



NMUN • NY

## GENERAL ASSEMBLY SECOND COMMITTEE BACKGROUND GUIDE 2012

Written By: Ricardo Lé, Alicia Nall, Amanda Wong, Sara Leister



# NMUN • NY

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## CONTACT THE NMUN

Please consult the FAQ section of [nmun.org](http://nmun.org) for answers to your questions. If you do not find a satisfactory answer you may also contact the individuals below for personal assistance. They may answer your question(s) or refer you to the best source for an answer.

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### NMUN•NY 2012 Important Dates

**IMPORTANT NOTICE:** To make hotel reservations, you must use the forms at [nmun.org](http://nmun.org) and include a \$1,000 deposit. Discount rates are available until the room block is full or one month before the conference – whichever comes first. **PLEASE BOOK EARLY!**

31 January 2012	<ul style="list-style-type: none"> <li>• Confirm Attendance &amp; Delegate Count. (Count may be changed up to 1 March)</li> <li>• Make Transportation Arrangements - DON'T FORGET! (We recommend confirming hotel accommodations prior to booking flights.)</li> </ul>
15 February 2012	<ul style="list-style-type: none"> <li>• Committee Updates Posted to <a href="http://www.nmun.org">www.nmun.org</a></li> </ul>
1 March 2012	<ul style="list-style-type: none"> <li>• Hotel Registration with FULL PRE-PAYMENT Due to Hotel - Register Early! Group Rates on hotel rooms are available on a first come, first served basis until sold out. Group rates, if still available, may not be honored after that date. See hotel reservation form for date final payment is due.</li> <li>• Any Changes to Delegate Numbers Must be Confirmed to: <a href="mailto:outreach@nmun.org">outreach@nmun.org</a></li> <li>• Preferred deadline for submission of Chair / Rapp applications to Committee Chairs</li> <li>• All Conference Fees Due to NMUN for confirmed delegates. (\$125 per delegate if paid by 1 March; \$150 per delegate if received after 1 March. Fee is not refundable after this deadline.</li> <li>• Two Copies of Each Position Paper Due via E-mail (See Delegate Preparation Guide for instructions).</li> </ul>
NATIONAL MODEL UNITED NATIONS 2012	<p>1 - 5 April – Sheraton New York 3 - 7 April - New York Marriott Marquis</p> <p>The 2013 National Model UN Conference 17 - 21 March &amp; 24 - 28 March (both at Sheraton; Sun-Thurs)</p>

## POSITION PAPER INSTRUCTIONS

**Two copies of each position paper should be sent via e-mail by 1 MARCH 2012**

### 1. TO COMMITTEE STAFF

A file of the position paper (.doc or .pdf) for each assigned committee should be sent to the committee e-mail address listed below. Mail papers by 1 March to the e-mail address listed for your particular venue. These e-mail addresses will be active when background guides are available. Delegates should carbon copy (cc:) themselves as confirmation of receipt. Please put committee and assignment in the subject line (Example: GAPLEN\_Greece).

### 2. TO DIRECTOR-GENERAL

- Each delegation should send one set of all position papers for each assignment to the e-mail designated for their venue: positionpapers.sheraton@nmun.org or positionpapers.marriott@nmun.org.

This set (held by each Director-General) will serve as a back-up copy in case individual committee directors cannot open attachments.

*Note:* This e-mail should only be used as a repository for position papers.

- The head delegate or faculty member sending this message should cc: him/herself as confirmation of receipt. (Free programs like Adobe Acrobat or WinZip may need to be used to compress files if they are not plain text.)

- Because of the potential volume of e-mail, only one e-mail from the Head Delegate or Faculty Advisor containing all attached position papers will be accepted.

Please put committee, assignment and delegation name in the subject line (Example: Cuba\_U\_of\_ABC). If you have any questions, please contact the Director-General at dirgen@nmun.org.

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for more information

### COMMITTEE

### EMAIL - SHERATON

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Commission on Narcotic Drugs.....	cnd.sheraton@nmun.org
Economic and Social Commission for Western Asia .....	escwa.sheraton@nmun.org
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Conference on Sustainable Development (Rio+20) .....	csustd.sheraton@nmun.org
Food and Agriculture Organization.....	fao.sheraton@nmun.org
UN Educational, Scientific and Cultural Organization .....	unesco.sheraton@nmun.org
African Union.....	au.sheraton@nmun.org
Organization of American States .....	oas.sheraton@nmun.org
Organisation of Islamic Cooperation .....	oic.sheraton@nmun.org
Asia-Pacific Economic Cooperation .....	apec.sheraton@nmun.org
Security Council A.....	sca.sheraton@nmun.org
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### COMMITTEE

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Commission on Narcotic Drugs.....	cnd.marriott@nmun.org
Economic and Social Commission for Western Asia .....	escwa.marriott@nmun.org
United Nations Children's Fund.....	unicef.marriott@nmun.org
Conference on Sustainable Development (Rio+20) .....	csustd.marriott@nmun.org
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African Union.....	au.marriott@nmun.org
Organization of American States .....	oas.marriott@nmun.org
Organisation of Islamic Cooperation .....	oic.marriott@nmun.org
Asia-Pacific Economic Cooperation .....	apec.marriott@nmun.org
Security Council A .....	sca.marriott@nmun.org
Security Council B.....	scb.marriott@nmun.org
International Criminal Court .....	icc.marriott@nmun.org
Peacebuilding Commission.....	pbcs.marriott@nmun.org
Conference on the Arms Trade Treaty .....	att.sheraton@nmun.org

### OTHER USEFUL CONTACTS

Entire Set of Delegation Position Papers .....	positionpapers.sheraton@nmun.org
(send only to e-mail for your assigned venue).....	positionpapers.marriott@nmun.org
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Dear Delegates,

Welcome to the National Model United Nations 2012. We are very pleased to be serving as your Directors and Assistant Directors for the General Assembly Second Committees at the Sheraton and Marriott Venues this spring.

We would like to introduce ourselves, as we will be your first contacts for any questions or suggestions relating to this committee. Ricardo Lé, returning to NMUN for his fifth year as Director (Sheraton), holds a Bachelor of Science in Life Sciences and Economics from the University of British Columbia, as well as a Master of Health Economics from the University of Queensland. He is currently doing research at the Asia-Pacific Centre for Responsibility to Protect and studying Medicine at the University of Queensland in Brisbane, Australia. Director Alicia Nall (Marriott) earned a Bachelor of Arts degree in international studies and history from the University of Wisconsin Oshkosh and a Juris Doctor from Marquette University Law School. She is currently working as an attorney in a non-profit organization. This is her sixth year at the conference and her third year on staff. Assistant Director Amanda Wong (Sheraton) holds a Bachelor of Arts in Political Science from Simon Fraser University and is currently working towards a Master of Science degree in Environmental Management through the School of Oriental and African Studies' Centre for Development, Environment and Policy. She also works Canadian Department of Fisheries and Oceans. Assistant Director Sara Leister (Marriott) earned a Bachelor of Arts in political science and economics at Western Washington University. This is her third year at NMUN and second year on staff.

This year's topics are as follows:

1. The Role of Intellectual Property in Facilitating Trade and Attracting Foreign Direct Investment;
2. The Role of Microcredit in Promoting Economic Development; and
3. Fresh Water Management and Economic Development.

The General Assembly Second Committee facilitates discussion on international economic and financial issues as Member States attempt to find solutions to pressing international issues. Delegates should utilize available resources widely and maintain an internationally diverse outlook on the topics. This requires an extensive knowledge of the role of the committee along with an understanding of the financial and social consequences of economic decision-making. The background guide is meant to help you develop a basic understanding of the topics and provide you with a starting point for your future research; it is not designed to serve as your only source of information.

Every delegation is required to submit a position paper prior to attending the conference. NMUN will accept position papers via email until March 1, 2012. Please refer to the message from your Director-General explaining NMUN's position paper requirements and restrictions, as adherence to these guidelines is of utmost importance.

Your experience in the General Assembly Second Committee will be a challenging but rewarding experience. Please do not hesitate to direct any questions toward your respective Directors or the Under-Secretaries-General for the Department of the General Assembly, Alex Adriano (Marriott) and Roger Tseng (Sheraton).. We look forward to meeting you in New York this spring.

Sincerely,

*Marriott Venue*  
Alicia Nall  
Director

Sara Leister  
Assistant Director

[ga2nd.marriott@nmun.org](mailto:ga2nd.marriott@nmun.org)

*Sheraton Venue*  
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## Message from the Directors-General Regarding Position Papers for the 2012 NMUN Conference

At the 2012 NMUN New York Conference, each delegation submits one position paper for each committee to which it is assigned. Delegates should be aware that their role in each committee affects the way a position paper should be written. While most delegates will serve as representatives of Member States, some may also serve as observers, NGOs, or judicial experts. To understand these differences, please refer to the Delegate Preparation Guide.

Position papers should provide a concise review of each delegation's policy regarding the topic areas under discussion and should establish precise policies and recommendations about the topics before the committee. International and regional conventions, treaties, declarations, resolutions, and programs of action of relevance to the policy of your State should be identified and addressed. Making recommendations for action by your committee should also be considered. Position papers also serve as a blueprint for individual delegates to remember their country's position throughout the course of the Conference. NGO position papers should be constructed in the same fashion as position papers of countries. Each topic should be addressed briefly in a succinct policy statement representing the relevant views of your assigned NGO. You should also include recommendations for action to be taken by your committee. It will be judged using the same criteria as all country position papers, and is held to the same standard of timeliness.

Please be forewarned, delegates must turn in entirely original material. *The NMUN Conference will not tolerate the occurrence of plagiarism.* In this regard, the NMUN Secretariat would like to take this opportunity to remind delegates that although United Nations documentation is considered within the public domain, the Conference does not allow the verbatim re-creation of these documents. This plagiarism policy also extends to the written work of the Secretariat contained within the Committee Background Guides. Violation of this policy will be immediately reported to faculty advisors and it may result in dismissal from Conference participation. Delegates should report any incident of plagiarism to the Secretariat as soon as possible.

Delegation's position papers can be awarded as recognition of outstanding pre-Conference preparation. In order to be considered for a Position Paper Award, however, delegations must have met the formal requirements listed below. Please refer to the sample paper on the following page for a visual example of what your work should look like at its completion. The following format specifications are **required** for all papers:

- All papers must be typed and formatted according to the example in the Background Guides
- Length must **not** exceed two single-spaced pages (one double-sided paper, if printed)
- Font must be Times New Roman sized between 10 pt. and 12 pt.
- Margins must be set at one inch for whole paper
- Country/NGO name, School name and committee name clearly labeled on the first page,
- The use of national symbols is highly discouraged
- Agenda topics clearly labeled in separate sections

To be considered timely for awards, please read and follow these directions:

1. **A file of the position paper** (.doc or .pdf format required) **for each assigned committee** should be sent to the committee email address listed in the Background Guide. These e-mail addresses will be active after November 15, 2011. Delegates should carbon copy (cc:) themselves as confirmation of receipt.
2. Each delegation should also send **one set of all position papers** to the e-mail designated for their venue: [positionpapers.sheraton@nmun.org](mailto:positionpapers.sheraton@nmun.org) or [positionpapers.marriott@nmun.org](mailto:positionpapers.marriott@nmun.org). This set will serve as a back-up copy in case individual committee directors cannot open attachments. These copies will also be made available in Home Government during the week of the NMUN Conference.

Each of the above listed tasks needs to be completed no later than **March 1, 2012 (GMT-5) for delegations attending the NMUN conference at either the Sheraton or the Marriott venue.**

**PLEASE TITLE EACH E-MAIL/DOCUMENT WITH THE NAME OF THE COMMITTEE, ASSIGNMENT AND DELEGATION NAME (Example: AU\_Namibia\_University of Caprivi)**

*A matrix of received papers will be posted online for delegations to check prior to the Conference. If you need to make other arrangements for submission, please contact Amanda D'Amico, Director-General, Sheraton venue, or Nicholas Warino, Director-General, Marriott venue at [dirgen@nmun.org](mailto:dirgen@nmun.org). There is an option for delegations to submit physical copies via regular mail if needed.*

Once the formal requirements outlined above are met, Conference staff use the following criteria to evaluate Position Papers:

- Overall quality of writing, proper style, grammar, etc.
- Citation of relevant resolutions/documents
- General consistency with bloc/geopolitical constraints
- Consistency with the constraints of the United Nations
- Analysis of issues, rather than reiteration of the Committee Background Guide
- Outline of (official) policy aims within the committee's mandate

Each delegation can submit a copy of their position paper to the permanent mission of the country being represented, along with an explanation of the Conference. Those delegations representing NGOs do not have to send their position paper to their NGO headquarters, although it is encouraged. This will assist them in preparation for the mission briefing in New York.

Finally, please consider that over 2,000 papers will be handled and read by the Secretariat for the Conference. Your patience and cooperation in strictly adhering to the above guidelines will make this process more efficient and it is greatly appreciated. Should you have any questions please feel free to contact the Conference staff, though as we do not operate out of a central office or location, your consideration for time zone differences is appreciated.

Sincerely yours,

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Amanda D'Amico  
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*Marriott Venue*  
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**Delegation from  
The United Mexican States**

**Represented by  
(Name of College)**

### ***Position Paper for the General Assembly Plenary***

The issues before the General Assembly Plenary are: The Use of Economic Sanctions for Political and Economic Compulsion; Democracy and Human Rights in Post-Conflict Regions; as well as The Promotion of Durable Peace and Sustainable Development in Africa. The Mexican Delegation first would like to convey its gratitude being elected and pride to serve as vice-president of the current General Assembly Plenary session.

#### **I. The Use of Economic Sanctions for Political and Economic Compulsion**

The principles of equal sovereignty of states and non-interference, as laid down in the Charter of the United Nations, have always been cornerstones of Mexican foreign policy. The legitimate right to interfere by the use of coercive measures, such as economic sanctions, is laid down in Article 41 of the UN-charter and reserves the right to the Security Council.

Concerning the violation of this principle by the application of unilateral measures outside the framework of the United Nations, H.E. Ambassador to the United Nations Enrique Berruga Filloy underlined in 2005 that the Mexico strongly rejects “the application of unilateral laws and measures of economic blockade against any State, as well as the implementation of coercive measures without the authorization enshrined in the Charter of the United Nations.” That is the reason, why the United Mexican States supported – for the 14th consecutive time – Resolution (A/RES/60/12) of 2006 regarding the *Necessity of ending the economic, commercial and financial embargo imposed by the United States of America against Cuba*.

In the 1990s, comprehensive economic sanctions found several applications with very mixed results, which made a critical reassessment indispensable. The United Mexican States fully supported and actively participated in the “Stockholm Process” that focused on increasing the effectiveness in the implementation of targeted sanctions. As sanctions and especially economic sanctions, pose a tool for action “between words and war” they must be regarded as a mean of last resort before war and fulfill highest requirements for their legitimate use. The United Mexican States and their partners of the “Group of Friends of the U.N. Reform” have already addressed and formulated recommendations for that take former criticism into account. Regarding the design of economic sanctions it is indispensable for the success to have the constant support by all member states and public opinion, which is to a large degree dependent the humanitarian effects of economic sanctions. Sanctions must be tailor-made, designed to effectively target the government, while sparing to the largest degree possible the civil population. Sanction regimes must be constantly monitored and evaluated to enable the world-community to adjust their actions to the needs of the unforeseeably changing situation. Additionally, the United Mexican States propose to increase communication between the existing sanction committees and thus their effectiveness by convening regular meetings of the chairs of the sanction committees on questions of common interest. An example is the case of negative spill-over effects of economic sanctions on neighboring countries, in which affected countries additionally need to be enabled to voice their problems more effectively, as addressed in the resolution *Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions* (A/RES/54/107). Non-state actors have in the last years tremendously grown in their political importance, especially with regard to the international fight against terrorism. Their position and the possibilities of the application of economic sanction on non-state actors is another topic that urgently needs to be considered.

#### **II. Democracy and Human Rights in Post-Conflict Regions**

As a founding member of the United Nations, Mexico is highly engaged in the Promotion of Democracy and Human Rights all over the world, as laid down in the *Universal Declaration on Human Rights (UDHR)* in 1948. Especially since the democratic transition of Mexico in 2000 it is one of the most urgent topics to stand for Democratization and Human Rights, and Mexico implements this vision on many different fronts.

In the Convoking Group of the intergovernmental Community of Democracies (GC), the United Mexican States uphold an approach that fosters international cooperation to promote democratic values and institution-building at the national and international level. To emphasize the strong interrelation between human rights and the building of democracy and to fortify democratic developments are further challenges Mexico deals with in this committee. A key-factor for the sustainable development of a post-conflict-region is to hold free and fair election and thus creating a democratic system. Being aware of the need of post-conflict countries for support in the preparation of democratic elections, the United Mexican States contribute since 2001 to the work of the International Institute for Democracy

and Electoral Assistance (IDEA), an intergovernmental organization operating at international, regional and national level in partnership with a range of institutions. Mexico's foreign policy regarding human rights is substantially based on cooperation with international organizations. The Inter American Commission of Human Rights is one of the bodies, Mexico is participating, working on the promotion of Human Rights in the Americas. Furthermore, the Inter-American Court of Human Rights is the regional judicial institution for the application and interpretation of the *American Convention of Human Rights*.

The objectives Mexico pursues are to improve human rights in the country through structural changes and to fortify the legal and institutional frame for the protection of human rights on the international level. Underlining the connection between democracy, development and Human Rights, stresses the importance of cooperation with and the role of the High Commissioner on Human Rights and the reform of the Human Rights Commission to a Human rights Council.

Having in mind the diversity of challenges in enforcing democracy and Human Rights, Mexico considers regional and national approaches vital for their endorsement, as Mexico exemplifies with its *National Program for Human Rights* or the *Plan Puebla Panama*. On the global level, Mexico is encouraged in working on a greater coordination and interoperability among the United Nations and regional organizations, as well as the development of common strategies and operational policies and the sharing of best practices in civilian crisis management should be encouraged, including clear frameworks for joint operations, when applicable.

### **III. The Promotion of Durable Peace and Sustainable Development in Africa**

The United Mexican States welcome the leadership role the African Union has taken regarding the security problems of the continent. Our delegation is furthermore convinced that The New Partnership for Africa's Development (NEPAD) can become the foundation for Africa's economic, social and democratic development as the basis for sustainable peace. Therefore it deserves the full support of the international community.

The development of the United Mexican States in the last two decades is characterized by the transition to a full democracy, the national and regional promotion of human rights and sustainable, economic growth. Mexico's development is characterized by free trade and its regional integration in the North American Free Trade Agreement. Having in mind that sustainable development is based not only on economic, but as well on social and environmental development, President Vicente Fox has made sustainable development a guiding principle in the Mexican Development Plan that includes sustainability targets for all major policy areas.

The United Nations Security Council has established not less than seven peace-keeping missions on the African continent, underlining the need for full support by the international community. In post-conflict situations, we regard national reconciliation as a precondition for a peaceful development, which is the reason why Mexico supported such committees, i.e. in the case of Sierra Leone. The United Mexican States are convinced that an other to enhance durable peace in Africa is the institutional reform of the United Nations. We therefore want to reaffirm our full support to both the establishment of the peace-building commission and the Human Rights Council. Both topics are highly interrelated and, having in mind that the breach of peace is most often linked with severest human rights' abuses, thus need to be seen as two sides of one problem and be approached in this understanding.

As most conflicts have their roots in conflicts about economic resources and development chances, human development and the eradication of poverty must be at the heart of a successful, preventive approach. Lifting people out of poverty must be seen as a precondition not only for peace, but for social development and environmental sustainability.

The United Mexican States want to express their esteem for the decision taken by the G-8 countries for a complete debt-relief for many African Highly-Indebted-Poor-Countries. Nevertheless, many commitments made by the international community that are crucial for Africa's sustainable development are unfulfilled. The developed countries agreed in the *Monterrey Consensus of the International Conference on Financing for Development* (A/CONF.198/11) to increase their Official Development Aid (ODA) "towards the target of 0,7 per cent of gross national product (GNP) as ODA to developing countries and 0,15 to 0,20 per cent of GNP of developed countries to least developed countries". Furthermore, the United Mexican States are disappointed by the result of the Hong Kong Ministerial conference of the World Trade Organization, which once more failed to meet the needs of those, to whom the round was devoted: developing countries and especially African countries, who today, more than ever, are cut off from global trade and prosperity by protectionism.

With regard to the African Peer Review Mechanism, the United Mexican States want to underline that good governance is an integral part of sustainable development. Therefore, we support all efforts by African countries to make the mechanism obligatory to increase transparency and accountability in all African countries.



## Committee History

### *Introduction*

The United Nations (UN) was created in 1945 by 52 countries after the conclusion of World War II; since then, membership has grown to 193 Member States.<sup>1</sup> The purpose of the UN is to maintain peace and security, develop relations among states, and solve international problems while respecting human rights; to facilitate the achievement of these goals, the mandate and scope of the organization is directed by the Charter of the UN.<sup>2</sup> All 193 Member States of the UN are represented in the General Assembly as mandated by Chapter IV of the UN Charter.<sup>3</sup> Chapter IV also outlines the composition, function, powers, voting, and procedure of the General Assembly (GA). Article 22 of the UN Charter gives the GA the authority to create subsidiary organs.<sup>4</sup> There are six subsidiary organs: First Committee (Disarmament and International Security Committee), Second Committee (Economic and Financial Committee), Third Committee (Social, Humanitarian, and Cultural Committee), Fourth Committee (Special Political and Decolonization Committee), Fifth Committee (Administrative and Budgetary Committee), and Sixth Committee (Legal Committee).<sup>5</sup> The intent of these committees is to address questions “referred to them by the General Assembly and prepare draft resolutions for submission to the Assembly.”<sup>6</sup>

### *General Assembly’s Authority and Power*

The GA is allowed to discuss all questions or matters within the scope of the Charter, except those currently discussed by the Security Council.<sup>7</sup> However, under the “United Action for Peace” resolution, if the Security Council is prevented from taking action as a result of a veto, the General Assembly can take action in cases “where there are appears to be a threat to the peace, breach of the peace, or act of aggression.”<sup>8</sup> The GA would convene and discuss the issue if “requested by a vote of seven (nine since 1965) members of the Security Council or by a majority of the members of the Assembly.”<sup>9</sup> The most recent use of this occurred in 1997 at the tenth Emergency Special Session of the GA for the “Illegal Israeli action in occupied East Jerusalem and the rest of the Occupied Palestinian Territory.”<sup>10</sup>

Under Article 13, GA committees are allowed to initiate and make non-binding recommendations, “affirm Declarations, frame Conventions, and draft agreements.”<sup>11</sup> Though resolutions are non-binding, they have the ability to become binding through mechanisms such as formal treaties.<sup>12</sup> Each Member State is allowed one vote, and most items require a simple majority of those present, except for the issues outlined under Article 18, which require a two-thirds majority.<sup>13</sup> However, efforts have been made recently “to achieve consensus on issues... thus strengthening the support for the Assembly’s decisions.”<sup>14</sup> A consensus method also entails a “more coercive system of international law based on collective enforcement.”<sup>15</sup>

The GA Rules of Procedure were initially drafted in 1946 at the first regular committee session, and the most recent amendment was made in 2007.<sup>16</sup> Rule 1-11 stipulates that the GA “shall meet every year in regular session commencing on the Tuesday of the third week in September” and set a fixed date upon recommendation from the General Committee.<sup>17</sup> Special sessions of the GA can also be called by the GA, Security Council, or a majority of

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<sup>1</sup> Holsti, *International Politics: A Framework for Analysis*, 1995, p. 59.

<sup>2</sup> United Nations, *Charter of the United Nations*, 1945, Chapter I Article 1.

<sup>3</sup> United Nations, *Charter of the United Nations*, 1945, Chapter IV Article 9.

<sup>4</sup> United Nations, *Charter of the United Nations*, 1945, Chapter IV Article 22.

<sup>5</sup> United Nations, *General Assembly of the United Nations*, 2011.

<sup>6</sup> Rengger, *Treaties and Alliances of the World*, 1990, p 45.

<sup>7</sup> United Nations, *Charter of the United Nations*, 1945, Chapter IV Article 10-12.

<sup>8</sup> Rengger, *Treaties and Alliances of the World*, 1990, p 45.

<sup>9</sup> Nicholas, H.G. *The United Nations as a Political Institution*, 1971, p. 117-118.

<sup>10</sup> United Nations Department of Public Information, *Yearbook of the United Nations 2006, 2009*, p. 521-524.

<sup>11</sup> United Nations, *Charter of the United Nations*, 1945, Chapter IV Article 13.

<sup>12</sup> William, *Fundamental Perspective on International Law*, 2003, p. 25.

<sup>13</sup> United Nations, *Functions and Powers of the General Assembly*.

<sup>14</sup> United Nations, *Functions and Powers of the General Assembly*.

<sup>15</sup> Barker, *International Law & International Relations*, 2000, p. 12.

<sup>16</sup> United Nations, *Rules of Procedure*, 1946, Introduction.

<sup>17</sup> United Nations, *Rules of Procedure*, 1946, Rule 1-11.

Members on the Council via the Secretary-General.<sup>18</sup> The Rules of Procedure also outline processes for the admission of new Member States into the UN and the election of Member States to principal organs such as the Security Council.<sup>19</sup>

Under Rule 30 of the Rules of Procedure, the President, 21 Vice Presidents, and the Chairpersons of the six main committees are elected prior to the commencement of a committee session and assume their power at the beginning of their elected session.<sup>20</sup> The President's responsibilities are to lead and direct the committee's discussions, as well as ensure observance of the Rules of Procedure.<sup>21</sup> The responsibilities include "opening and closing plenary meeting[s] of the session...accord the right to speak, put questions, and announce decisions. [This individual] shall rule on points of order and, subject to these rules, shall have complete control of the proceedings at any meeting and over the maintenance of order thereat."<sup>22</sup>

### ***General Assembly Second Committee 65<sup>th</sup> and 66<sup>th</sup> Sessions***

The 66<sup>th</sup> session of the GA Second Committee will be chaired by H.E. Mr. Abulkalam Abdul Momen of Bangladesh.<sup>23</sup> The Second Committee discusses topics of an economic and financial nature.<sup>24</sup> In the 65<sup>th</sup> committee session, some of the topics discussed included the permanent sovereignty of the Palestinian people, macroeconomic policy questions, sustainable development, globalization and interdependence, eradication of poverty and other developmental issues, and agricultural development and food security.<sup>25</sup> Forty-four draft proposals were passed at the 65<sup>th</sup> committee session of the Second Committee, including resolutions related to sustainable development.<sup>26</sup> The committee passed a document on the "United Nations Decade of Education for Sustainable Development," which details the uneven progress of raising education's role in sustainable development and encourages governments to work with education systems to support educational programs.<sup>27</sup> There was also a focus on environmental impacts including recommending measures to assess and increase awareness of environmental effects related to chemical dumping at sea.<sup>28</sup>

In response to the numerous global disasters, including the energy crisis, the committee passed a proposal proclaiming 2012 as the "International Year for Sustainable Energy for All."<sup>29</sup> There was also recognition placed by the Second Committee on the global food crisis, and they stressed "the need to enhance global production, productivity and sustainability," calling on the G-8 to commit "\$20 billion over three years for sustainable agricultural development."<sup>30</sup>

### ***Conclusion***

As the committee moves forward into the 66<sup>th</sup> session, it will continue to work on some of the recent global challenges and competing values. The committee will need to continue to support global economic development despite the recent environmental disasters and continuing financial crisis that have been felt internationally. Furthermore, with the 20<sup>th</sup> anniversary of the United Nations Conference on Environment and Development (UNCED), there will be particular emphasis on linking economic and financial issues with environmental impacts, including water and food sustainability and improving environmental practices. Lastly, as the 2015 deadline quickly approaches for the Millennium Declaration, countries must strive towards meeting the Millennium Development Goals, bearing in mind that achievement can be made possible "when strong government leadership, good policies and practical strategies for increasing public investments are combined with adequate financial and technical support from the international community."<sup>31</sup>

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<sup>18</sup> United Nations, *Rules of Procedure*, 1946, Rule 1-2.

<sup>19</sup> United Nations, *Rules of Procedure*, A/520/Rev.17, 1946.

<sup>20</sup> United Nations, *Rules of Procedure*, 1946, Rule 9.

<sup>21</sup> United Nations, *Rules of Procedure*, 1946, Rule 30

<sup>22</sup> United Nations, *Rules of Procedure*, 1946, Rule 30.

<sup>23</sup> United Nations, *Charter of the United Nations*, 1945, Chapter IV.

<sup>24</sup> United Nations, *UN General Assembly - Second Committee - Economic and Financial*, 2011.

<sup>25</sup> UN General Assembly Second Committee, *Allocation of Agenda Items to the Second Committee A/C.2/65/1*, 2010.

<sup>26</sup> United Nations, *UN General Assembly - Second Committee - Economic and Financial*, 2011.

<sup>27</sup> UN General Assembly Second Committee, *United Nations Decade of Education for Sustainable Development A/C.2/65/L.41*, 2010.

<sup>28</sup> United Nations Department of Public Information, *GA/EF/3302*, 2010.

<sup>29</sup> United Nations Department of Public Information, *GA/EF/3301*, 2010.

<sup>30</sup> United Nations Department of Public Information, *GA/EF/3302*, 2010.

<sup>31</sup> United Nations Department of Public Information, *Yearbook of the United Nations 2007*, 2010, p. 5.

## Annotated Bibliography

### *Committee History*

Holsti, K.J. (1995). *International politics: A framework for analysis* (7<sup>th</sup> ed.). Englewood Cliffs, NJ: Prentice-Hall.

*This work discusses theories of international politics including international political economy, the ethics of international relationships, and international collaboration through various perspectives. Holsti links and applies various theories to historical and recent examples including Ancient Greece, World War II, and the Cold War. Specific to the UN, he discusses the theory of why and how an international organization such as the UN can function and some of its drawbacks. This will guide delegates on how the UN functions as an international entity.*

Rengger, N. (1990). *Treaties and Alliances of the World* (5<sup>th</sup> ed.). Detroit, MI: Longman Group UK Limited.

*A number of international agreements and regional treaties are discussed. In addition to providing the written text of the treaties and agreements, the book also outlines the history, objective, structure, and action that states have taken when negotiating international agreements. Delegates will find this source useful in understanding their country's view on various international agreements.*

United Nations. (1945). *Charter of the United Nations*. Retrieved on August 6, 2011, from <http://www.un.org/aboutun/charter/>

*The Charter of the United Nations is the document that provides the UN's mandate and the delegated powers of the General Assembly. As the guiding document of the UN, understanding of the Charter is required in comprehending how the UN functions. Delegates should use the Charter as a starting point for their research should have a thorough comprehension of the powers of the General Assembly, including its ability to establish subsidiary organs and its relations vis-à-vis the rest of the United Nations.*

United Nations Department of Public Information. (2004). *Basic Facts About the United Nations*. New York, NY: United Nations Publications.

*This provides an overview of the United Nations through descriptions of the components of the United Nations and how the United Nations have played a role in a variety of international events and activities. The book is separated into themes including international peace and security, economic and social development, and humanitarian action with references to a variety of resolutions, conventions, and protocols. This is an excellent source for any delegate seeking information on how the UN has handled, responded, and resolved various international issues.*

United Nations General Assembly. (2011). *Economic and Financial: Second Committee*. Retrieved on August 6, 2010, from <http://www.un.org/ga/second/index.shtml>

*This is the main portal for all documents and news related to the GA Second Committee. In addition to draft resolutions, the site also offers background information on the committee and access to information from previous sessions. The "Press Release" portion of the site will keep delegates informed on recent action and discussions of the committee. Delegates can remain current on their committee through this portal.*

## I. The role of intellectual property in facilitating trade and attracting foreign direct investment

*“A country’s development depends to a very great extent on the creativity of its people, and encouragement of individual creativity and its dissemination is a sine qua non for progress.”*<sup>32</sup>

### **Introduction**

Intellectual property (IP), though based on national laws, has been governed by international treaties since 1883.<sup>33</sup> Since that time, there have been two additional significant international treaties related to IP. These three treaties, the Paris Convention of 1883, the Berne Convention of 1886 and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), form the basis of IP law today.

Generally, IP can be defined as “the legal rights which result from intellectual activity in the industrial, scientific, literary and artistic fields.”<sup>34</sup> The role of intellectual property rights (IPRs) is to give the creator a moral and economic right to their creation and to promote creativity and dissemination of the resulting product(s).<sup>35</sup> Thus, the creator does not have a legal interest in the physical item created, only the “rights to control the use made of those productions.”<sup>36</sup>

IP can be separated into two categories: industrial property, including patents, trademarks, industrial designs, and geographic indicators; and copyrights and related rights, including literary and artistic expression, phonograms, and broadcasts.<sup>37</sup> IPRs and IP systems allow ownership, dissemination, and trade of these intangible assets.<sup>38</sup> IPRs induce a trade of “limited market exclusivity for the increased production and disclosure of useful goods, research or services.”<sup>39</sup> Strong IPRs increase the potential market for exporters by providing protection against copying of their products.<sup>40</sup> However, some markets are based off the ability to copy products, such as clothing and other consumer goods. Thus, weak IPRs allow these countries to create more of their product.<sup>41</sup> This can also limit the foreign firms’ incentives to sell their products locally and compete with the counterfeit goods.<sup>42</sup>

Foreign direct investment (FDI), or the investments of multinational corporations (MNCs), have positive effects on economic growth and technology transfer.<sup>43</sup> FDI requires selecting where and how to invest, whether to purchase existing facilities or build new, and which production techniques to pursue.<sup>44</sup> FDI is important in industries with intangible, knowledge-based assets (KBAs) because these assets can be easily transferred at low cost and can be used at other facilities with reducing its availability at the original location.<sup>45</sup> For example, “a multinational firm can produce technical knowledge in one location and apply it at plants in different countries, spreading the investment cost of technology development and marketing across numerous facilities.”<sup>46</sup>

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<sup>32</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 41.

<sup>33</sup> Karns and Mingst, *International Organizations: The Politics and Processes of Global Governance*, 2004, p. 390.

<sup>34</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 3.

<sup>35</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 3.

<sup>36</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 3.

<sup>37</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 3.

<sup>38</sup> World Intellectual Property Organization, *An Overview*, 2010, p. 3.

<sup>39</sup> Bird and Cahoy, *The Impact of Compulsory Licensing on Foreign Direct Investment: A Collective Bargaining Approach*, 2008, p. 3.

<sup>40</sup> Maskus, *The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer*, 1998, p. 130.

<sup>41</sup> Maskus, *The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer*, 1998, p. 130-131.

<sup>42</sup> Maskus, *The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer*, 1998, p. 131.

<sup>43</sup> Jensen, *Nation-States and the Multinational Corporation: A Political Economy of Foreign Direct Investment*, 2006, p. 1.

<sup>44</sup> Maskus, *The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer*, 1998, p. 113.

<sup>45</sup> Maskus, *The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer*, 1998, p. 121-122.

<sup>46</sup> Maskus, *The Role of Intellectual Property Rights in Encouraging Foreign Direct Investment and Technology Transfer*, 1998, p. 122.

## ***Intellectual Property Components***

### ***Patents***

A patent is a document issued to the creator of an invention.<sup>47</sup> The patent contains language that specifically describes the invention and allows the patent owner to exploit the invention for a limited period (typically 20 years).<sup>48</sup> A common misconception is that a patent confers a monopoly upon the patent owner to make, use, or sell the invention; however, in reality, a patent gives the owner the ability to prevent anyone else from commercially exploiting the invention without the patent owner's permission and the right to take action against anyone who does so.<sup>49</sup> In order to be granted patent rights, the inventor must fully disclose the invention in the patent application.<sup>50</sup> This disclosure helps disseminate technical knowledge. "Patent protection directly affects growth through inducements to innovation;" once a product is patented, another entity must invent a newer and better product to compete in the marketplace effectively.<sup>51</sup>

### ***Copyrights***

Copyright affords protection to literary and artistic expressions fixed in a tangible medium.<sup>52</sup> It is not the idea that is protected, but the tangible form in which that idea is expressed. In addition to providing protection to the work itself, copyright protection extends to the rights of reproduction, translation, adaptation, and derivative uses (for example, sequels to a movie).<sup>53</sup> Copyright protection exists for a limited period. Generally, the term is the life of the author plus fifty years after the author's death.<sup>54</sup> How much time is afforded also depends on when the work was created, and therefore, which copyright convention is controlling.<sup>55</sup>

Copyright protection is only valuable if the creator is able to derive a benefit from their creation.<sup>56</sup> In some countries, this is not possible.<sup>57</sup> For example, the author of a book cannot derive benefit if there is no paper to make the book, no printer to print the book, or no market in which to sell the book. FDI can help create the environment necessary for creators to reap a benefit from their creation.<sup>58</sup> Additionally, many cultures have an oral tradition of storytelling.<sup>59</sup> Because these stories are not "fixed" in a tangible medium, there is no copyright protection.<sup>60</sup> FDI can be used to assist these cultures in putting their stories into a medium that is protectable. "Many businesses today...create wealth using the forms and materials of traditional cultures" such as traditional designs, music, and indigenous knowledge of plants.<sup>61</sup>

### ***Trademarks***

Trademarks have been used throughout history to identify sources of goods.<sup>62</sup> A trademark is "any word, name, symbol, or device used by a manufacturer or merchant to identify his or her goods and to distinguish them from the goods manufactured or sold by others."<sup>63</sup> The requirements a trademark must fulfill are almost universal. The first requirement is that the trademark distinguishes the products or services that it is placed upon and the second is that

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<sup>47</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 17.

<sup>48</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 17.

<sup>49</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 17.

<sup>50</sup> World Trade Organization, *Agreement on Trade-Related Aspects of Intellectual Property Rights*, 1994, Art. 29.

Maskus, *Intellectual Property Rights and Economic Development*, 2000, p. 2.

<sup>51</sup> Maskus and Penubarti, *How Trade-Related are Intellectual Property Rights?* 1995, p. 228.

<sup>52</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 40.

<sup>53</sup> World Trade Organization, *Agreement on Trade-Related Aspects of Intellectual Property Rights*, 1994, Art. 9. (Incorporating *Berne Convention for the Protection of Literary and Artistic Works*, 1886, Art. 2.); World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 43.

<sup>54</sup> *Berne Convention for the Protection of Literary and Artistic Works*, 1886, Art. 7.

<sup>55</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 50.

<sup>56</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 41.

<sup>57</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 41.

<sup>58</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 41.

<sup>59</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 49.

<sup>60</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 49.

<sup>61</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 49.

<sup>62</sup> Ingram, *The Genericide of Trademarks*, 2004, p. 154.

<sup>63</sup> World Trade Organization, *Agreement on Trade-Related Aspects of Intellectual Property Rights*, 1994, Art. 15; Gifis, *Law Dictionary, Trademark*, 1996, p. 518.

the mark not be misleading or immoral.<sup>64</sup> Like patents, trademarks also contain a usage requirement.<sup>65</sup> If a mark is not used in a country in which it is registered, the trademark registration may be canceled.<sup>66</sup>

Trademarks can fall prey to piracy, counterfeiting, and imitation of labels and packaging. Trademark piracy is “the registration or use of a generally well-known foreign trademark that is not registered in the country or is invalid as a result of non-use.”<sup>67</sup> Generally, the mark is used on goods completely dissimilar to what the mark has been registered for.<sup>68</sup> Counterfeit goods are imitations of the original good that give the impression of being the genuine product.<sup>69</sup> Imitation of labels and packaging comes close to counterfeiting. In these cases, the labels or packaging is imitated, but they do not give the impression that the competing product is the genuine one.<sup>70</sup>

### ***Laws and Agreements Regarding Intellectual Property***

#### *World Intellectual Property Organization*

The Convention establishing the World Intellectual Property Organization was signed in 1967 and ratified in 1970.<sup>71</sup> However, it was not until 1974 that the World Intellectual Property Organization (WIPO) became a specialized agency of the UN.<sup>72</sup> WIPO’s main responsibility is to work towards “developing a balanced and accessible international intellectual property system.”<sup>73</sup> Recognizing the IP can be used as a tool to further economic growth and development, WIPO included the topic of “facilitating the use of IP for Development” as one of its Strategic Goals for 2010-2015.<sup>74</sup>

WIPO's role in developing countries is to help with the preparation and enforcement of IP laws so that these countries may “receive the full benefits of the creations of the citizens, as well as those of the outside world.”<sup>75</sup> In this effort, WIPO has focused on assisting 49 least developed countries (LDCs) and providing assistance to economies in transition in Asia, Eastern Europe, and the Baltic.<sup>76</sup>

#### *General Agreement on Tariffs and Trade*

Shortly after the creation of the UN, the international community recognized that “[a]n international division of labor with its resulting specialization—the key to higher standards of living in all states—is negated by the artificial restrictions of tariffs.”<sup>77</sup> To this end, twenty-three Member States met in Geneva in 1947 to work out concessions to tariffs.<sup>78</sup> These concessions created the General Agreement on Tariffs and Trade (GATT). As a system of reciprocal trade agreements, “agreements reached through bilateral bargaining sessions were embodied in trade agreements incorporating the most-favored-nation [MFN] clause, thus making lower tariff rates applicable to all nations participating in the program,” not just to the two nations that entered the agreement.<sup>79</sup>

#### *World Trade Organization*

The World Trade Organization (WTO) was created following the Uruguay Round of GATT negotiations.<sup>80</sup> Replacing the GATT, the WTO is “the only international body dealing with the global rules of trade between nations.”<sup>81</sup> It is not a specialized agency but works through special arrangements with the UN.<sup>82</sup> The WTO is run by

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<sup>64</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 71.

<sup>65</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 77.

<sup>66</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 77.

<sup>67</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 90.

<sup>68</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 90.

<sup>69</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 90.

<sup>70</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 90.

<sup>71</sup> United Nations, *Basic Facts About the United Nations*, 2000, p. 59.

<sup>72</sup> Karns and Mingst, *International Organizations: The Politics and Processes of Global Governance*, 2004, p. 390.

<sup>73</sup> World Intellectual Property Organization, *What is WIPO?* 2011.

<sup>74</sup> World Intellectual Property Organization, *What is WIPO?* 2011.

<sup>75</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 6.

<sup>76</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 6.

<sup>77</sup> Ziring, Riggs, and Plano, *The United Nations: International Organizations and World Politics*, 2000, p. 389.

<sup>78</sup> Ziring, Riggs, and Plano, *The United Nations: International Organizations and World Politics*, 2000, p. 390.

<sup>79</sup> Ziring, Riggs, and Plano, *The United Nations: International Organizations and World Politics*, 2000, p. 390.

<sup>80</sup> Ziring, Riggs, and Plano, *The United Nations: International Organizations and World Politics*, 2000, p. 393.

<sup>81</sup> United Nations, *Basic Facts About the United Nations*, 2000, p. 64.

<sup>82</sup> United Nations, *Basic Facts About the United Nations*, 2000, p. 64.

its Member States; all major decisions are brought before the body as a whole and normally taken by consensus.<sup>83</sup> Thus, the membership is responsible for creating rules and the procedures to enforce those rules.<sup>84</sup>

#### *Agreement on Trade-Related Aspects of Intellectual Property Rights*

Because IPR laws are national laws, a system was needed to create order and predictability and also allowed for the systematic resolution of disputes between Member States.<sup>85</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) “established minimum levels of protection” that each WTO member must implement and “[i]n doing so, it strikes a balance between the long term benefits and possible short term costs to society.”<sup>86</sup> The five issues covered by TRIPS include how basic principles of the trading system and other international intellectual property agreements should be applied; how to give adequate protection to intellectual property rights; how countries should enforce those rights adequately in their own territories; how to settle disputes on intellectual property between members of the WTO; and special transitional arrangements during the period when the new system is being introduced.<sup>87</sup>

In addition to echoing the principles of other trade agreements including “national treatment (treating one’s nationals and foreigners equally), and MFN treatment, TRIPS recognizes that IP protection should contribute to the transfer of technology.”<sup>88</sup> The WTO’s TRIPS Council is responsible for the administration of the TRIPS Agreement.<sup>89</sup>

#### **Case Studies**

##### *Republic of Korea*

The Republic of Korea (ROK) is an example of an argument that weak IP protection is better for the developing world. In the early stages of industrialization, developing countries develop technology through reverse engineering and imitation of foreign products.<sup>90</sup> Scholars argue that Korea had a policy of maintaining soft IPRs in order to encourage domestic imitation of foreign products.<sup>91</sup> In the early stages of development, developing countries imitate foreign products with cheap skilled labor, allowing the country to export large quantities at a reduced cost.<sup>92</sup>

Strong IP protection would have limited the ROK’s ability to imitate products and develop its own industry. Once a country develops the capabilities and infrastructure then IPRs become an important part of industry.<sup>93</sup> Korea developed as “[i]ntermediate technology diffused to Korea largely through licensing, FDI and personnel flow.”<sup>94</sup> In the 1970s and 1980s, ROK saw large increases in FDI, technology transfer, and local research and development (R&D) activities, coinciding with increased IPR protection.<sup>95</sup>

##### *China*

Technology transfer to China has increased recently despite weak IPR protection.<sup>96</sup> The large market available in China and China’s reduction in market barriers has pushed foreign and domestic firms to compete for the market.<sup>97</sup>

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<sup>83</sup> World Trade Organization, *Understanding the WTO: The Organization*, 2011.

<sup>84</sup> World Trade Organization, *Understanding the WTO: The Organization*, 2011.

<sup>85</sup> World Trade Organization, *Understanding the WTO: The Agreements*, 2011.

<sup>86</sup> World Trade Organization, *Understanding the WTO: The Agreements*, 2011.

<sup>87</sup> World Trade Organization, *Understanding the WTO: The Agreements*, 2011.

<sup>88</sup> World Trade Organization, *Understanding the WTO: The Agreements*, 2011.

<sup>89</sup> World Trade Organization, *Work of the TRIPS Council*, 2011.

<sup>90</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 43.

<sup>91</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 43.

<sup>92</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 43.

<sup>93</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 44.

<sup>94</sup> Kim, *Technology Transfer & Intellectual Property Rights: The Korean Experience*, 2003, p. 11.

<sup>95</sup> Kim, *Technology Transfer & Intellectual Property Rights: The Korean Experience*, 2003, p. 21.

<sup>96</sup> Hu, *Comments on Intellectual Property Rights and the International Transfer of Technology: Setting Out an Agenda for Empirical Research in Developing Countries*, 2009, p. 63

<sup>97</sup> Hu, *Comments on Intellectual Property Rights and the International Transfer of Technology: Setting Out an Agenda for Empirical Research in Developing Countries*, 2009, p. 64.

As firms compete, the sophistication of technology that is sold increases, which in turns increases the sophistication of technology that is transferred.<sup>98</sup>

Studies in China show that MNEs have been reluctant to invest in R&D there because of fears of patent infringement.<sup>99</sup> Weak IPR protection was not the only concern however. Also of concern to MNEs were China's problems enforcing IPR protections actually found in the laws and weak penalties for infringers.<sup>100</sup> Because of these concerns, when MNEs do transfer technology to the country, they transfer old, out-dated technology instead of the latest technological advancements.<sup>101</sup> Trademark infringement is also an issue and is harmful to enterprise development and subsequent marketing of products and inventions.<sup>102</sup>

IPR protection is not the only condition that MNEs look to when determining where to spend their FDI dollars, otherwise countries like Brazil and China, who both have weak IPR protection, would not receive the large amounts of FDI that they do.<sup>103</sup> Other factors that have helped China attract FDI include "[m]arket size, openness and competition."<sup>104</sup>

### **Further Focus**

Strong patent protection may increase FDI if the technology is owned by large firms able to invest globally; small firms are more likely to license technology since they cannot afford large investments.<sup>105</sup> A patent owner may voluntarily grant others a license to "perform acts covered by the exclusive right under an authorization."<sup>106</sup> Some countries authorize compulsory, or non-voluntary, licenses.<sup>107</sup> If a patented product is not made or a process is not used in the country in which it is patented, that country may grant compulsory licenses to others wishing to make the product or use the process in that country.<sup>108</sup> "The principal goal of requiring local working of a patented invention is the transfer of technology, the actual working of patented inventions in a given country being seen as the most efficient way of accomplishing such a transfer to that country."<sup>109</sup> Opponents of compulsory licensing argue that not only is there a possibility that the working of an invention in the country in which it is patented may not be economically feasible, but it may also work against the transfer of technology.<sup>110</sup> It is argued that technology transfer occurs best in a cooperative atmosphere where the parties willing exchange information to make the product viable in the market.<sup>111</sup>

Copyright protection helps to enrich the national cultural heritage of a country.<sup>112</sup> A country is held in higher renown if it has a high production of intellectual creations; the more intellectual creations in a country, the greater the number of auxiliaries produced; and "encouragement of intellectual creation is one of the basic prerequisites of all social, economic and cultural development."<sup>113</sup> Opponents of copyright protection argue that one cannot place these

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<sup>98</sup> Hu, *Comments on Intellectual Property Rights and the International Transfer of Technology: Setting Out an Agenda for Empirical Research in Developing Counties*, 2009, p. 64.

<sup>99</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 44.

<sup>100</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 44.

<sup>101</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 44.

<sup>102</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 31.

<sup>103</sup> Falvey and Foster, *The Role of Intellectual Property Rights in Technology Transfer and Economic Growth: Theory and Evidence*, 2006, p. 3.

<sup>104</sup> Hu, *Comments on Intellectual Property Rights and the International Transfer of Technology: Setting Out an Agenda for Empirical Research in Developing Counties*, 2009, p. 63.

<sup>105</sup> Arora, *Intellectual Property Rights and the International Transfer of Technology: Setting Out an Agenda for Empirical Research in Developing Counties*, 2009, p. 50.

<sup>106</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 34.

<sup>107</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 34.

<sup>108</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 35.

<sup>109</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 35.

<sup>110</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 36.

<sup>111</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 36.

<sup>112</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 36.

<sup>113</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 41.



exclusive rights on a culture's heritage.<sup>114</sup> Heritage belongs to the people as a whole and cannot or should not be controlled by a select few. "Indigenous and traditional communities express concerns that the distinct and diverse qualities of the world's multiple cultural communities are threatened in the face of uniformity brought on by new technologies and the globalization of culture and commerce."<sup>115</sup> On the other side of the argument, proponents state that cultural heritage is constantly recreated as people bring new perspectives and experiences to it.<sup>116</sup>

Trademark protection is needed to protect consumers from being confused into purchasing an inferior good that is being sold on the reputation of a superior mark.<sup>117</sup> Additionally, protection is necessary to encourage producers to sell their goods in larger markets. If the trademark is allowed to be pirated, counterfeited, or imitated, there is no incentive for producers to expand their market into new territories where their mark can be pirated, counterfeited, or imitated. On the other hand, opponents of trademark protection argue that lower protection increases trade because it forces a mark's owner to compete in a market in order to protect the mark from non-use.

In May 2011, WIPO and the WTO held an Advanced Course on Intellectual Property for Government Officials.<sup>118</sup> The course allowed the two organizations and Member States to exchange ideas and information on new developments and policy issues related to IPRs.<sup>119</sup> The course aimed "to improve the participants understanding of WIPO and WTO rules and treaties on IP, improve their understanding of important policy issues in the area of IP under discussion in WIPO and the WTO and to improve their capability to assess the implications of IP on their economies."<sup>120</sup>

### **Conclusion**

One study suggests, "IPRs have a stronger impact on domestic innovation for developed countries and might even negatively impact innovation in developing countries."<sup>121</sup> Thus, there must be incentives for developing countries to strengthen IP protection. Increased FDI and technology transfer may provide the incentive needed to encourage Member States to implement IP laws that increase innovation and development and the economic capacity of a country. However, IPR protection is not the only factor that influences trade and FDI. Market size, economic openness, and competition in the market are also key factors that must be figured into the equation.<sup>122</sup> Member States must find the appropriate balance between of IPR protection to attract trade and FDI based on that Member States level of development and the type of trade and FDI the Member State is trying to attract. Should there be a "blanket standard" of IPR protection implemented by all Member States? Is it possible to tailor IPR protection to each Member States needs? How would MNEs keep track of all the differences in IPR protection? If stronger protection is better, what can be done to help Member States strengthen their respective laws on IP protection?

## **Annotated Bibliography**

### ***I. The role of intellectual property in facilitating trade and attracting foreign direct investment***

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<sup>114</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 41.

<sup>115</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 56.

<sup>116</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 56.

<sup>117</sup> World Intellectual Property Organization, *WIPO Intellectual Property Handbook: Policy, Law and Use*, 2004, p. 68.

<sup>118</sup> World Trade Organization, *WTO, WIPO Hold Course on Intellectual Property for Government Officials, 2011*.

<sup>119</sup> World Trade Organization, *WIPO/WTO Advanced Course on Intellectual Property for Government Officials: Activity Sheet, 2011*.

<sup>120</sup> World Trade Organization, *WTO, WIPO Hold Course on Intellectual Property for Government Officials, 2011*.

<sup>121</sup> Schneider, *International trade, economic growth and intellectual property rights: A panel data study of developed and developing countries*, 2005, p. 543.

<sup>122</sup> Hu, *Comments on Intellectual Property Rights and the International Transfer of Technology: Setting Out an Agenda for Empirical Research in Developing Countries*, 2009, p. 63.

*Karns and Mingst provide a comprehensive look at the international system and the variety of organizations that are part of international governance. This text looks at the various actors within global governance, including the UN, regional actors, non-state actors, and states. It also examines the need for global governance and uses a variety of case studies to illustrate the need.*

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*This article is essential to understanding the inter-relations between foreign direct investment, technology transfer, and intellectual property rights. Maskus discusses the factors a multinational enterprise looks at when determining whether to engage in FDI and where to invest. Also discussed are the benefits and costs of incoming FDI on a developing economy and the role of IPRs in linking the developing world with the global economy.*

United Nations. (2000). *Basic Facts About the United Nations*. New York, NY: United Nations.

*This text is an essential starting point for research on the United Nations, its operations, and its bodies. The book covers the structure and role of the different organs and committees and provides an overview of the day-to-day functioning of the United Nations.*

United Nations Conference on Trade and Development-International Centre for Trade and Sustainable Development Capacity Building Project on IPRs. (2005). *Resource Book on TRIPS and Development: An Authoritative and Practical Guide to the TRIPS Agreement*. Retrieved September 21, 2011 from

<http://www.iprsonline.org/unctadictsd/ResourceBookIndex.htm>.

*This guide provides basic and technical information on the issues embodied in the TRIPS Agreement. It was created as a guide for negotiators and policy makers to facilitate participation in negotiations. The Guide discusses the obligations, enforcement, and dispute prevention and settlement provisions of the TRIPS Agreement. Delegates will find this guide useful in learning the issues that diplomats are discussing under the TRIPS Agreement.*

United Nations Conference on Trade and Development-International Centre for Trade and Sustainable Development Capacity Building Project on IPRs. (2003). *Intellectual Property Rights: Implications for Development*. Retrieved September 21, 2011 from <http://www.iprsonline.org/unctadictsd/policyDpaper.htm>.

*This policy paper is from the UNCTAD-ICTSD Project on Intellectual Property Rights and Sustainable Development. IPRs, economic development, poverty alleviation, and sustainable development are the focus of the document. To understand the role that IPRs play in development, delegates should consult this resource.*

World Intellectual Property Organization. (2011) *What is WIPO?* Retrieved August 2, 2011 from

[http://www.wipo.int/about-wipo/en/what\\_is\\_wipo.html](http://www.wipo.int/about-wipo/en/what_is_wipo.html)

*The WIPO website should be one of the first resources delegates consult in doing research. As WIPO is the lead body in discussing IP rights in the UN, its work is vital in this area. On the web site, delegates can find out about the organization, IP services, program activities, and other resources. The News and Events section should be checked regularly for updates.*

World Intellectual Property Organization. (2004). *WIPO Intellectual Property Handbook: Policy, Law and Use*.

*For a basic understanding of intellectual property and its role in WIPO's Development Cooperation Program, the IP Handbook is vital you a delegate's research. The Handbook covers the major agreements and treaties on the subject as well as protection criteria and the scope of protection for copyrights, trademarks, patents, industrial design, and geographic indicators. Additionally, WIPO's Development Cooperation Program and IP enforcement mechanisms are discussed.*

World Trade Organization. (2011). *Understanding the WTO: The Agreements*. Retrieved August 2, 2011 from

[http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm)

*Understanding international trade is vital to understanding the topic. The WTO's web site is essential to a delegate's basic research as the WTO is the leading UN organization on trade. The web site covers WTO basics and breaks down trade topics by goods, services, IP, disputes, and*

*other areas. Delegates can link to other documents and research from the web site. Additionally, the web site discusses the treaties related to international trade, specifically TRIPS and the GATT.*

World Trade Organization. (1994). *Agreement on Trade-Related Aspects of Intellectual Property Rights*. Retrieved August 31, 2011 from [http://www.wto.org/english/tratop\\_e/trips\\_e/t\\_agm0\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm).

*The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is the international legal instrument governing IPRs. While IPRs are largely national in nature, the TRIPS agreement sets out a minimum level of protection that all WTO members must follow. Delegates should consult this resource to understand what rights are encompassed in IPRs and what protections nations must afford to IP.*

Ziring, L, R. Riggs, and J. Plano. (2000). *The United Nations: International Organizations and World Politics*. Orlando, FL: Harcourt.

*This book is an excellent resource when beginning research. Not only does the book give a broad overview of the UN and its processes, but it also discusses different topic areas before the UN. Of particular interest to delegates should be the section on international trade and finance. However, the entire text will be useful gathering an understanding of the UN and its work.*

## **II. The Role of Microcredit in Promoting Economic Development**

*“Microfinance is one of the practical development strategies and approaches that should be implemented and supported to attain the bold ambition of reducing world poverty by half.”<sup>123</sup>*

### ***Introduction***

The economies of developing countries heavily rely on micro enterprises for economic output and employment.<sup>124</sup> Recent World Bank estimates suggest that almost 30% of employment in low-income countries is generated by the informal economy and an additional 18% results from small and medium enterprises.<sup>125</sup> Microcredit schemes progress development in the informal economy, where poor entrepreneurs are offered small loans to help them engage in productive activities or to help them grow their businesses.<sup>126</sup> As the idea of microcredit was developed, it was realized that the poor, just like anyone else, need a broader range of financial services to help build assets, stabilize consumption, and protect themselves against risk, leading to the idea of other “micro” products such as micosavings and microinsurance.<sup>127</sup>

A microfinance institution (MFI) is an organization that provides financial services to people who are poorer and more vulnerable than traditional bank clients; when these people have access to savings, credit, insurance, and other financial services, they are more resilient and better able to deal with everyday demands.<sup>128</sup> In many instances the terms “microfinance” and “microcredit” are used interchangeably; however the International Year of Microcredit defines microfinance as “loans, savings, insurance, transfer services, and other financial products targeted at low-income clients” whereas microcredit is defined as “a small amount of money loaned to a client by a bank or other institution.”<sup>129</sup> “Microcredit can be offered, often without collateral, to an individual or through group lending,” meaning that microcredit is a product that falls under the realm of microfinance.<sup>130</sup>

### ***Microcredit and the United Nations***

2005 was named the International Year of Microcredit, and the United Nations Department of Economic and Social Affairs (UNDESA) and United Nations Capital Development Fund (UNCDF) acted as joint coordinators.<sup>131</sup> This

<sup>123</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 5.

<sup>124</sup> Sapovadia, *The Pillars of a Tool to Socio-Economic Development*, 2006, p. 1.

<sup>125</sup> Sapovadia, *The Pillars of a Tool to Socio-Economic Development*, 2006, p. 1.

<sup>126</sup> Sapovadia, *The Pillars of a Tool to Socio-Economic Development*, 2006, p. 2.

<sup>127</sup> Sapovadia, *The Pillars of a Tool to Socio-Economic Development*, 2006, p. 2.

<sup>128</sup> International Year of Microcredit, *Microfinance and Microcredit: How Can \$100 Change An Economy?*, 2004.

<sup>129</sup> International Year of Microcredit, *Microfinance and Microcredit: How Can \$100 Change An Economy?*, 2004.

<sup>130</sup> International Year of Microcredit, *Microfinance and Microcredit: How Can \$100 Change An Economy?*, 2004.

<sup>131</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005.

International Year of Microcredit initiative was created to address the fact that low-income countries need microfinance and microcredit to achieve the Millennium Development Goals (MDGs), despite that the MDGs do not formally set targets for financial sector access.<sup>132</sup> Microfinance and microcredit foster financially self-sufficient domestic private sectors and create wealth for low-income people, hence why this idea underpins the achievement of many MDGs and plays a key role in many MDG strategies.<sup>133</sup> On the local level, the Year of Microcredit programs promoted the theme of “building inclusive financial sectors” by encouraging training and capacity-building opportunities in accordance with the theme, in addition to major conferences focused on writing and reporting on local and global microfinance initiatives.<sup>134</sup>

Several United Nations Millennium Project Task Force Reports highlighted some key findings and recommendations on financial sector access and microfinance.<sup>135</sup> The Task Force on Hunger recommended to “increase incomes and make markets work for the poor, improve access to financial services for the poor and food-insecure” in its report *Halving Hunger: It Can Be Done*.<sup>136</sup> Additionally, as the Task Force on Education and Gender Equality stated, “Another avenue for increasing income for poor women is through microenterprise development. Microfinance programs have become a popular economic strategy over the past two decades to assist poor and landless women to enter self-employment or to start their own businesses” in its reports *Towards Universal Primary Education: Investments, Incentives and Institutions* as well as in *Taking Action: Achieving Gender Equality and Empowering Women*.<sup>137</sup> Furthermore, the Task Force on Improving the Lives of Slum Dwellers concluded that “In the final analysis, access to employment is in itself a means toward inclusion and poverty reduction. It can also provide the financial means to adequate housing and related essential services. This requires access to sustainable sources of livelihood as well as acknowledging the importance of the informal economy” in its report *A Home in the City*.<sup>138</sup>

An important document that resulted from the International Year of Microcredit was the report *Microfinance and the Millennium Development Goals* produced by the United Nations Department of Economic and Social Affairs.<sup>139</sup> This document outlines key findings and recommendations on microfinance and financial access issues relating to the MDGs and discusses the main microfinance ideas developed by various UN Millennium Project Task Force reports.<sup>140</sup> The United Nations General Assembly resolution, *Role of Microcredit in the Eradication of Poverty* (A/RES/52/194), first presented the idea of using microcredit to promote economic development in 1998, before the MDGs were established.<sup>141</sup> Furthermore, later in 1998, the United Nations Secretary-General produced a report in response to this resolution named *Role of Microcredit in the Eradication of Poverty – Report of the Secretary-General* (A/53/223), which was the first thorough document that outlined how various United Nations bodies are using or planning to use microcredit schemes within their own unique development programs.<sup>142</sup>

### ***Microcredit and Other Key International Organizations***

In addition to the United Nations, several other international organizations make specific references to the importance of microfinance and access to finance in an attempt to promote positive economic growth in developing countries. The final declaration of the 2004 G8 Summit discussed how microfinance plays a key role in holding together the economies of developing countries by stating, “Entrepreneurs, no matter how small, need access to capital. Microfinance programs have provided small amounts of capital to entrepreneurs for many years. Sustainable microfinance can be a key component in creating sound financial market structures in the world’s poorest economies.”<sup>143</sup> It is important to note this document’s anticipation of the United Nations-designated International Year of Microcredit that followed in 2005. In the Africa section of the 2005 G8 Communiqué, the Member States of the G8 promoted “increased access to finance including strong support for the development of microfinance in Africa. Partnership between the public and private sectors is crucial” in an attempt to highlight the importance of the

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<sup>132</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 3.

<sup>133</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 3.

<sup>134</sup> International Year of Microcredit, *Learn About the Year*, 2005.

<sup>135</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 10.

<sup>136</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 10.

<sup>137</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 11.

<sup>138</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 11.

<sup>139</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005.

<sup>140</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005.

<sup>141</sup> United Nations General Assembly, *Resolution 52/194*, 1998.

<sup>142</sup> United Nations Secretary General, *Role of Microcredit in the Eradication of Poverty – Report of the Secretary General*, 1998.

<sup>143</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 12.

private sector in this topic.<sup>144</sup> This document also discussed the importance of bringing governments and International Financial Institutions on board to create partnerships between commercial banks and microfinance institutions in order to increase access to financial services.<sup>145</sup> Furthermore, the 2001 Brussels Declaration and the Programme of Action for Least Developed Countries (LDCs) for the Decade 2001-2010 listed several commitments aimed at promoting greater access to financial services for the poor, such as “Fostering a people-centered policy framework; Building human and institutional capabilities; Building productive capacities to make globalization work for LDCs; and Mobilizing Financial Resources.”<sup>146</sup>

### ***Recent Developments***

Recent growth in the microfinance sector has seen diverging progress; some institutions are diversifying their services while others are focusing on specialization.<sup>147</sup> Diversification is happening in institutions that believe that the poor (like the rich) require a broad range of financial services, and therefore programs that originally started as loans are now offering schemes in insurance, savings, and money transfers.<sup>148</sup> On the other hand, other programs are narrowing their scope by focusing on specific industries so that they are able to offer a smaller range of more specialized loan products.<sup>149</sup> With the popularization of microcredit and microfinance ideas comes the risk of oversupply of such schemes.<sup>150</sup> In economic terms, in order for a market to grow at a healthy rate, there needs to be excess demand for that particular product; to relate to microcredit, it means there needs to be a greater demand for microcredit than loans available.<sup>151</sup> However, with recent talks of an abundance of microcredit schemes, there lies the risk of oversupply, which will lead growth to stagnate and therefore give less power to microcredit to have an impact on further economic development.<sup>152</sup>

Recent scholarly works now focus on evaluations of specific microcredit schemes. Most of the recent discussions mention microcredit as having an impact on economic development under a broad umbrella that can be considered a side issue to other problems. For example, the World Health Organization published *Linking Health to Microfinance to Reduce Poverty* in a recent bulletin discussing the link between microfinance programs and health with economic development as a stepping-stone towards increased health and not a specific outcome.<sup>153</sup>

### ***Case Study – China***

Microcredit schemes have existed in China for over 20 years, with small scale funding coming from the private sector and little involvement from the government.<sup>154</sup> It was only in 1996 when the government began to recognize microcredit and microfinance as a useful method of reducing poverty, and it began to provide capital to support local governments and financial institutions, and further institutions such as the Agricultural Bank of China, the China Development Bank, the United Nations Development Program, and the Grammen Trust came on board.<sup>155</sup>

Despite the sudden availability of resources to run microcredit programs, lack of sustainability resulted in the limited success of these programs.<sup>156</sup> In 1996, when the sudden influx of government capital created many microfinance institutions, none of them seemed to have adequate and regular access to capital and only a few had sufficient cash flow to cover operating and financing expenses, resulting in only about 100 current programs remaining of the 300 that were established at that time.<sup>157</sup> This failure is attributed to several factors: insufficient levels of capital; lack of management experience and staff training in the microfinance institutions; inefficiencies and irregularities in operations; inadequate financial systems and operational processes; inadequate supervision of the microfinance

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<sup>144</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 12.

<sup>145</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 12.

<sup>146</sup> United Nations Capital Development Fund, *Microfinance and Millennium Development Goals*, 2005, p. 13.

<sup>147</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>148</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>149</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>150</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>151</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>152</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>153</sup> Leatherman and Dunford, *Linking Health to Microfinance to Reduce Poverty*, 2010.

<sup>154</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>155</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>156</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>157</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

institutions; and slow-to-evolve government regulations.<sup>158</sup> All these problems led to the government recently cutting back on funding for such programs, and now the Agricultural Bank of China has focused on lending to small and medium businesses while Rural Cooperatives are being structurally reformed due to poor performance in their loan portfolios.<sup>159</sup>

Moving forward from this experience, China is now examining a mix of public and private organizational models that will work for its situation.<sup>160</sup> Currently, the People's Bank of China is promoting the formation of commercial microcredit companies with private capital while the China Banking Regulatory Commission is encouraging the formation of village banks to lend to the poor.<sup>161</sup> The growing income disparity between people living on the coast compared to those living in rural inland areas is prompting the government to be more actively involved in microcredit and microfinance programs, and they are further considering ways to improve and clarify the regulatory environment and to encourage the development of various microfinance institutions to bring capital to the rural poor.<sup>162</sup>

Due to the fact that China lacked a national microcredit scheme, it is difficult to provide a broad scale example from this country.<sup>163</sup> However, a particular example can be found in Yilong County, a poor county in northern Sichuan Province where the UNDP's microcredit programs focused on poverty alleviation.<sup>164</sup> The past two decades have seen a rapid rise in migration in China; however, if the poor want to move away from traditional farm lands, that individual is constrained by the lack of credit, meaning that it can be assumed that providing loans to the poor could have a positive effect on migration and consequently economic development.<sup>165</sup> One of the UNDP's earliest microcredit programs began in Yilong County in 1996, where it focused on mobilizing the poor into groups and providing them with training to help identify a source of employment for generating income, unlike other formal financial institutions which focus on lending to earn a profit.<sup>166</sup> The Yilong program had teams visit villages and interview prospective participants, and candidates were not chosen if their housing appeared too good or if there was any apparent wealth in the household.<sup>167</sup> The program that was set up modeled the Grameen Bank, such that participants were put into groups of five, loans were taken on livestock projects, and each individual's group guaranteed a return for the loan while the borrower made payments during mandatory weekly meetings.<sup>168</sup> When comparing families that took part of the Yilong microcredit program to those living in a similar area that did not, the microcredit program did not seem to have helped increase the total assets of the households participating, but the program was quite successful in having one or more members of a participating household move into an off-farm job, which would provide positive economic growth opportunities in the future.<sup>169</sup> When considering the success of this program, it is important to note that the Yilong program focused on a small sample from a single area, making it difficult to draw nationwide conclusions from its results; the long-term sustainability of a program such as this is another variable that must also be considered.<sup>170</sup> In retrospect, the successes of this program can be applied to model future microfinance programs. The set-up of the Yilong program targeted the poor as well as women, while not discriminating against the old, young, or uneducated.<sup>171</sup> Another important feature of the program was that it had an impact; while it did not necessarily lead to an immediate rise in total assets, it helped the poor move into the migrant job market where the wages are higher in this sector, resulting in assumed financial benefits in the future (and outside the scope of the evaluation period of this project) economically benefiting families and the Yilong region as a whole.<sup>172</sup>

The efforts of the UNDP in Yilong County prompted further efforts to promote economic development; in March 1996 the Association for Rural Development of Yilong was registered with the county as a non-profit and non-

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<sup>158</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>159</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>160</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>161</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>162</sup> The 1990 Institute, *History of Microcredit in China*, 2008.

<sup>163</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 209.

<sup>164</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 209.

<sup>165</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 210.

<sup>166</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 211.

<sup>167</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 211.

<sup>168</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 211.

<sup>169</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 222.

<sup>170</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 222.

<sup>171</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 222.

<sup>172</sup> Li, Rozelle, and Zhang, *Micro-Credit Programs and Off-Farm Migration in China*, 2004, p. 222.

governmental organization.<sup>173</sup> The organization's overall goal is to alleviate rural poverty through sustainable development by focusing their efforts on the following activities: forming farmers' organizations; providing microcredit services; increasing the participation from the weak, the poor, and rural women; building community's capacity; and promoting sustainable rural development.<sup>174</sup> Since its establishment over 15 years ago, the Association for Rural Development of Yilong focused on finding effective methods for rural development and microfinance with the help of international organizations and the local government.<sup>175</sup> Their efforts have deemed to be a success, as they state that "Through years of practice and exploration, we have successfully integrated microfinance services with sustainable development of rural society. For the development of low-income groups, we have established a sustainable financial business model and used funds to help poor farmers to set up coalitions that are operated effectively."<sup>176</sup> The Association for Rural Development of Yilong notes the importance of sustainability in an effective microfinance program, whereby they continually improve their ability to self-manage, resulting in the successful establishment of independence while promoting rural poverty alleviation and sustainable development.<sup>177</sup> Furthermore, this achievement leads to the program's users (farmers) giving complete trust and full participation in the program while receiving governmental, national, and international recognition in addition to the support of the general society.<sup>178</sup>

The publication of the Association for Rural Development in Yilong's *2007 Microfinance Plan* provides some statistics indicating the recent strength of the program.<sup>179</sup> Within Yilong County in 2007, 2,853 loans were issued totaling 10.8 million RMB.<sup>180</sup> With a small credit risk of less than 3%, the interest income was 0.681 million RMB while the loan principle recovery was 9.185 million RMB.<sup>181</sup> This resulted in an overall loan amount growth rate of 106%.<sup>182</sup> To build on this success and move forward with the association's growth, several work goals were established in 2007 as a result of past development history, financial conditions from the previous year, internal management and ability, and provincial and municipal recommendations.<sup>183</sup> It is important to note that there has been steady improvement up to 2006, with loan risk and late repayment ratios decreased to 0.49% and 0.18% respectively, the quality of the loans has been enhanced, and branches are now more independent as they are able to be responsible for profits and losses.<sup>184</sup> The efficiency of credit can be improved by expanding the credit scale while placing an effective and strict control on credit risk.<sup>185</sup> Reducing management costs and further improving the staff's professionalism and management capacity can streamline the program's administration.<sup>186</sup> Additionally, the farmer's organizations can be registered as village credit unions while working hard to develop branches into financial institutions that can provide local farmers with real financial services.<sup>187</sup> Finally, the last work goal of the Association for Rural Development in Yilong and likely the key to a successful microfinance program anywhere regardless of the demographic is the enhancement of the association to become a social organization that coordinates economic development in the local area and provides useful, relevant, and integrated services.<sup>188</sup>

## Conclusion

The past 20 years have witnessed the growth of microcredit schemes to the point where they are now considered an effective tool to promote economic development.<sup>189</sup> However, there still remain some issues that need to be addressed in order to ensure efficiency in the use of microcredit, such as the regulation of interest rates in private sector loans and the ability to measure the social performance of microcredit.<sup>190</sup> Many loan programs are run by the

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<sup>173</sup> Association for Rural Development of Yilong, *Introduction to ARDY*, 2009.

<sup>174</sup> Association for Rural Development of Yilong, *Introduction to ARDY*, 2009.

<sup>175</sup> Association for Rural Development of Yilong, *Introduction to ARDY*, 2009.

<sup>176</sup> Association for Rural Development of Yilong, *Introduction to ARDY*, 2009.

<sup>177</sup> Association for Rural Development of Yilong, *Introduction to ARDY*, 2009.

<sup>178</sup> Association for Rural Development of Yilong, *Introduction to ARDY*, 2009.

<sup>179</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>180</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>181</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>182</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>183</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>184</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>185</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>186</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>187</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>188</sup> Association for Rural Development of Yilong, *2007 ARDY's Microfinance Plan*, 2009.

<sup>189</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>190</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

private sector instead of the government and, since developing countries have little to no regulation on interest rates, this causes some loans to have exorbitant and unsustainable rates.<sup>191</sup> Additionally, there are very few tools that can be used to measure the social return of loan programs to the poor, leading to difficulty in gathering funds from donors since these donors may question the actual impact made by microfinance.<sup>192</sup> To actively pursue microcredit as a useful tool towards economic development, one must consider these issues and their potential solutions that can be achieved through cooperation from both developed and developing countries.

As delegates delve into the topic of the Role of Microcredit in Promoting Economic Development, it is important to consider the issues presented above. Is it known that microcredit programs have the greatest impact on the poor living in low-income regions, so what motivation or responsibility do developed countries have to take part in microcredit schemes in developing countries? We have also examined that many microcredit schemes are run by NGOs instead of governments; what barriers stand in the way of having governments implement and run successful programs? To what extent can we assume international collaboration on this issue will be successful when each country has its own economic development issues and a uniquely tailored program will be the most effective in each situation? Is it feasible to have the United Nations take part in developing, implementing, and maintaining effective microcredit programs in Member States?

## **Annotated Bibliography**

### ***II. The Role of Microcredit in Promoting Economic Development***

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*An overview of microcredit programs in China is provided on this Web site, covering microcredit's introduction and its complications in creating a sustainable program. It also discusses what the current situation is in the country and how the government is currently trying to make microfinance work in the country. China is a good example of how public and private organizational models can be combined to create sustainable microfinance programs.*

Hermes, N., R. Lensink, and A. Meesters. (2009). *Financial Development and the Efficiency of Microfinance Institutions*. Retrieved October 6, 2011, from <http://ssrn.com/abstract=1396202>

*Hermes, Lensink, and Meesters provide insight into how the environment of which a microfinance institution is in may effect its performance. This is useful to delegates as it gives an idea of the importance that the current state of a country's economy may have on the implementation of microfinance programs ceteris paribus. While it is not necessary to understand all the econometrics presented, the overall themes of the paper are useful and generalizable to almost all situations.*

International Year of Microcredit. (2005). *Building Inclusive Financial Sectors of Achieve the Millennium Development Goals*. Retrieved September 23, 2011, from <http://www.yearofmicrocredit.org/>

*This Web site is a comprehensive guide to one of the United Nations' largest microcredit initiatives. The International Year of Microcredit was brought about by the General Assembly and this Web site discusses many of the programs and committees that have resulted since 2005. This resource will give delegates a good idea of the current state of microcredit programs in both the governmental and non-governmental sectors.*

International Year of Microcredit. (2004). *Microfinance and Microcredit: How Can \$100 Change An Economy?*. Retrieved October 6, 2011, from [http://www.yearofmicrocredit.org/docs/MicrocreditBrochure\\_eng.pdf](http://www.yearofmicrocredit.org/docs/MicrocreditBrochure_eng.pdf)

*This overview of microfinance and microcredit is published by the UN Department of Public Information and gives a basic introduction to the principles of microcredit. It fully explains all economic-related terms and rationalizes why the idea of microcredit exists and is successful. It is important for delegates to understand the ideas presented in this document so that they will be able to successfully discuss in-depth issues related to the topic.*

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<sup>191</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.

<sup>192</sup> Microfinance Hub, *Microfinance Problems – 9 Challenges for Microfinance Providers*, 2010.



Li, H., S. Rozelle, and L. Zhang. (2004). Micro-Credit Programs and Off-Farm Migration in China. *Pacific Economic Review*, 9 (3): 209–223.

*Li, Rozelle, and Zhang provide a detailed outline of the Yilong program, one of the UNDP's first microcredit schemes. It discusses the regional background, methodology, and eventual outcomes of the program. This is useful to delegates as the lessons learned from this particular program can be applied to many other circumstances due to the factors considered in this study.*

Microfinance Hub. (2010). *Microfinance Problems – 8 Challenges for Micro Entrepreneurs*. Retrieved September 1, 2011, from <http://microfinancehub.com/2010/02/09/problems-faced-by-microfinance---micro-entrepreneurs/>

*This blog provides a discussion on the shortcomings of microfinance programs. While it seems that the author may be playing devil's advocate on the topic by discussing the negative aspects of microfinance while still maintaining an overall positive view, this unique opinion is useful to help delegates being to think critically about the topic at hand. This site also provides links outlining other aspects of microfinance.*

United Nations Capital Development Fund. (2005). *Microfinance and the Millennium Development Goals*. Retrieved August 11, 2011, from [http://www.yearofmicrocredit.org/docs/mdgdoc\\_MN.pdf](http://www.yearofmicrocredit.org/docs/mdgdoc_MN.pdf)

*The United Nations Capital Development Fund provides this key guide released as a result of the 2005 International Year of Microcredit. The content deals with using microfinance as a medium to reduce poverty and ultimately achieve the Millennium Development Goals. The document presents several recommended strategies to "invest in development," and these can be used as a basis to utilize microfinance programs on a practical level.*

United Nations General Assembly. (1998, February 18). *Resolution 52/194*. Retrieved August 11, 2011, from [www.un.org/Docs/journal/asp/ws.asp?m=A/RES/52/194](http://www.un.org/Docs/journal/asp/ws.asp?m=A/RES/52/194)

*This resolution is the first major document released by a United Nations body solely focusing on microcredit programs as sole contributors to development. In addition to reducing poverty of the lower class, it discusses how microcredit is able to increase participation in the economic and political process of society. While this document can be considered old, it is important as it outlines the basis for discussion of microcredit programs and development over the past 15 years.*

United Nations Secretary-General. (1998, August 10). *Role of Microcredit in the Eradication of Poverty – Report of the Secretary General*. Retrieved August 11, 2011, from <http://www.un.org/documents/ga/docs/53/plenary/a53-223.htm>

*The role of microcredit in poverty eradication and the international community's perspective and support towards microcredit lending is discussed in this Secretary-General's report. This document is useful, and it also gives an overview of how several United Nations bodies and other governmental organizations are using microcredit programs in their programming. This report closely precedes Resolution 53/197, which outlines the terms where the General Assembly designated 2005 as the International Year of Microcredit.*

Xiaoshan, D. (2008). *Current Situation and Future Prospect of Microcredit in China*. Retrieved August 11, 2011, from [http://www.microfinanceforum.org/cm\\_data/Du\\_Xiaoshan.pdf](http://www.microfinanceforum.org/cm_data/Du_Xiaoshan.pdf)

*The current state of microcredit operations in China is discussed in this document while explaining future prospects for microcredit programs in the country. This document is useful as China acts as a good example as to how trial-and-error results in useful and applicable microfinance programs. The diversity of the country in terms of the rural-urban divide and the rich-poor gap makes China a good example to consider the successes of microcredit programs.*

### III. Freshwater management and economic development

#### *Introduction*

Water management is the process of directing how water is used, protected, allocated, regulated, developed, and controlled.<sup>193</sup> Effective freshwater management increases the quality of life for individuals and improves the health of the household and workforce, thereby increasing economic productivity and production, and resulting in higher rates of economic growth.<sup>194</sup> Water scarcity, lack of safe drinking water, access to latrines that improve sanitation and health, water-related natural disasters, and droughts affect millions each year. These issues prevent sustainable development by negatively affecting the workforce, restricting educational and occupational opportunities, and destroying infrastructure.<sup>195</sup>

Water and economic development are inextricably linked not only because of their relations through productivity but also because water is critical across many sectors, including agriculture, industry, and services.<sup>196</sup> Water is critical for development because it is, or has the potential to be, a critical source of energy, it facilitates the industrial process, and it plays an important role in some transportation systems.<sup>197</sup> A country's water management and development strategies and policies also affect development by affecting the demand for water, which interacts with supply to determine the level of water scarcity.<sup>198</sup> Water scarcity physically affects 1.2 billion people worldwide and economically affects another 1.6 billion, as they do not have the infrastructure necessary to use what water resources are available.<sup>199</sup> In sum, water management is critical to sustainable development because water facilitates survival, cleanliness, health, agriculture and food resources, industries, and energy.<sup>200</sup>

The international community and the United Nations (UN) have approached the issue of freshwater and development from a number of perspectives. Some of these include integrated water resources management; drinking water, sanitation and health; water scarcity; pollution; transboundary waters; climate change and disaster risk management; gender and water; capacity building; financing and evaluation; water and cities; the human right to water; and Africa as a region for priority action.<sup>201</sup> Freshwater management is critical because these challenges are likely to increase in the future due to continued underdevelopment, poverty, and inequality; a changing climate; increased energy and food costs; and global economic crises.<sup>202</sup> There is enough water worldwide to support the global population, but management is required because it is not evenly distributed and much of it is polluted, wasted, or managed in an unsustainable manner.<sup>203</sup>

#### *History*

The General Assembly (GA) adopted the UN Millennium Declaration on September 8, 2000. A/RES/52/2 describes Millennium Development Goals (MDGs) that the international community agreed to strive for by 2015 to improve the condition of humanity.<sup>204</sup> Target 10 specifically aims to reduce by 50% the proportion of people lacking access to safe drinking water.<sup>205</sup> At the 2002 Johannesburg World Summit for Sustainable Development, Member States

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<sup>193</sup> Hilderling, *International Law, Sustainable Development and Water Management*, 2004, p. 102

<sup>194</sup> World Bank, *Making the Most of Scarcity: Accountability for Better Water Management in the Middle East and North Africa*, 2007, p. 4-6.

<sup>195</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a 'Water for Life' Decade?*

<sup>196</sup> Stockholm International Water Institute, *Making Water a Part of Economic Development: The Economic Benefits of Improved Water Management and Services*, p. 7.

<sup>197</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a 'Water for Life' Decade?*

<sup>198</sup> Stockholm International Water Institute, *Making Water a Part of Economic Development: The Economic Benefits of Improved Water Management and Services*, p. 7.

<sup>199</sup> International Decade for Action: Water for Life, 2005-2015, *Water Scarcity*.

<sup>200</sup> United Nations Water, *Discover UN-Water*.

<sup>201</sup> United Nations Water, *Discover UN-Water*.

<sup>202</sup> United Nations World Water Assessment Program, *The United Nations World Water Development Report 3: Water in a Changing World*, 2009, p. 3.

<sup>203</sup> International Decade for Action: Water for Life, 2005-2015, *Water Scarcity*.

<sup>204</sup> United Nations General Assembly, *Note by the Secretariat on Water and the Internationally Agreed Development Goals (A/64/694)*, 2010.

<sup>205</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a 'Water for Life' Decade?*

expanded target 10 to include basic sanitation while acknowledging that water as a resources plays an important role in all MDGs.<sup>206</sup>

The MDGs led the GA to declare 2005-2015 as the International Decade for Action: Water for Life in A/RES/58/217, adopted in December 2003.<sup>207</sup> The goal of the Water for Life Decade is to promote and facilitate efforts to fulfill international commitments made concerning water by 2015.<sup>208</sup> It is action-oriented and targets quantitative and qualitative sustainable solutions to water-related issues.<sup>209</sup> An official World Water Day is held every March to discuss the progress of the decade.<sup>210</sup>

Several international agreements specifically address the issue of transnational waterways as they play a critical role in drinking water supply, agriculture, energy generation, and industry. The 1992 UN Economic Commission for Europe (UNECE) Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) was passed to strengthen management of and preservationist measures for international waterways.<sup>211</sup> The 1997 UN Convention on the Non-Navigational Uses of International Watercourses establishes two guiding principles regarding the conduct of nations and shared watercourses: “equitable and reasonable use” and “the obligation not to cause significant harm” to neighbors.<sup>212</sup> This document leaves the definition of these principles up to individual nations and lacks specific enforcement and allocation mechanisms.<sup>213</sup> The UN has also acknowledged the challenges water scarcity poses and in 1996 adopted the Convention to Combat Desertification, as desertification further exacerbates scarcity and limits economic activity, such as agriculture, industry, and worker productivity.<sup>214</sup>

### ***Focus: The Middle East and North Africa Region***

#### *Scarcity, Drought, and Agriculture*

The Middle East and North Africa (MENA) region suffers from water scarcity more than any other region.<sup>215</sup> While it has been experiencing slower economic development than the rest of the world, its population and CO<sup>2</sup> emissions have increased more rapidly.<sup>216</sup> Water management lags far behind the region’s needs and it is currently spread out among various government bodies, lacking a cohesive mandate and overarching priorities.<sup>217</sup> Water management must adapt not only to meet the changing agriculture and population needs but also the results of climate change over the next 50-100 years.<sup>218</sup> Possible solutions include focusing resources and capital on industry rather than agriculture, which would allow for the reallocation of irrigation water, and addressing the needs of urban areas.<sup>219</sup>

Water, including reserve calculations based on groundwater resources, cannot keep up with increasing industrial demand, 60% of which is due to agriculture.<sup>220</sup> Though only 4.5% of the total land area in the MENA region is arable, agriculture is a key industry for many countries.<sup>221</sup> Currently the region faces growing problems as pollution, climate change and drought, and population growth increases water scarcity.<sup>222</sup> Agriculture and irrigation decisions are based on a variety of factors, including trade, the cost of energy, and government policies and subsidies that

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<sup>206</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a ‘Water for Life’ Decade?*

<sup>207</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a ‘Water for Life’ Decade?*; United Nations General Assembly, *Resolution 58/217*, 2004.

<sup>208</sup> United Nations General Assembly, *Resolution 58/217*, 2004.

<sup>209</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a ‘Water for Life’ Decade?*

<sup>210</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a ‘Water for Life’ Decade?*

<sup>211</sup> International Decade for Action: Water for Life, 2005-2015, *Transboundary Waters*.

<sup>212</sup> International Decade for Action: Water for Life, 2005-2015, *Transboundary Waters*.

<sup>213</sup> International Decade for Action: Water for Life, 2005-2015, *Transboundary Waters*.

<sup>214</sup> United Nations Convention to Combat Desertification, *About the Convention*, 2011.

<sup>215</sup> Varis, *Right to Water: The Millennium Development Goals and Water in the MENA Region*, 2007, p. 245.

<sup>216</sup> Varis, *Right to Water: The Millennium Development Goals and Water in the MENA Region*, 2007, p. 245.

<sup>217</sup> World Bank, *Making the Most of Scarcity: Accountability for Better Water Management in the Middle East and North Africa*, 2007, p. 15-16; Food and Agricultural Organization of the United Nations, *Syrian Arab Republic*.

<sup>218</sup> Shen, *Climate Change and Water Resources: Evidence and Estimate in China*, 2010, p. 1.

<sup>219</sup> Beaumont, *Water Policies for the Middle East in the 21<sup>st</sup> Century: The New Economic Realities*, 2002, p. 315.

<sup>220</sup> Khérici, *Mobilization and Management of the Water Resources in the North-East of Algeria*, 2009, p. 42.

<sup>221</sup> Varis, *Right to Water: The Millennium Development Goals and Water in the MENA Region*, 2007, 245.

<sup>222</sup> World Bank, *Making the Most of Scarcity: Accountability for Better Water Management in the Middle East and North Africa*, 2007, p. 16.

create the incentive structure farmers operate within.<sup>223</sup> Outdated MENA water management policies can exacerbate scarcity by encouraging agricultural activity that requires a large amount of water and restricts overall economic development.<sup>224</sup>

Appropriate water management can help alleviate scarcity in the MENA region.<sup>225</sup> For example, sustainable farming processes can reduce the use of water in farming as well as the pollution caused by chemical fertilizers and pesticides, reducing scarcity twice over.<sup>226</sup> Growing alternative crops that utilize less water, switching from annual to semi-permanent crops, practicing no-tillage farming, and utilizing alternative soil fertilizers such as biochar can help prevent the process of desertification.<sup>227</sup> Water can also be reallocated through the market by pricing it at a level that reflects long-term social costs.<sup>228</sup> This economic structure would create incentives for individuals to reallocate water to more productive uses than inefficient agriculture crops and practices.<sup>229</sup>

### *Pollution, Sanitation, and Productivity*

Sanitation goes hand in hand with access to freshwater.<sup>230</sup> It is a salient issue because pollution is increasing and current infrastructure and management policies are insufficient.<sup>231</sup> More people die annually due to polluted water than are killed by all types of violence, including war.<sup>232</sup> Sanitation is important not just for human wellbeing but also for economic development; increased sanitation results in healthier populations, which in turn results in higher productivity in the household and workforce and higher rates of economic growth.<sup>233</sup> Water scarcity and pollution will become bigger issues in the future as population growth and urbanization rates increase.<sup>234</sup> Wastewater management, especially in urban areas, is an important subsector of freshwater management. Some scholars have suggested more holistic and integrated approaches in order to meet the needs of cities caused by urbanization.<sup>235</sup>

Industrial integrated water management has the potential alleviate both water scarcity and pollution. Water is used at several points in the industrial process, including manufacturing, cooling, and steam generating.<sup>236</sup> Industrial sites typically also have raw water, wastewater, and biological treatment capabilities.<sup>237</sup> Integrated management can utilize these resources and the steps of the industrial process to conserve the amount of water used, reuse water at different steps of the process, and recycle through treatment to conserve.<sup>238</sup> Advances in water chemistry may allow for significant conservatory potential in the industrial process in the future.<sup>239</sup>

### *Transboundary Water Management*

One major source of conflict concerning international water management in the Tigris-Euphrates river basin concerns damming. Controversies such as the Tabqa Dam in Syria and the Ataturk Dam in Turkey cause countries to negotiate how much of a river one may dam and cut off without negatively harming industry further down the

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<sup>223</sup> World Bank, *Making the Most of Scarcity: Accountability for Better Water Management in the Middle East and North Africa*, 2007, p. 6.

<sup>224</sup> World Bank, *Making the Most of Scarcity: Accountability for Better Water Management in the Middle East and North Africa*, 2007, p. 6.

<sup>225</sup> United Nations General Assembly, *Note by the Secretariat on Water and the Internationally Agreed Development Goals (A/64/694)*, 2010, p. 16.

<sup>226</sup> United Nations General Assembly, *Note by the Secretariat on Water and the Internationally Agreed Development Goals (A/64/694)*, 2010, p. 16.

<sup>227</sup> United Nations Convention to Combat Desertification, *Water Scarcity and Desertification*, 2009.

<sup>228</sup> Russell et al., *Economic Instruments for Water Management in the Middle East and North Africa*, 2007, p. 673.

<sup>229</sup> Russell et al., *Economic Instruments for Water Management in the Middle East and North Africa*, 2007, p. 673.

<sup>230</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a 'Water for Life' Decade?*

<sup>231</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a 'Water for Life' Decade?*

<sup>232</sup> United Nations Environment Program, *Sick Water? The Central Role of Wastewater Management in Sustainable Development*, 2010, p. 5.

<sup>233</sup> United Nations Environment Program, *Sick Water? The Central Role of Wastewater Management in Sustainable Development*, 2010, p. 5.

<sup>234</sup> International Decade for Action: Water for Life, 2005-2015, *Background: What a 'Water for Life' Decade?*

<sup>235</sup> Daigger, *Wastewater Management in the 21<sup>st</sup> Century*, 2007.

<sup>236</sup> Davé, and Nalco, *Sustainable Development: Role of Industrial Water Management*, 2004, p. 66.

<sup>237</sup> Davé, and Nalco, *Sustainable Development: Role of Industrial Water Management*, 2004, p. 66.

<sup>238</sup> Davé, and Nalco, *Sustainable Development: Role of Industrial Water Management*, 2004, p. 68.

<sup>239</sup> Davé, and Nalco, *Sustainable Development: Role of Industrial Water Management*, 2004, p. 69.

waterway.<sup>240</sup> A particular challenge for the region is that some countries, such as Syria and Iraq, consider both rivers international while others, such as Turkey, only views the Euphrates as an international river after it meets the Tigris.<sup>241</sup> Transboundary water management is furthermore challenging because so much of it is underground, making it hard to measure or regulate.<sup>242</sup>

Major debates in international water management focus on who owns each water source, who should have rights to use it, and how much it should cost them to do so.<sup>243</sup> Thinking of water in terms of its value, such as the cost of extracting and converting it, rather than its quantity allows for monetization of water sources and can facilitate international negotiations concerning these issues and allow for market-based solutions.<sup>244</sup> Countries can also approach the issues of ownership and usage by cooperating through the trade of water permits.<sup>245</sup>

### ***Recent International Efforts***

#### *UN-Water*

The United Nations High Level Committee on Programs established UN-Water in 2003 at the beginning of the Water for Life Decade. UN-Water coordinates all UN activities related to water and sanitation as mandated by the MDGs and 2002 World Summit on Sustainable Development, including resource management, freshwater and seawater interfaces, and water-related disasters.<sup>246</sup> It consists of 26 members from within the UN system as well as several external partners from various organizations.<sup>247</sup> UN-Water has three main areas of focus: 1.) provide water-related information to policy makers, managers, decision-makers, and the general public; 2.) build the knowledge base through effective monitoring, reporting, and information sharing; and 3.) provide a platform for an international and system-wide discourse on water-related issues to identify challenges, analyze options, and transfer reliable information.<sup>248</sup>

UN-Water consists of four central programs, though each is hosted by separate UN agencies.<sup>249</sup> The first two preceded and formed the foundation for UN-Water. The World Water Assessment Program (WWAP) is hosted by the United Nations Educational, Scientific, and Cultural Organization (UNESCO) and it releases the flagship World Water Development Reports every three years.<sup>250</sup> The fourth report will be released in 2012. The World Health Organization (WHO) and the United Nations Children's Fund administer the second program, the Joint Monitoring Program on Water Supply and Sanitation (JMP).<sup>251</sup> It monitors WHO activities and global progress towards the MDGs relating to water and sanitation.<sup>252</sup> The other two UN-Water Decade Programs were established in 2007 and focus on capacity development (UNW-DPC) and advocacy and communication (UNW-DPAC).<sup>253</sup>

UN-Water focuses in part on freshwater management and supports the integrated water resources management approach.<sup>254</sup> The first steps in this process are to identify development objectives and create national goals.<sup>255</sup> Next, the country assesses what its particular water resource issues are and create strategies and policies, resulting in an integrated water resource management implementation plan.<sup>256</sup> Implementation has four parts: an enabling

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<sup>240</sup> Food and Agricultural Organization of the United Nations, *Syrian Arab Republic*, 2008.

<sup>241</sup> Food and Agricultural Organization of the United Nations, *Syrian Arab Republic*, 2008.

<sup>242</sup> Lorenz, *Strategic Water for Iraq: The Need for Planning and Action*, 2008, p. 283.

<sup>243</sup> Fisher and Huber-Lee, *Economics, Water Management and Conflict Resolution in the Middle East and Beyond*, 2006, p. 37-9.

<sup>244</sup> Fisher and Huber-Lee, *Economics, Water Management and Conflict Resolution in the Middle East and Beyond*, 2006, p. 37-9.

<sup>245</sup> Fisher and Huber-Lee, *Economics, Water Management and Conflict Resolution in the Middle East and Beyond*, 2006, p. 37-9.

<sup>246</sup> United Nations Water, *Discover UN-Water*.

<sup>247</sup> United Nations Water, *Discover UN-Water*.

<sup>248</sup> United Nations Water, *Discover UN-Water*.

<sup>249</sup> United Nations Water, *Discover UN-Water*.

<sup>250</sup> United Nations Educational Scientific and Cultural Organization: World Water Assessment Program, *WWAP at the World Water Week*, 2011.

<sup>251</sup> World Health Organization and United Nations Children's Fund *WHO/UNICEF Joint Monitoring Program (JMP) for Water Supply and Sanitation*.

<sup>252</sup> World Health Organization and United Nations Children's Fund *WHO/UNICEF Joint Monitoring Program (JMP) for Water Supply and Sanitation*.

<sup>253</sup> United Nations University, *Welcome to the UN-Water Decade Program on Capacity Development*.

<sup>254</sup> United Nations Water, *Integrated Water Resources Management*.

<sup>255</sup> United Nations Water, *Integrated Water Resources Management*.

<sup>256</sup> United Nations Water, *Integrated Water Resources Management*.

environment, supportive institutional structure, appropriate management techniques and overall infrastructure development.<sup>257</sup> The final steps of the process are implementation actions, monitoring and evaluating the progress of the plan, and reassessing national goals and development objectives, thus completing the feedback circle.<sup>258</sup>

### *International focus: Water*

Many international groups have recently highlighted the importance of water. For example, the Food and Agriculture Organization (FAO) released a water report in 2010 examining the economic feasibility and benefits of using wastewater in agriculture to allow freshwater to be diverted to urban areas and human needs.<sup>259</sup> World Water Day 2011, held last March, thematically focused on water for cities and discussed the growing challenges of urbanization.<sup>260</sup> UN Secretary-General Ban Ki-moon called for increased funding and strengthening of the mechanisms that convert funding into water access on the ground and pointed to inadequate capital investment to date.<sup>261</sup> Topics discussed at World Water Day this year included the impact of urbanization and industrialization, the effects of climate change, natural disasters, and conflicts over urban water systems.<sup>262</sup>

World Water Day attendees called for renewed attention to water management issues.<sup>263</sup> They requested the 2012 Conference on Sustainable Development in Rio de Janeiro (Rio+20) have a particular focus on water's role in development.<sup>264</sup> The Zaragoza Conference, a preparatory meeting for Rio+20, met in early October of 2011 to discuss the role of water in a green economy.<sup>265</sup> Topics included water investments and green jobs as well as how water technology contributes to the creation of jobs and enterprise development.<sup>266</sup> The conference examined how stable ecosystems allow for sustainable and resilient economic development as well as how households and industrial production practices can follow more efficient consumption patterns to create jobs.<sup>267</sup> The 6<sup>th</sup> World Water Forum of the World Water Council will meet in March 2012 to also discuss water's role in green jobs and water management in growing urban centers.<sup>268</sup> The GA also declared 2014 as the International Year of Water Cooperation after a meeting this past year to review the progress of the Water for Life decade.<sup>269</sup>

### **Conclusion**

Freshwater management is critical for economic development as it facilitates industry, influences the health of the workforce, and is critical to trade. Despite being over half way through the Water for Life Decade, many Member States struggle with water management. The MENA region faces definite challenges in this area as they have high levels of water scarcity, growing populations, increasing pollution, and outdated water management policies. The international community provides a forum for countries to meet and discuss water management techniques and solutions and thus address these problems. How can the international community facilitate industrial water management in the MENA region? What techniques can be utilized to improve the sustainability of water usage? How can water management technologies be tailored to the needs of different regions or different stages of development?

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<sup>257</sup> United Nations Water, *Integrated Water Resources Management*.

<sup>258</sup> United Nations Water, *Integrated Water Resources Management*.

<sup>259</sup> Food and Agricultural Organization of the United Nations, *The Wealth of Waste: The Economics of Wastewater Use in Agriculture*, 2010, Introduction.

<sup>260</sup> United Nations Water, *Final Report: World Water Day 2011: Water and Urbanization*, 2011.

<sup>261</sup> United Nations Division of Economic and Social Affairs, *Facing Up to the Global Water Crisis*, 2011.

<sup>262</sup> United Nations Water, *Final Report: World Water Day 2011: Water and Urbanization*, 2011.

<sup>263</sup> United Nations Division of Economic and Social Affairs, *Facing Up to the Global Water Crisis*, 2011.

<sup>264</sup> United Nations Division of Economic and Social Affairs, *Facing Up to the Global Water Crisis*, 2011.

<sup>265</sup> United Nations Division of Economic and Social Affairs, *Water in the Green Economy in Practice: Towards Rio+20*, 2011.

<sup>266</sup> United Nations Division of Economic and Social Affairs, *Water in the Green Economy in Practice: Towards Rio+20*, 2011.

<sup>267</sup> United Nations Division of Economic and Social Affairs, *Water in the Green Economy in Practice: Towards Rio+20*, 2011.

<sup>268</sup> Sixth World Water Forum, *The Thematic Framework*.

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### III. Fresh Water Management and Economic Development

Bruch, C., S. Altman, M. Al-Moumin, J. Troell, and E. Roffman. (2007). Legal Frameworks Governing Water in the Middle East and North Africa. *International Journal of Water Resources Development*, 23 (4): p. 595-624.

*Brunch et al. succinctly review the legal frameworks concerning water, including regulations, management policies, and transboundary agreements. They provide an overview of the MENA region and water, including a brief history and a description of the scarcity issue. The article looks into water rights versus water usage and the impacts of Islamic law on water law as well as what types of water-efficient technologies are utilized by the region. Next, it discusses water quality, including access to drinking water and issues of pollution. The governance section describes management organizational structures, public participation, and water pricing.*

Food and Agricultural Organization of the United Nations. (2010). *The Wealth of Waste: The Economics of Wastewater Use in Agriculture*. FAO Water Report 35. Retrieved September 1, 2011 from [www.fao.org/docrep/012/i1629e/i1629e.pdf](http://www.fao.org/docrep/012/i1629e/i1629e.pdf).

*This paper provides an excellent example of innovative and sustainable water management techniques that are currently being proposed and utilized worldwide. First, the reader is introduced to the context of wastewater reuse in agriculture and then how the process can be economically beneficial by channeling freshwater where it is directly needed in urban communities. An economic analysis illustrates how this technique can be more efficient under certain conditions and what those requirements are. The paper concludes by examining Spain and Mexico as case studies to evaluate the effectiveness of wastewater reuse in practice.*

Hildering, A. (2004). *International Law, Sustainable Development and Water Management*. Delft, The Netherlands: Eburon Publishers.

*Hildering's book is very well organized and approachable with short clearly labeled sections, making this an ideal research tool for freshwater management. She overviews economic uses of freshwater sources and international water law. One chapter is devoted to water as an economic good and discusses ownership, sovereignty, management styles, and the international approach. A concluding section discusses several economically sustainable approaches to water management, including the polluter/user pays and no harm principles. Her writing is very approachable and a good source after one has understood the basic framework of the issue.*

Stockholm International Water Institute. (2004). *Making Water a Part of Economic Development: The Economic Benefits of Improved Water Management and Services*. Retrieved September 1, 2011 from [www.who.int/entity/water\\_sanitation\\_health/waterandmacroecon.pdf](http://www.who.int/entity/water_sanitation_health/waterandmacroecon.pdf)

*This is an excellent place to begin researching the economic importance of water management. The report summarizes the importance of water and its role in economic growth, illustrating how it contributes to higher growth rates. Water capacity is shown to improve economic viability and improved water resource management to increase economic productivity. There is still a large need for funding to achieve the changes needed to achieve these goals. The report concludes by laying out a plan for action and the steps necessary to achieve improved water management, what that should look like, and what the results could be.*

United Nations Convention to Combat Desertification. (2009). *Water Scarcity and Desertification*. Retrieved September 1, 2011 from <http://www.unced.int/documents/Desertificationandwater.pdf>

*This second thematic fact sheet released in relation to the Convention to Combat Desertification succinctly summarizes and describes the importance of water scarcity and its desertification effects. It is a good place to begin studying water management concerning agriculture because it gives an overview of how water scarcity affects soil and growth. Furthermore, it suggests several changes in farming practices that manage water more efficiently, such as switching to drought-resistant crops, avoiding tilling, and changes in land use. The fact sheet concludes by summarizing the 10-year strategic plan concerning the Convention.*

United Nations General Assembly. 64<sup>th</sup> Session. (2010). *Note by the Secretariat on the Organization of the Midterm Comprehensive Review of the International Decade for Action, 'Water for Life' 2005-2015 (A/64/693)*. Retrieved August 13, 2011 from <http://www.un.org/Docs/journal/asp/ws.asp?m=a/64/693>

*The Secretariat begins this note by summarizing international efforts and agreements to date concerning freshwater management. Next, the note discusses UN programs and activities executed in the first half of the "Water for Life" Decade, mostly under the supervision of UN-Water and its four programs. The activity of the Secretary-General's Advisory Board on Water and Sanitation is also summarized, as well as those of the UN Inter-Agency Task force on Gender and Water, the Global Annual Assessment on Sanitation and Drinking Water, and UN International Strategy for Disaster Reduction. The note also provides an overview of regional and country assistance programs.*

United Nations Water. (2011). *Final Report: World Water Day 2011: Water and Urbanization*. Retrieved September 1, 2011 from [http://www.unwater.org/downloads/World\\_Water\\_Day\\_2011\\_Final\\_Report\\_Web.pdf](http://www.unwater.org/downloads/World_Water_Day_2011_Final_Report_Web.pdf)

*The summary report from World Water Day 2011 is useful for several reasons. First, it provides statements given by important UN and international figures concerning water and water issues. Secondly, the topics summarized here act as a gauge of which water issues are currently most important in the international community. Finally, the report discusses the outcomes of the thematic sessions at World Water Day and provides documentation on recent Member State stances and views concerning these issues.*

United Nations Water Decade Program on Advocacy and Communication. (2010, March). *Water Quality Reader*. Retrieved September 1, 2011 from [http://www.un.org/waterforlifedecade/pdf/03\\_2010\\_reader\\_water\\_quality\\_eng.pdf](http://www.un.org/waterforlifedecade/pdf/03_2010_reader_water_quality_eng.pdf)

*The Water Quality Reader is a great place to begin learning about water quality issues. The Reader contains a list and summary of several recent and relevant UN publications concerning water quality. Sources are broken down into categories to make it easier to locate relevant documents. Documents cited include management recommendations, assessment standards, and recommendations for how to monitor water quality.*

United Nations World Water Assessment Program. (2009). *The United Nations World Water Development Report 3: Water in a Changing World*. Retrieved September 1, 2011 from <http://www.unesco.org/water/wwap/wwdr/wwdr3/>

*The UN World Water Development Report 3 (WWDR3) is a go-to resource concerning water. It describes the history of water and its uses, the pressure on water and its drivers and water's ecological status, Page 2 show a big-picture diagram all delegates should review entitled "Decision-Making Affecting Water," which describes the actors, pressures on water management, outcomes, and how everything is related. The report concludes with a chapter common and out-of-the-box solutions and options to water-related issues.*

World Bank. (2007). *Making the Most of Scarcity: Accountability for Better Water Management in the Middle East and North Africa*. Retrieved September 1, 2011 from [http://siteresources.worldbank.org/INTMENA/Resources/Water\\_Scarcity\\_Full.pdf](http://siteresources.worldbank.org/INTMENA/Resources/Water_Scarcity_Full.pdf)

*This report focuses on scarcity in the MENA region and how countries can address these through water management, policies, and institutions rather than just hydrology. It identifies three types of scarcity: resources, organization, and accountability. Chapter 3 provides an overview of forces at work within the MENA region driving the politics of water management, including economic, social, and international drivers and is an excellent source for understanding the policy environment of the region. The final chapter discusses options to move forward with water management reform in the region and presents several options delegates may be interested in.*



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## **Rules of Procedure General Assembly Second Committee**

### ***Introduction***

1. These rules shall be the only rules which apply to the General Assembly Economic and Financial Committee (Second Committee) (hereinafter referred to as “the Committee”) and shall be considered adopted by the Committee prior to its first meeting.
2. For purposes of these rules, the Plenary Director, the Assistant Director(s), the Under-Secretaries-General, and the Assistant Secretaries-General, are designates and agents of the Secretary-General and Director-General, and are collectively referred to as the “Secretariat.”
3. Interpretation of the rules shall be reserved exclusively to the Director-General or her or his designate. Such interpretation shall be in accordance with the philosophy and principles of the National Model United Nations and in furtherance of the educational mission of that organization.
4. For the purposes of these rules, “President” shall refer to the chairperson or acting chairperson of the Committee.

### **I. SESSIONS**

#### **Rule 1 - *Dates of convening and adjournment***

The Committee shall meet every year in regular session, commencing and closing on the dates designated by the Secretary-General.

#### **Rule 2 - *Place of sessions***

The Committee shall meet at a location designated by the Secretary-General.

### **II. AGENDA**

#### **Rule 3 - *Provisional agenda***

The provisional agenda shall be drawn up by the Secretary-General and communicated to the Members of the Committee at least sixty days before the opening of the session.

#### **Rule 4 - *Adoption of the agenda***

The agenda provided by the Secretary-General shall be considered adopted as of the beginning of the session. The order of the agenda items shall be determined by a majority vote of those present and voting. Items on the agenda may be amended or deleted by the Committee by a two-thirds majority of the members present and voting.

*The vote described in this rule is a procedural vote and, as such, observers are permitted to cast a vote. For purposes of this rule, those present and voting means those delegates, including observers, in attendance at the meeting during which this motion comes to a vote.*

#### **Rule 5 - *Revision of the agenda***

During a session, the Assembly may revise the agenda by adding, deleting, deferring or amending items. Only important and urgent items shall be added to the agenda during a session. Permission to speak on a motion to revise the agenda shall be accorded only to three representatives in favor of, and three opposed to, the revision. Additional items of an important and urgent character, proposed for inclusion in the agenda less than thirty days before the opening of a session, may be placed on the agenda if the Assembly so decides by a two-thirds majority of the members present and voting. No additional item may, unless the General Assembly decides otherwise by a two-thirds majority of the members present and voting, be considered until a committee has reported on the question concerned.

*As the General Assembly Plenary determines the agenda for its Committees, this rule is applicable only to the Plenary body. Since NMUN 2011 will simulate the Plenary only on its last day, the agenda approved by the Secretariat is set. Items cannot be amended or added to the agenda by any of the Committees of the Assembly. For purposes of this rule, the determination of an item of an “important and urgent character” is subject to the discretion of the Secretariat, and any such determination is final. If an item is determined to be of such a character, then it requires a two-thirds vote of the Assembly to be placed on the agenda. It will, however, not be considered by the Assembly until a committee has reported on the question, or a second two-thirds vote is successful to keep the*



*Plenary body seized of the matter. The votes described in this rule are substantive vote, and, as such, observers are not permitted to cast a vote. For purposes of this rule, "the members present and voting" means those members (not including observers) in attendance at the session during which this motion comes to vote.*

**Rule 6 - Explanatory memorandum**

Any item proposed for inclusion in the agenda shall be accompanied by an explanatory memorandum and, if possible, by basic documents.

### III. SECRETARIAT

**Rule 7 - Duties of the Secretary-General**

1. The Secretary-General or her/his designate shall act in this capacity in all meetings of the Committee.
2. The Secretary-General shall provide and direct the staff required by the Committee and be responsible for all the arrangements that may be necessary for its meetings.

**Rule 8 - Duties of the Secretariat**

The Secretariat shall receive, print, and distribute documents, reports, and resolutions of the Committee, and shall distribute documents of the Committee to the Members, and generally perform all other work which the Committee may require.

**Rule 9 - Statements by the Secretariat**

The Secretary-General, or her/his representative, may make oral as well as written statements to the Committee concerning any question under consideration.

**Rule 10 - Selection of the President** The Secretary-General or her/his designate shall appoint, from applications received by the Secretariat, a President who shall hold office and, *inter alia*, chair the Committee for the duration of the session, unless otherwise decided by the Secretary-General.

**Rule 11 - Replacement of the President** If the President is unable to perform her/his functions, a new President shall be appointed for the unexpired term at the discretion of the Secretary-General.

### IV. LANGUAGE

**Rule 12 - Official and working language**

English shall be the official and working language of the Committee.

**Rule 13 - Interpretation (oral) or translation (written)**

Any representative wishing to address any body or submit a document in a language other than English shall provide interpretation or translation into English.

*This rule does not affect the total speaking time allotted to those representatives wishing to address the body in a language other than English. As such, both the speech and the interpretation must be within the set time limit.*

### V. CONDUCT OF BUSINESS

**Rule 14 - Quorum**

The President may declare a meeting open and permit debate to proceed when representatives of at least one third of the members of the Committee are present. The presence of representatives of a majority of the members of the Committee shall be required for any decision to be taken.

*For purposes of this rule, members of the Committee means the total number of members (not including observers) in attendance at the first night's meeting.*

**Rule 15 - General powers of the President**

In addition to exercising the powers conferred upon him or her elsewhere by these rules, the President shall declare

the opening and closing of each meeting of the Committee, direct the discussions, ensure observance of these rules, accord the right to speak, put questions to the vote and announce decisions. The President, subject to these rules, shall have complete control of the proceedings of the Committee and over the maintenance of order at its meetings. He or she shall rule on points of order. He or she may propose to the Committee the closure of the list of speakers, a limitation on the time to be allowed to speakers and on the number of times the representative of each member may speak on an item, the adjournment or closure of the debate, and the suspension or adjournment of a meeting.

*Included in these enumerated powers is the President's power to assign speaking times for all speeches incidental to motions and amendment. Further, the President is to use her/his discretion, upon the advice and at the consent of the Secretariat, to determine whether to entertain a particular motion based on the philosophy and principles of the NMUN. Such discretion should be used on a limited basis and only under circumstances where it is necessary to advance the educational mission of the Conference. For purposes of this rule, the President's power to propose to the Committee entails her/his power to entertain motions, and not to move the body on his or her own motion.*

#### **Rule 16**

The President, in the exercise of her or his functions, remains under the authority of the Committee.

#### **Rule 17 - Points of order**

During the discussion of any matter, a representative may rise to a point of order, which shall be decided immediately by the President. Any appeal of the decision of the President shall be immediately put to a vote, and the ruling of the President shall stand unless overruled by a majority of the members present and voting.

*Such points of order should not under any circumstances interrupt the speech of a fellow representative. Any questions on order arising during a speech made by a representative should be raised at the conclusion of the speech, or can be addressed by the President, sua sponte, during the speech. For purposes of this rule, the members present and voting mean those members (not including observers) in attendance at the meeting during which this motion comes to vote.*

#### **Rule 18**

A representative may not, in rising to a point of order, speak on the substance of the matter under discussion.

#### **Rule 19 - Speeches**

1. No one may address the Committee without having previously obtained the permission of the President. The President shall call upon speakers in the order in which they signify their desire to speak.
2. Debate shall be confined to the question before the Committee, and the President may call a speaker to order if her/his remarks are not relevant to the subject under discussion.
3. The Committee may limit the time allowed to speakers and all representatives may speak on any question. Permission to speak on a motion to set such limits shall be accorded only to two representatives favoring and two opposing such limits, after which the motion shall be put to the vote immediately. When debate is limited and a speaker exceeds the allotted time, the President shall call her or him to order without delay.

*In line with the philosophy and principles of the NMUN, in furtherance of its educational mission, and for the purpose of facilitating debate, if the President determines that the Committee in large part does not want to deviate from the limits to the speaker's time as it is then set, and that any additional motions will not be well received by the body, the President, in her/his discretion, and on the advice and consent of the Secretariat, may rule as dilatory any additional motions to change the limits of the speaker's time.*

#### **Rule 20 - Closing of list of speakers**

Members may only be on the list of speakers once but may be added again after having spoken. During the course of a debate the President may announce the list of speakers and, with the consent of the Committee, declare the list closed. When there are no more speakers, the President shall declare the debate closed. Such closure shall have the same effect as closure by decision of the Committee.

*The decision to announce the list of speakers is within the discretion of the President and should not be the subject of a motion by the Committee. A motion to close the speakers' list is within the purview of the Committee and the*

*President should not act on her/his own motion.*

**Rule 21 - Right of reply**

If a remark impugns the integrity of a representative's State, the President may permit that representative to exercise her/his right of reply following the conclusion of the controversial speech, and shall determine an appropriate time limit for the reply. No ruling on this question shall be subject to appeal.

*For purposes of this rule, a remark that impugns the integrity of a representative's State is one directed at the governing authority of that State and/or one that puts into question that State's sovereignty or a portion thereof. All interventions in the exercise of the right of reply shall be addressed in writing to the Secretariat and shall not be raised as a point of order or motion. The reply shall be read to the Committee by the representative only upon approval of the Secretariat, and in no case after voting has concluded on all matters relating to the agenda topic, during the discussion of which, the right arose.*

**Rule 22 - Suspension of the meeting**

During the discussion of any matter, a representative may move the suspension of the meeting, specifying a time for reconvening. Such motions shall not be debated but shall be put to a vote immediately, requiring the support of a majority of the members present and voting to pass.

**Rule 23 - Adjournment of the meeting**

During the discussion of any matter, a representative may move the adjournment of the meeting. Such motions shall not be debated but shall be put to the vote immediately, requiring the support of a majority of the members present and voting to pass. After adjournment, the Committee shall reconvene at its next regularly scheduled meeting time.

*As this motion, if successful, would end the meeting until the Committee's next regularly scheduled session the following year, and in accordance with the philosophy and principles of the NMUN and in furtherance of its educational mission, the President will not entertain such a motion until the end of the last meeting of the Committee.*

**Rule 24 - Adjournment of debate**

A representative may at any time move the adjournment of debate on the topic under discussion. Permission to speak on the motion shall be accorded to two representatives favoring and two opposing adjournment, after which the motion shall be put to a vote immediately, requiring the support of a majority of the members present and voting to pass. If a motion for adjournment passes, the topic is considered dismissed and no action will be taken on it.

**Rule 25 - Closure of debate**

A representative may at any time move the closure of debate on the item under discussion, whether or not any other representative has signified her/his wish to speak. Permission to speak on the motion shall be accorded only to two representatives opposing the closure, after which the motion shall be put to the vote immediately. Closure of debate shall require a two-thirds majority of the members present and voting. If the Committee favors the closure of debate, the Committee shall immediately move to vote on all proposals introduced under that agenda item.

**Rule 26 - Order of motions** Subject to rule 23, the motions indicated below shall have precedence in the following order over all proposals or other motions before the meeting:

- a) To suspend the meeting;
- b) To adjourn the meeting;
- c) To adjourn the debate on the item under discussion;
- d) To close the debate on the item under discussion.

**Rule 27 - Proposals and amendments**

Proposals and substantive amendments shall normally be submitted in writing to the Secretariat, with the names of twenty percent of the members of the Committee who would like the Committee to consider the proposal or amendment. The Secretariat may, at its discretion, approve the proposal or amendment for circulation among the delegations. As a general rule, no proposal shall be put to the vote at any meeting of the Committee unless copies of it have been circulated to all delegations. The President may, however, permit the discussion and consideration of amendments or of motions as to procedure, even though such amendments and motions have not been circulated. If the sponsors agree to the adoption of a proposed amendment, the proposal shall be modified accordingly and no vote shall be

taken on the proposed amendment. A document modified in this manner shall be considered as the proposal pending before the Committee for all purposes, including subsequent amendments.

*For purposes of this rule, all proposals shall be in the form of working papers prior to their approval by the Secretariat. Working papers will not be copied, or in any other way distributed, to the Committee by the Secretariat. The distribution of such working papers is solely the responsibility of the sponsors of the working papers. Along these lines, and in furtherance of the philosophy and principles of the NMUN and for the purpose of advancing its educational mission, representatives should not directly refer to the substance of a working paper that has not yet been accepted as a draft resolution. After approval of a working paper, the proposal becomes a draft resolution and will be copied by the Secretariat for distribution to the Committee. These draft resolutions are the collective property of the Committee and, as such, the names of the original sponsors will be removed. The copying and distribution of amendments is at the discretion of the Secretariat, but the substance of all such amendments will be made available to all representatives in some form.*

**Rule 28 - Withdrawal of motions**

A proposal or a motion may be withdrawn by its sponsor at any time before voting has commenced, provided that it has not been amended. A motion thus withdrawn may be reintroduced by any representative.

**Rule 29 - Reconsideration of a topic**

When a topic has been adjourned, it may not be reconsidered at the same session unless the Committee, by a two-thirds majority of those present and voting, so decides. Reconsideration can only be moved by a representative who voted on the prevailing side of the original motion to adjourn. Permission to speak on a motion to reconsider shall be accorded only to two speakers opposing the motion, after which it shall be put to the vote immediately.

*For purposes of this rule, those present and voting means those representatives, including observers, in attendance at the meeting during which this motion is voted upon by the body.*

## VI. VOTING

**Rule 30 - Voting rights**

Each member of the Committee shall have one vote.

*This rule applies to substantive voting on amendments, draft resolutions, and portions of draft resolutions divided out by motion. As such, all references to —member(s) do not include observers, who are not permitted to cast votes on substantive matters.*

**Rule 31 - Request for a vote**

A proposal or motion before the Committee for decision shall be voted upon if any member so requests. Where no member requests a vote, the Committee may adopt proposals or motions without a vote.

*For purposes of this rule, proposal means any draft resolution, an amendment thereto, or a portion of a draft resolution divided out by motion. Just prior to a vote on a particular proposal or motion, the President may ask if there are any objections to passing the proposal or motion by acclamation, or a member may move to accept the proposal or motion by acclamation. If there are no objections to the proposal or motion, then it is adopted without a vote.*

**Rule 32 - Majority required**

1. Unless specified otherwise in these rules, decisions of the Assembly shall be made by a majority of the members present and voting.
2. For the purpose of tabulation, the phrase “members present and voting” means members casting an affirmative or negative vote. Members which abstain from voting are considered as not voting.

*All members declaring their representative States as “present and voting” during the attendance roll call for the meeting during which the substantive voting occurs, must cast an affirmative or negative vote, and cannot abstain.*

**Rule 33 - Method of voting**

1. The Committee shall normally vote by a show of placards, except that a representative may request a roll

call, which shall be taken in the English alphabetical order of the names of the members, beginning with the member whose name is randomly selected by the President. The name of each present member shall be called in any roll call, and one of its representatives shall reply "yes," "no," "abstention," or "pass."

*Only those members who designate themselves as present or present and voting during the attendance roll call, or in some other manner communicate their attendance to the President and/or Secretariat, are permitted to vote and, as such, no others will be called during a roll-call vote. Any representatives replying pass, must, on the second time through, respond with either yes or no. A pass cannot be followed by a second pass for the same proposal or amendment, nor can it be followed by an abstention on that same proposal or amendment.*

2. When the Committee votes by mechanical means, a non-recorded vote shall replace a vote by show of placards and a recorded vote shall replace a roll-call vote. A representative may request a recorded vote. In the case of a recorded vote, the Committee shall dispense with the procedure of calling out the names of the members.
3. The vote of each member participating in a roll call or a recorded vote shall be inserted in the record.

***Rule 34 - Explanations of vote***

Representatives may make brief statements consisting solely of explanation of their votes after the voting has been completed. The representatives of a member sponsoring a proposal or motion shall not speak in explanation of vote thereon, except if it has been amended, and the member has voted against the proposal or motion.

*All explanations of vote must be submitted to the President in writing before debate on the topic is closed, except where the representative is of a member sponsoring the proposal, as described in the second clause, in which case the explanation of vote must be submitted to the President in writing immediately after voting on the topic ends.*

***Rule 35 - Conduct during voting***

After the President has announced the commencement of voting, no representatives shall interrupt the voting except on a point of order in connection with the actual process of voting.

***Rule 36 - Division of proposals and amendments***

Immediately before a proposal or amendment comes to a vote, a representative may move that parts of a proposal or of an amendment should be voted on separately. If there are calls for multiple divisions, those shall be voted upon in an order to be set by the President where the most radical division will be voted upon first. If objection is made to the motion for division, the request for division shall be voted upon, requiring the support of a majority of those present and voting to pass. Permission to speak on the motion for division shall be given only to two speakers in favor and two speakers against. If the motion for division is carried, those parts of the proposal or of the amendment which are involved shall then be put to a vote. If all operative parts of the proposal or of the amendment have been rejected, the proposal or the amendment shall be considered to have been rejected as a whole.

*For purposes of this rule, most radical division means the division that will remove the greatest substance from the draft resolution, but not necessarily the one that will remove the most words or clauses. The determination of which division is most radical is subject to the discretion of the Secretariat, and any such determination is final.*

***Rule 37 - Amendments***

An amendment is a proposal that does no more than add to, delete from, or revise part of another proposal.

*An amendment can add, amend, or delete operative clauses, but cannot in any manner add, amend, delete, or otherwise affect perambulatory clauses.*

***Rule 38 - Order of voting on amendments***

When an amendment is moved to a proposal, the amendment shall be voted on first. When two or more amendments are moved to a proposal, the amendment furthest removed in substance from the original proposal shall be voted on first and then the amendment next furthest removed there from, and so on until all the amendments have been put to the vote. Where, however, the adoption of one amendment necessarily implies the rejection of another amendment,

the latter shall not be put to the vote. If one or more amendments are adopted, the amended proposal shall then be voted on.

*For purposes of this rule, furthest removed in substance means the amendment that will have the most significant impact on the draft resolution. The determination of which amendment is furthest removed in substance is subject to the discretion of the Secretariat, and any such determination is final.*

**Rule 39 - Order of voting on proposals**

If two or more proposals, other than amendments, relate to the same question, they shall, unless the Committee decides otherwise, be voted on in the order in which they were submitted.

**Rule 40 - The President shall not vote**

The President shall not vote but may designate another member of her/his delegation to vote in her/his place.

## VII. CREDENTIALS

**Rule 41 - Credentials**

The credentials of representatives and the names of members of a delegation shall be submitted to the Secretary-General prior to the opening of a session.

**Rule 42**

The Committee shall be bound by the actions of the General Assembly in all credentials matters and shall take no action regarding the credentials of any member.

## VII. PARTICIPATION OF NON-MEMBERS OF THE COMMITTEE

**Rule 43 - Participation of non-Member States**

1. The Committee shall invite any Member of the United Nations that is not a member of the Committee and any other State, to participate in its deliberations on any matter of particular concern to that State.
2. A committee or sessional body of the Committee shall invite any State that is not one of its own members to participate in its deliberations on any matter of particular concern to that State.
3. A State thus invited shall not have the right to vote, but may submit proposals which may be put to the vote on request of any member of the body concerned.

*If the Committee considers that the presence of a Member invited according to this rule is no longer necessary, it may withdraw the invitation again. Delegates invited to the Committee according to this rule should also keep in mind their role and obligations in the committee that they were originally assigned to. For educational purposes of the NMUN Conference, the Secretariat may thus ask a delegate to return to his or her committee when his or her presence in the Committee is no longer required.*

**Rule 45 - Participation of national liberation movements**

The Committee may invite any national liberation movement recognized by the General Assembly to participate, without the right to vote, in its deliberations on any matter of particular concern to that movement.

**Rule 46 - Participation of and consultation with specialized agencies**

In accordance with the agreements concluded between the United Nations and the specialized agencies, the specialized agencies shall be entitled: a) To be represented at meetings of the Committee and its subsidiary organs; b) To participate, without the right to vote, through their representatives, in deliberations with respect to items of concern to them and to submit proposals regarding such items, which may be put to the vote at the request of any member of the Committee or of the subsidiary organ concerned.

**Rule 47 - Participation of non-governmental organization and intergovernmental organizations**

Representatives of non-governmental organizations/intergovernmental organizations accorded consultative observer status by the General Assembly and other non-governmental organizations/intergovernmental organizations designated on an ad hoc or a continuing basis by the Committee on the recommendation of the Bureau, may participate, with the procedural right to vote, but not the substantive right to vote, in the deliberations of the Committee on questions within the scope of the activities of the organizations.