SEKMUN XIII

ECOSOC
Resolution

Signatories: Russia, USA, Ethiopia, Iran, France, The Netherlands, Equatorial Guinea, Egypt, Italy, Australia, South Korea, New Zealand, Algeria, Canada, UK, Poland, Mexico, Pakistan, Argentina, Tunisia, Bolivia, Poland

Expressing deep concern that a number of countries in special situations in particular African countries; the least developed countries, landlocked developing countries and small island developing states face challenges in servicing their debt. Spite of national efforts, some are struggling with debt burdens and are classified, in accordance with the debt sustainability assessments, as being in debt distress or at high risk of debt distress.

Recognizing commodity-based economies as a threat to economic stability and growth.

Considering that, debt sustainability depends on a confluence of many factors at national and international levels, and emphasizing that country-specific circumstances and the impact of external shocks, such as volatile commodity and energy prices and international capital flows, should continue to be taken into account in debt sustainability analysis.

Noting that, although it is more economically developed countries who hold the greatest debts, the ones that struggle to advance due to external debt are less developed nations.

Recognizing, education as a potential ally for economic growth.

Taking into account, the importance of corruption when economic decisions are been made through a country's government,

Confirms that, the average countries external debt was 52.22% as of 2017,

1. *Suggests* the consideration of creditor countries regarding delayment, reduction, elimination and termination of loans by the 2030 Agenda in order to provide developing countries the opportunity to progress economically.

2. *Encourages* the use of protectionism by African countries that struggle to increase GDP in order to promote domestic growth in extreme cases.

3. *Promotes* the creation of an integrated programme by which the loans given can only be accepted if they have been strictly revised by the UN and are directly addressed to an specific cause stopping fraudulent liables.
4. *Suggesting* countries to redirect part of their public investments budget towards the provision of quality education through

   a. The construction of adapted educational infrastructures up to universities (including but not limited to educational facilities and accesses to these)
   b. The evaluation of discussion class that would talk about topics which include but are not limited to:
      - The implementation of job diversification
      - Corruption and its harm on economy
5. *Strongly suggests* the creation of an special organism that meets with economists that really know the situation of the country and will inform without any hesitation of the current economic state of this countries.In addition to its regular occupations, this organism will as well produce a code of conduct to confront problems with holdout creditors and private lenders;

6. *Encourages* open and transparent consultations and practices with the full engagement of public and private creditors and debtors, avoiding corruption issues.
   a. Affirms, that a loaning limit could reduce world debt and as the country repays the loan it's economy will not reach a critical depletion point.

7. *Suggests* as measures to neutralise the danger posed by commodity based economies by:
   - Encouraging the policy reforms of
     - Government finance through Development Finance Institutions (DFIs) to invest in LDCs;
     - Corporation tax and the tax on dividends in order to attract investment and business
   - Stressing on the importance of adding value through vertical diversification by investing in capital equipment by private sector firms to process raw material into final goods and branding the commodities to add value
   - advising and urging countries to diversify using
     - Money collected from economic surpluses
     - Money loaned by International financial institutions such as the IMF of world bank used within agreed sectors
     - Advice from ECOSOC experts

   - Urging the immediate implementation of sovereign wealth funds in commodity-based economies through the provision of ECOSOC reports on success of these every four years

8. *Strongly suggests* the use of state contingent debt instruments, as a way to increase external debt sustainability, whose payoffs are contractually linked to a variable (GDP or inflation) or a trigger event (natural disaster or health epidemic).