocating 0.7% of gross national income (GNI) to official development assistance (ODA), a target only six nations achieved even by 2017. In 2008, second conference was held in Doha, Qatar to revisit and update the Monterrey Consensus, resulting in the Doha Declaration on Financing for Development.

The Third International Conference on Financing for Development, held in July 2015 in the Ethiopian capital Addis Ababa, aimed to assess and improve the implementation of the previous conference outcomes, in addition to tackling new and emerging issues to address financing for development in lieu of current international development cooperation. One of the central focus areas of this conference was laying a groundwork for the financing of the SDGs, set to be launched by the UN in September of 2015 (4 months after FfD3). UN estimates suggest that to complete the SDGs, it could cost around USD 4,500 annually; this is equivalent to 30 times the global total ODA per annum. The FfD3 was intended to provide the operative engine in implementing the SDGs, and to do so, it would need to generate significantly more resources to finance development than previous FfD outcomes.

Contents of the agenda

To quote *Towards Achieving the 2030 Agenda and the Sustainable Development Goals (SDGs)*, “the objective of the Addis Agenda is to mobilise public and private resources and establish appropriate public policies and regulatory frameworks to stimulate private finance, trade and technology development.” The AAAA is essentially a policy framework addressing all major sources of financial flows and redirecting them into financing development to provide a concrete foundation for the implementation of the SDGs. Its comprehensive coverage of a 3-dimensional approach to sustainable development – including environmental and social focus alongside the economic – results in an agreement that is universal in nature. While effective as a global framework, the AAAA remains limited in its ability to target the development needs of specific countries: this reaffirms the need of member countries to claim primary responsibility for their own economic and social development while the international community creates an effective and supporting enabling environment. The Agenda promises to build upon the Monterrey Consensus and Doha Declaration and support the SDGs, as detailed in Chapter One of the agreement.

Chapter Two of the Addis Agenda comprises seven action areas: domestic public resources, domestic and international private business and finance, international development cooperation, international trade as an engine for development, debt and debt sustainability, addressing systemic issues, and science, technology innovation and capacity-building. These action areas outline a policy framework to mobilize funds to finance sustainable development. The third and final chapter of the AAAA focuses on data, monitoring and follow-up, which is crucial in ensuring effective implementation. Emphasizing the importance of high quality data for monitoring purposes as well as capacity building in this area, this chapter also ensures further follow-up by establishing an FfD Forum and organizing an inter-agency Task Force to report annually on the implementation of the AAAA.

Financial flows

To achieve its ambitious goals, the AAAA establishes a comprehensive array of policies to mobilize the maximum funds possible to allocate towards development. It addresses public and private sources, establishing the potential of public finance and the importance of development banks alongside a framework for policies to increase private investments in sustainable development. Additionally, it emphasizes the need for long-term investment and the necessity of aligning all finance with sustainable development. Another focus is on the means of implementation of the SDGs, namely the development and distribution of technology, knowledge-sharing and capacity building to maximise the financing of development.

In the AAAA, member countries commit to raising domestic public resources by improving their tax systems and international cooperation in matters of tax. They further commit to reducing illicit financial flows through strengthened national and international regulation, and aligning financial flows with the SDGs by reducing fossil fuel subsidies. On the private sector front, the Addis Agenda invites business and trade to realign their goals and funding with the SDGs, and increase access to finance for micro-, small- and medium-sized enterprises. Countries also recommitted to their ODA targets: 0.7 percent of GNI dedicated to ODA from developed countries; and between 0.15 and 0.2 percent for less developed countries. The AAAA calls upon MDBs to respond to and incorporate the SDGs in their work, countries to expand trade financing, and assistance for countries to achieve long-term debt sustainability.

New initiatives

The AAAA established numerous new initiatives by governments to support the commitments of the Agenda. One of the most significant was the social compact to provide universal access to social protection and public services, committing governments to sustainable social protection systems and nationally appropriate spending targets to achieve this. As of 2015, over 2.7 billion people worldwide lack access to clean water and sanitation, 57 million children are not enrolled in schools, and over half the world's population has no social security coverage, making this a significant commitment – much like the SDGs it exists to support. Other initiatives include (i) a global infrastructure forum to address the financing gap in developing countries, (ii) an 'LDC package' to increase the ODA allocated to the poorest countries, and (iii) a Technology Facilitation Mechanism comprising various components to advance the use of technology necessary for implementing the SDGs. These and other broad initiatives are supported by specific policy actions within the Addis Agenda to ensure their implementation.

Policy actions

To ensure its implementation, the Addis Agenda includes over 100 concrete measures to enforce the policy framework that it contains. Each of the seven action areas has numerous deliverables

to reap tangible improvement from the sometimes abstract or wide ambition of the area. For example, such measures in domestic public resources include countries setting timelines for enhancing revenue, quickening return of stolen assets via development of a global best-practice strategy, and committing to transparent and gender responsive procedure frameworks. Some measures are easier to implement and monitor than others, but countries have committed to achieving all of them, meaning that close examination of what these deliverables include and how to attain them is crucial.

Follow-Up

Numerous follow-ups to the FfD3 to implement the Addis Agenda have taken place since 2015. First, the Economic and Social Committee (ECOSOC) Forum on Financing for Development follow-up was held in May 2017 and mandated to review the AAAA and other FfD outcomes and means of implementation of the SDGs, namely the Monterrey Consensus and Doha Declaration. It was the second of its kind, after an inaugural conference in 2016. The conference demonstrated a sustained global resolve to implement the AAAA and keep financing development firmly on the global agenda. This annual FfD Forum was a direct result of the Addis Agenda, and its outcome includes inter-governmentally agreed conclusions and recommendations that are regarded in the High Level Political Forum on Sustainable Development. Its assessment of the implementation of the SDGs encourages discourse among high-level participants (including at ministerial level, relevant high-level government officials, and representatives of the World Bank Group, International Monetary Fund (IMF) and UN) on how to improve their implementation of the AAAA policies, providing a vital source of international cooperation.

Another result of the Addis Agenda was the Inter-agency Task Force on Financing for Development, comprising various regional commissions, agencies and institutional stakeholders, coordinated by the UN Department of Economic and Social Affairs, which monitors development finance worldwide. The Task Force has published one inaugural report so far, released in March 2016, presenting a monitoring framework to ensure annual assessment of progress on the AAAA. These recommendations were welcomed by the ECOSOC FfD Forum, which further specified the Task Force's mandate, urging discussion on the global context of the FfD follow-up, an overview of the synergy of the three chapters of the Addis Agenda, and analysis of thematic issues.

Other significant follow-up includes the annual Global Infrastructure Forum, the first of which was held in April 2017 with the aim of bridging the global finance gap in infrastructure investment, and "Stakeholder workstreams" launched by the Financing for Development Office to fulfil the Addis Agenda's call for the involvement of local authorities, civil society, academia and private sector in

achieving the SDGs. The outcomes of both these follow-up strategies will be reported to the ECOSOC FfD Forum in order to be implemented to full effect.

Controversy and issues with implementation

Despite keen reception of the Addis Agenda by the UN in particular, the AAAA has been criticized in numerous departments by civil society organizations, non-governmental organizations and others. First and foremost, the Addis Agenda contained no new commitments of resources or sources for funding. This may be due in part to the fact that there was relatively little media coverage of the FfD3 – especially compared to the then-imminent SDGs – resulting in less pressure on governments to secure significant resources. Given the ambitious nature of the Agenda and the sustainable development agenda that it supports, as well as the fact that developed countries took the stance that the AAAA should be the principal means of implementation of the SDGs, this lack of new commitment creates obstacles preventing its fullest implementation. Developing countries in particular will be affected by this, as the policy framework set forth by the Addis Agenda will be easier to implement for countries not currently lacking either resources allocated to sustainable development or resources in general.

Developing countries face other issues in implementing the Addis Agenda, the most significant of which is the nature of the tax and other agreements in the AAAA that put developing countries at a disadvantage. Matters of international finance continue to be discussed in platforms coordinated by the IMF, World Bank and OECD, all of which are dominated by developed countries. In the OECD, developing countries only participate when invited by OECD member states, undermining the call for greater voice and participation of developing countries in the Addis Agenda. An attempt to circumnavigate this situation was attempted by proposing an alternate venue for tax discussions: a new global, inter-governmental tax body. However, this proposal was blocked by developing countries, who opted to continue using the OECD as the main platform for norm-setting in global finance. This and other initiatives limit debates, decisions and actions on global finance to the UN community.

Additionally, concerns were raised regarding the distinction between intrinsic financing for development issues, and specific financing for development issues dealing with sustainable development. Many developed countries proposed that one could not be separated from the other, and no financing for development issue was not related to sustainable development. This would therefore limit UN monitoring, and lead to organizations such as the IMF and OECD – where developed countries have significant influence – being in charge of monitoring. The final AAAA provides some safeguards to ensure the financing for development process remains monitored, including a follow up process within the UN: an annual 5-day session of the ECOSOC.

In addition to these issues, the AAAA fails to address major issues with the international finance systems that directly affect financing development. Developing countries traditionally receive loans for

financing development from MDBs, bilateral and multilateral partners in US dollars, as their own currencies are often not internationally convertible, and valued lower and less stable than currencies such as the USD. This incurs additional costs for the borrower with interest, fees and exchange costs all playing a part. While the Monterrey and Doha outcomes both called for greater use of the international reserve asset called the Special Drawing Rights, the Addis Agenda did not reaffirm this sentiment.

These issues, many of which relate to areas in which the AAAA is lacking, are important considerations in financing for development. To achieve the goals of the Addis Agenda and the sustainable development agenda, countries will have to go above and beyond the AAAA to ensure its most effective implementation.

Major Countries and Organizations Involved

United Nations Development Programme (UNDP)

UNDP is the global development network of the UN, working in nearly 170 countries and territories to enable sustainable development, democratic governance and peacebuilding, and climate and disaster resilience. To help achieve the SDGs, UNDP helps countries develop policies, improve institutional capabilities and foster international cooperation to obtain development results. As a leading authority in the UN on the SDGs, UNDP plays an important role in ensuring the implementation of the Addis Agenda is leading the financing of sustainable development.

United Nations Environmental and Social Committee (ECOSOC)

ECOSOC is one of the six main organs of the UN, with a focus on advancing sustainable development in economic, environmental and social areas. As the responsible party for the ECOSOC FfD Forum, Development Cooperation Forum and High-Level Political Forum, ECOSOC is an essential platform in discussing and assessing the progress of implementing the AAAA and financing for sustainable development. Its Financing for Development Office is the principal agent in ensuring FfD follow-up within the UN.

The World Bank

The World Bank Group, comprising five main subsidiaries, is an international financial institution that provides financial and technical assistance with the aim of ending extreme poverty and increasing income growth. It offers low-interest loans and grants to developing countries in areas including education, health, infrastructure and private sector development. Given it is the world's leading MDB, its continued assistance in implementing the AAAA will be essential. Other influential MDBs such as the

Asian Development Bank, the African Development Bank and the European Investment Bank play similarly important roles in financing for development.

International Monetary Fund (IMF)

The IMF is an international organization comprising 189 countries and is responsible for fostering global monetary cooperation to ensure the continued stability of the international monetary system. The IMF provides loans, capacity building and Special Drawing Rights to countries that require and qualify for assistance. To achieve the SDGs, the IMF has launched new initiatives enhancing their financial support of nations, much of which plays a part in financing for development.

Organisation for Economic Co-operation and Development (OECD)

The OECD is a forum where the governments of 34 democratic nations with market economies cooperate to promote economic growth and sustainable development. It is an important platform for negotiating norms and standard practices in tax cooperation, and since tax revenue will make up a considerable portion of the funds allocated to financing development and achieving the SDGs, the OECD is responsible for supporting a major part of AAAAA.

Timeline of Events

Date	Description of event
September 6-8 th , 2000	The Millennium Summit was held at UN Headquarters in New York, USA. The main outcome was the Millennium Declaration, which included the Millennium Development Goals, the predecessors of the SDGs.
March 18-22 th , 2002	The first Financing for Development conference was held in Monterrey, Mexico. Signifying an increasing global concern for financing development, the primary conference outcome was the Monterrey Consensus.
November 29 th - December 2 nd , 2008	The Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus was held in Doha, Qatar. It resulted in the Doha Declaration, a document updating the Monterrey Consensus.
July 13-16 th , 2015	The Third International Conference on Financing for Development was held in Addis Ababa, Ethiopia. Its assessment of both previous FfD outcomes and the global context of financing development produced the Addis Ababa Action Agenda, a document proposing a new global framework for financing development to enable the SDGs.

September 25 th , 2015	The UN launched the 2030 Agenda for Sustainable Development, adopted unanimously by its Member States. This new sustainable development agenda centres around 17 sustainable development goals.
January 1 st , 2016	The new sustainable development agenda, including the 17 SDGs, was officially adopted by the UN.
April 18-20 th , 2016	The inaugural ECOSOC Financing for Development Forum was held in UN headquarters in New York. Outcomes of the forum were referred to the High-Level Political Forum on Sustainable Development to affect change at the highest level.

Relevant UN Treaties

- Follow-up to the International Conference on Financing for Development, 20 December 2013 **(A/RES/68/204)**
- Modalities for the third International Conference on Financing for Development, 30 June 2014 **(A/RES/68/279)**
- Addis Ababa Action Agenda of the Third International Conference on Financing for Development, (Addis Ababa Action Agenda), 27 July 2015 **(A/RES/68/204)**

Previous Attempts to solve the Issue

The follow-up to the Addis Ababa Action Agenda (detailed above in the *Background Information – Follow-up* section) constitutes the most significant efforts made to continue implementing and monitoring of the AAAAA. In summary, these include: the inter-agency Task Force that monitors global development finance, the ECOSOC FfD Forum that revisits the AAAAA and prompts discussion amongst countries to assess its implementation and other forums such as the Global Infrastructure Forum that aim to address specific areas of the Addis Agenda.

Samuel Ng 19/8/17 8:12 PM

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Possible Solutions

One of the most integral aspects of ensuring the Addis Agenda's effective implementation is monitoring. Although agencies such as the inter-agency Task Force already exist to conduct such monitoring on a global scale, creating measures that allow countries to do this on a national and regional level from within an enabling international community will result in more accurate monitoring, and ensure that implementation strategies are appropriate and effective. Providing access to resources that would

allow countries to take initiative on this matter and better monitor their own financing for development could also be an answer, albeit with safeguards that assure equitable distribution and transparency.

Other solutions may involve directly targeting the tax bodies and systems upon which the Addis Agenda heavily relies to mobilize resources. Further measures to improve domestic tax revenue collection and use could be helpful, but more important would be an international tax body outside of current actors such as the OECD and IMF. However, since many developed countries blocked this proposal during the FfD3 negotiations, another path could be improving the current UN Tax Committee (a subsidiary of ECOSOC) giving special attention to the needs of developing countries. Otherwise, improving access to an international pool of resources such as Special Drawing Rights could serve a similar purpose.

Another angle to consider is the involvement of the private sector. The AAAA lays significant emphasis on involving the private sector in financing for development, but offers few major safeguards to this end. Monitoring private sector engagement as well as further cooperation between public and private sector sources of financial flows could help attain a better focus on sustainable development in financing. This is relevant on both a national and international scale. Furthermore, increased international cooperation in the past has improved efforts to implement the Addis Agenda, meaning further international cooperation – regarding both financing for development in general as well as specific areas of the AAAA – outside of the ECOSOC FfD Forum could reap benefits for both developed and developing countries.

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Appendix

In researching this topic, reading the entirety of the Addis Ababa Action Agenda is not necessary, but a well-rounded understanding of its contents is advised. The documents below provide valuable and condensed summaries of some of the Addis Agenda's most important points, although it should be noted that further research is expected of delegates.

[DESA Briefing Note on the Addis Ababa Action Agenda](#)

[Five Points on the Addis Ababa Action Agenda](#)

[Summary list of pledges and commitments in the Addis Ababa Action Agenda agreed on July 15, 2015](#)

Forum: General Assembly 2

Issue: Developing a Global Code of Ethics for Tourism

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Introduction

Tourism has been one of the fastest growing industries in the world for the past few decades. Since people have had access to disposable incomes, they have been spending significant portions of it on both domestic and international travel. The UNWTO (United Nations World Tourism Organization) estimated that the tourism sector generated over US \$1.5 trillion in 2015 alone; about three and a half times more than revenue generated by oil exports that year. Tourism makes up about 47.2% of the Gross Domestic Product (GDP) of the top ten nations in terms of contribution of travel and tourism to GDP. The World Travel and Tourism Council (WTTC) predicts an annual growth rate of 3.9% for worldwide travel and tourism in addition to the already large revenue being generated.

While it is clear that the business is highly profitable, the over-saturation of this market has led to repercussions for host-countries in recent years. An influx in the number of tourists travelling every year has begun to put serious strains on the resources of host nations. Local authorities often have trouble keeping tourists safe; being in a foreign environment, tourists are especially susceptible to being victims of crimes. Tourists sometimes offend residents of the host-country by accident, not being aware of native socio-cultural norms. Local merchants and small-business owners find themselves being undercut by large international conglomerates, causing GDPs to decrease due to an inability to price goods competitively. Organisms and their habitats are destroyed because of tourist safaris/trails, clearing habitats in order to construct better facilities for tourists, over-poaching and overfishing to meet the nutritional demands of tourists, and the introduction of invasive species into local food chains to provide exotic products to tourists.

There have been several attempts over the years by the international community to provide solutions to these issues. These include the establishment of the Global Code of Ethics for Tourism (GCET) – a comprehensive set of guidelines whose purpose is to create a global atmosphere that promotes ethical and sustainable tourism – the Manila declaration, which defines the key pillars of sustainable tourism. Additionally, the international community as a whole had been working towards the Millennium Development Goals (terminated in 2015) several of which targeted issues faced by the

tourism sector. These endeavours have carried forward into the Sustainable Development Goals, which provide a more focused approach to the issue— goals 8, 12, and 14 directly address common difficulties caused by tourism.

Yet, many problems associated with touristic activities continue to occur. While several comprehensive documents have been created that provide a step-by-step basis for the development of a global code of ethics for tourism in the past, implementation of this code is voluntary, meaning that not all nations will choose to implement it. As of 2015, the GCET had been adopted by only 61 nations— just under a third of all member states. Thus, for a successful global code of ethics for tourism to be developed, it must not only be comprehensive, but inclusive to all member states, and easy to implement at any level.

Definition of Key Terms

Ethical Tourism

Tourism that conforms to a predefined set of morals and beliefs; following such a code of ethics should leave all parties involved in touristic activities either the same as before or better off for the experience. This includes tourists, the eco-systems, economies, and cultural well-being of host nations, local small medium enterprises, and large international conglomerates, amongst others.

The Global Code of Ethics for Tourism (GCET)

Completed in 1999 by Secretary-General Kofi Annan with the aid of the UNWTO, the GCET serves to provide an accessible platform for the implementation of ethical touristic practices for governments, businesses, and tourists. It encourages mutual respect between tourists and host nations, safe travel, and at its heart, reaffirms the true purpose of tourism as an enjoyable cultural experience.

United Nations World Tourism Organisation (UNWTO)

The UNWTO is a specialized agency of the UN that encourages responsible, ethical tourism across the world. It heavily endorses the GCET, and has 156 member nations, with over five hundred other representatives from the private sector to ensure the implementation of solutions that benefit all.

World Committee on Tourism Ethics (WCTE)

An auxiliary body of the UNWTO, the WCTE directly oversees the implementation of the GCET in all its forms across the world. It also periodically reviews the document, proposing changes to the General Assembly based on real-world data gained from administrative experience.

Small Medium Enterprises (SME)

Taking into account different definitions by different organisations (UN, EU, WTO), SMEs are businesses that are comparatively small in size in terms of personnel employed and net revenue earned. They are often locally run enterprises that make up a significant portion of the tourism industry. Due to their bijou nature, these businesses are often unable to compete directly with larger conglomerates; government deregulation to stop the practice of corporatism can be an effective method to allow SMEs to remain competitive.

Host Nation

The country receiving a tourist from another nation. For example, in the case of someone travelling from India to Sri Lanka, Sri Lanka would be the host nation. It is the host nation's responsibility to ensure the safety and well-being of the tourist during their stay— local laws and norms usually apply to tourists.

Ecotourism

A method of supporting ethical tourism, ecotourism relates to any and all touristic activities performed with the intention of supporting ecological life, their habitats, and the wider environment in general, sometimes at the cost of the tourist. Usually conducted at the individual level, ecotourism can be accomplished through a variety of methods; examples include choosing eco-friendly travel options over cheaper, more harmful ones, disposing of waste responsibly, or discouraging poaching by not purchasing animal products.

Cultural Tourism

Another subset of ethical tourism, cultural tourism relates to tourists respecting the social and cultural norms of their host nations, and open-mindedly learning about other societies. Methods of achieving this include educating oneself about the history, culture, and religions associated with the host nation so as to not offend members of the aforementioned country.

Background Information

Due to the nature of tourism, it manifests itself differently depending on the host nation. More economically developed countries might offer luxurious experiences to travellers, relying on their developed infrastructure and attractions to attract tourists, while other countries might choose to focus on advertising the cultures and histories of their nations, offering a more human experience to tourists. Thus, there is no possible blanket solution that all member nations would be able to implement to create an ethical tourist industry. The international community has recognised this fact, and has passed several resolutions, each targeting specific geographical areas or issues with tourism.

According to the World Bank Development Indicators, the world's total tourism expenditures amounted to about 1,312,609 million US dollars in 2015— about a sixth of the Gross World Product of the same year. The total number of tourists worldwide crossed 1 billion in 2015— a seventh of the world's population. The tourism industry is currently at the highest it's ever been, and is steadily rising— showing no signs of slowing down.

While certainly a highly profitable sector of most economies, tourism has seen a general decline in its ethical considerations in recent years. With a rising population, its impact on host nations cannot be ignored, for better or, more commonly, for worse. As such, it is a broad issue, encompassing several smaller issues, each of which contribute greatly to the bigger picture. Environmental, economic, socio-cultural, and human factors must all be considered in order to truly have an effect on the tourism industry and introduce a concrete code of ethics to the business. It is not simply the responsibility of host nations or individual tourists to create a sustainable touristic experience— it is the combined effort of businesses, large and small, private and public sectors, conscientious individuals, the governments of all nations involved, and the local authorities to create a truly sustainable model for tourism in the future.

Ecological impacts

Perhaps the most serious impact of unethical tourism in the past, the negative ecological effects of tourism are severe and often irreversible. The environment of a host nation is often the deciding factor in whether a tourist chooses to travel there or not— tourists themselves, however, can have a negative effect on the environment, both directly and indirectly. With the repeated occurrence of such practices, the ecosystems of the host country begin to deteriorate, leading to a loss of biodiversity (resulting in a butterfly effect of actions, including the losses of endangered species, breakages in the food chain, and an increase in pollution), and discouraging other tourists from visiting the host nation, leading to economic disparity where there was growth before.

Direct Impact of tourists on the environment

This refers to actions initiated by individual tourists that wittingly or unwittingly cause adverse effects to the ecology of the host nation. There are a wide range of actions present under this

umbrella— generally speaking, however, these tend to be related to pollution or littering. Tourists often purchase disposable products as their stays are usually short— the disposal of these products is not always executed correctly, ending up in biodiversity-rich areas, endangering the native organisms.

Indirect impacts of tourists on the environment

Possibly the more serious of the two, these tend to be large scale impacts caused by the collective actions of many, often unknowingly. Tourists require specific types of infrastructure, including highways, hotels, airports, and shops, amongst others. To construct these necessities, it is often necessary to clear the habitats of indigenous flora and fauna; this leaves several animals without shelter, prompting them to enter urban environments, endangering the public, and eventually leads to the death of these organisms with no means of sustenance. Many touristic activities also put a strain on the local ecology— high speed boat rides endanger marine life, many safaris endanger life on land; the mass purchasing of animal products by tourists also leads to increased poaching and fishing; additionally, in order to procure the resources required by tourists, SMEs often put pressure on the local ecological systems or populations. For example, the average golf course aimed at tourists in Thailand requires more water than 60,000 Thai villagers combined.

Economic impacts

While the tourism industry greatly benefits economies on a large scale, it can adversely affect smaller, more local business systems, as well as have underlying effects for the entire host nation. It is important for all member states to be aware of these factors and take them into account when planning for a future with sustainable tourism so as to maximise profits for themselves, and thus provide a further incentive for continued tourism.

Impact of international businesses

While highly standardised international organisations in the tourism sector provide an assurance of quality and a level of comfort with travellers, they have serious risks that could have deep impacts on the local economy of host nations. Resources vary by country, yet large international conglomerates require all their branches to be upheld to a certain level. This leads to these chains buying up already scarce resources, making it nearly impossible for citizens of the host country to purchase such goods. These businesses also discourage tourists from supporting local SMEs, urging them to take up their business with themselves. This could lead to large businesses outcompeting SMEs, leading to less growth for the host nation's economy.

Furthermore, such chains have a tendency to bring their own staff with them to uphold quality—this reduces job opportunities for locals.

Illegal industries for tourists

To cater to the needs of tourists, legally questionable trades often crop up in tourist-rich nations, offering easy access to several vices. These industries can not only become a severe legal issue, but can begin to take away from the host nation's GDP and economy; they are unregulated, untaxed industries that take legitimate resources away from the host nation. For example, although illegal, Thailand's prostitution industry has grown to a multi-billion dollar business, with sex workers making up 0.2% of the population.

Socio-cultural human impacts

One of the most important aspects of any tourism is the human experience. Cultural exchanges are often the basis for one's rationale of travelling. When done respectfully and with an open-mind, tourism can introduce a whole new society to tourists. Performed wrong, however, tourists run the risk of upsetting or offending the citizens of the host country they are visiting. There are certain factors to be aware of when travelling so as to make the experience as memorable as possible— with sufficient preparation.

Research and self-education

An understanding, however rudimentary, of a host nation's culture can be the difference between a successful touristic experience and cultural miscommunication. In most places, the onus is on the tourist to ensure they sufficiently educate themselves on cultural norms before travelling. However, there are several issues with this. Some tourists are not aware they need to do research on cultural differences— if they are, there is often an information overload, making it difficult to pick out relevant information, leading to the entire process being rendered redundant.

Marketing in tourism

An area directly concerned with ethics, governments often employ various advertising methods in order to garner attention from potential tourists. Such campaigns have the potential to drastically increase touristic activity in host nations— they must also be regulated in order to prevent the spread of false information. A tourist, for example, may not be able to differentiate between artistic liberties taken by an advertiser and reality, leading to a very different reality than what they were lead to believe.

Major Countries and Organizations Involved

United Nations World Tourism Organisation (UNWTO)

Established in 1975, the UNWTO is a branch of the UN that aims to create a global landscape for safe, responsible, ethical tourism. While its headquarters are located in Spain, it has 156 member nations, and encourages the implementation of the GCET.

World Committee on Tourism Ethics (WCTE)

A subsidiary of the UNWTO, the WCTE is responsible for overseeing the implementation of the GCET, and constantly reviews and proposes changes to the document based on data gained from implementation attempts.

Asia Pacific Economic Cooperative (APEC)

Founded in 1991, the APEC aims to create jobs and promote sustainable development in tourism in the Asia-Pacific region. Unlike other organisations, the APEC chooses to focus mainly on the economic advantages that can be gained from ethical tourism. Additionally, APEC also works with the private sector in order to understand the challenges faced by companies in the tourism sector so as to create more efficient policies for tourism. Members include Australia, Brunei Darussalam, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, Papua New Guinea, Peru, Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, United States, Vietnam, and New Zealand.

Association of Southeast Asian Nations (ASEAN)

ASEAN is an intergovernmental organisation made up of Southeast Asian countries. It focuses on building ties between its member states, and promotes the greater unity of Asia in general. While it works in several sectors to encourage growth, it also has specific plans of action for the betterment of tourism across Southeast Asia. Its member states include Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Caribbean Community (CARICOM)

CARICOM is an organisation that promotes cooperation between its fifteen member states from the Caribbean. They encourage economic interdependencies within CARICOM, raising working conditions, the quality of living, better product production, and better healthcare systems. They rely heavily on tourism as a driving force in the economies of member states, and promote tourism to the Caribbean as a whole. Member states include Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

European Union (EU)

The EU is a union of several European member states to promote trade, foreign relations, and easy travel between nations. It focuses on economic growth in tourism, promoting larger numbers of tourists while creating new jobs at the same time. It also has policies for the fair treatment of SMEs, including a fund specifically for financial support to SMEs. Members include Austria, Italy, Belgium, Latvia, Bulgaria, Lithuania, Croatia, Luxembourg, Cyprus, Malta, Czech Republic, Netherlands, Denmark, Poland, Estonia, Portugal, Finland, Romania, France, Slovakia, Germany, Slovenia, Greece, Spain, Hungary, Sweden, Ireland, and the United Kingdom

Cooperation Council for Arab States of the Gulf (GCC)

Also known as the Gulf Cooperation Council, the GCC aims to unify the Arab States of the Persian Gulf into a stronger political military power. It focuses on strengthening the economies of all its member states so as to create more resources with which to support this cause. Tourism is a major source of income for many of these nations, with experts predicting that the tourism industry in the Persian Gulf will have reached \$36 billion US dollars by 2020. Member states include Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Economic Community of West African States (ECOWAS)

Established in 1975, ECOWAS is an inter-governmental group that promotes economic growth in West Africa. With tourism being a major source of income, it focuses on promoting cultural tourism to West Africa. Member states include Bénin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

Timeline of Events

Date	Description of event
October 10 th , 1980	<p>Manila Declaration on World Tourism signed</p> <p>This document was one of the first major steps taken by the international community that established tourism as a business vital to many economies, and provided standards for social, cultural, economic, and the educational aspects of tourism.</p>
August 27 th , 1982	<p>Acapulco Document signed</p> <p>A landmark moment in the history of tourism, the Acapulco Document recognized the importance of tourism in the international community, and invited</p>

the world to support tourism in all its aspects, further cementing the significance of a quickly rising industry.

The Hague Declaration on Tourism signed

April 14th, 1989

This document continued the precedent set by previous meetings of the international community, and began to focus on specific problem areas of tourism, including fostering open international relations so as to create tourism without problems, and aiding developing nations to enter the tourism industry.

United Nations Conference on Environment and Development

June 14th, 1992

Also known as the Earth Summit, this meeting held in Rio de Janeiro saw the entrance of the WTO into the tourism sector, marking an important moment for tourism. Agenda 21 was introduced here— a specific document that focused on Sustainable Development in tourism.

World Committee on Tourism Ethics established

2004

In a meeting of the World Trade Organisation General Assembly, the creation of this committee was ratified; the world now had a UN body that looked specifically into bettering tourism in the international community.

United Nations Conference on Sustainable Development

June 22nd, 2012

The second iteration of the Earth Summit held in Rio, this meeting marked a 20 year follow up to the previous meeting. During the conference, previous goals were reviewed and reevaluated, paving a clear path for tourism in the future.

Relevant UN Treaties and Events

- The Manila Declaration on World Tourism, 19 November 1981, **(A/RES/36/41)**
- Global Code of Ethics for Tourism, 21 December 2001, **(A/RES/56/212)**
- Sustainable Tourism, 14 January 2015, **(A/RES/69/233)**

Previous Attempts to solve the Issue

The Global Code of Ethics for Tourism could be regarded as the culmination of the international community's efforts to solve the issues that come with tourism. It is a comprehensive document with ten articles, each broadly targeting different problem areas.

A large area of the document focuses on the cultural aspects of tourism, and reminds nations of the fact that at the core of every successful touristic experience is human interaction. Thus, it lays out basic behavioural guidelines for tourists to follow when travelling in order to have a fruitful, cultural journey. These include respecting everyone, including minority groups, obeying the laws and traditions of the host country, and not partaking in illegal activities or consuming illegal substances. Furthermore, it lays out recommendations for host nations to train local professionals and authorities to extend a warm welcome to tourists, and make them feel comfortable.

The document also focuses on the fact that tourism should be a fun recreational experience for everyone. It includes measures to ensure the enjoyment of all groups: the elderly, the handicapped, children, and minorities. Additionally, it invites nations to work together and extend their jurisdictions to all countries involved when a serious crime such as human exploitation due to the tourist industry occurs, so as to adequately punish those involved.

The GCET also recognises the importance of tourism as a means for promoting sustainable development. It extends this definition to maintain the safety and well-being of the environment, asking member nations to have considerations for the ecological impacts of tourism, and protect their local biodiversity as far as is possible.

Additionally, points are brought up regarding sites of historical, cultural, archaeological, or educational significance that tourists tend to visit. The international community sees these sites as an integral part of the character of a host nation, and affirms that strict regulations must be put in place in order to defend these locations; there is much to be gained from tourism, but a nation's heritage should not be sacrificed in exchange for economic prosperity.

Considerations are also extended to the citizens of such host nations. The document asserts that local citizens and professionals should benefit as much from tourism as the tourists themselves. It suggests creating contingencies for SMEs, and promotes the running of an equal market where local businesses can compete with large international chains and benefit the host nation's economy.

Furthermore, the GCET sees the need for honest advertising and descriptions. It strongly recommends the creation of laws that require businesses to provide "objective and honest information" regarding tourist infrastructure, lodgings, activities, and experiences.

Finally, the document recognises the importance of the solutions it proposes. It lays out guidelines for easy implementation of these solutions, along with suggestions for which solutions can be implemented by which groups. It provides information for governments, the private sector, and tourists on how to create ethical tourist experiences.

Possible Solutions

The solutions that have currently been implemented by the international community are certainly thorough— however, they tend to be mostly blanket solutions that apply specifically to no nation. Documents such as the GCET and the Manila Declaration try to be a one-size fits all solution. In doing this, they forgo the specific details required to make any actual development work. It is no surprise then that only a third of the General Assembly has actually implemented the GCET— many of the ideas in it do not apply to most member states.

In order to make real changes to the tourism industry as a whole, specific areas must be targeted individually. This may mean the passing of multiple, more detailed resolutions instead of one large, unified solution. Research into the pasts of intergovernmental organisations such as GCC or ECOWAS is highly recommended— since they represent highly specific groups of nations, their previous discussions and actions reveal the specific needs of these groups, taking into account religion, culture, economic development, and several other factors specific to these nations.

This does not mean previous UN documents should be ignored, however. They serve as a useful basis for starting to create specific solutions. Expanding upon a specific article from the GCET and applying it to a particular geographic location, for example, could begin to provide the solutions needed for that area to begin developing a self-sustaining, ethical model for tourism.

Another drawback that most solutions proposed by the international community have in common is that they all tend to focus on the larger picture. They encourage large scale development and intergovernmental alliances, but often ignore the individual. It is important to look into providing solutions at the grassroots level— providing jobs for citizens and encouraging the growth of SMEs is a sure shot way to increase the popularity of tourism amongst locals, and might provide a stepping stone for other, larger solutions to take place.

Additionally, there is little incentive for governments or individuals to actually adopt many of the solutions put forth by the international community— the vague possibility of returns in the future simply is not enough. Any solutions targeted directly at governments or individuals must, above all, highlight both the short and long term benefits the solution will have on the group implementing it. Strong incentive measures (such as better trade deals, economic aid, and implementation progress reports) would make any future resolutions far more effective, as more members of the international community would adopt them.

Eventually, however, it does not matter which aspect of tourism member states choose to focus on— as long as the solutions proposed are specific, viable, and easily implementable, there is no reason

as to why they would not be successful international solutions that create a global landscape with a strong basis for ethical tourism.

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Appendix

The links below should provide a strong basis for preliminary research. Remember that these should only serve as an introduction to the topic; it is highly encouraged to go beyond these sources.

- I. <http://cf.cdn.unwto.org/sites/all/files/docpdf/gcetbrochureglobalcodeen.pdf>
- II. http://legal.un.org/avl/pdf/ha/mdpsid/mdpsid_ph_e.pdf
- III. <http://www.univeur.org/cuebc/downloads/PDF%20carte/66.%20Acapulco.PDF>
- IV. <http://www.univeur.org/cuebc/downloads/PDF%20carte/68.%20The%20Hague.PDF>