



Documentation of the Simulation of the

United Nations Development Programme (UNDP)*



Conference A

6 - 10 April 2025

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The United Nations Development Programme (UNDP)

Committee Staff

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Agenda

1. Fostering Resilience and Inclusivity in the Informal Economy
2. Promoting Inclusive and Sustainable Supply Chains

Resolutions adopted by the Committee

Code	Topic	Vote (In favor - Against - Abstention)
UNDP/1/1	Fostering Resilience and Inclusivity in the Informal Economy	Adopted without a vote
UNDP/1/2	Fostering Resilience and Inclusivity in the Informal Economy	Adopted without a vote
UNDP/1/3	Fostering Resilience and Inclusivity in the Informal Economy	22 in favor, 7 against, 7 abstentions
UNDP/1/4	Fostering Resilience and Inclusivity in the Informal Economy	Adopted without a vote
UNDP/1/5	Fostering Resilience and Inclusivity in the Informal Economy	22 in favor, 6 against, 8 abstentions

Summary Report

The United Nations Development Programme held its annual session to consider the following agenda items:

1. Fostering Resilience and Inclusivity in the Informal Economy
2. Promoting Inclusive and Sustainable Supply Chains

The session was attended by representatives of 31 Member States and 1 Observer. On Sunday, the committee adopted the agenda of topic 1, followed by topic 2, beginning discussion on the topic of “Fostering Resilience and Inclusivity in the Informal Economy.”

By Monday, the Dais received a total of 5 proposals covering a wide range of subtopics, including social protection of informal workers, responsible gender policies and empowering women, microfinancing, education access, data collection, digital literacy focusing on Indigenous Peoples, reenforcing social safety nets, and the “raise a child” approach. During formal sessions, some of the delegates expressed their Member States foreign policy either by showing their support or criticizing proposals that do not align with their preferences, all that while maintaining diplomatic decorum.

On Wednesday, 5 draft resolutions had been approved by the Dais, 2 of which had amendments. The committee adopted 5 resolutions, 3 without a vote. The resolutions represented a wide range of issues, including accessible education, improving digital and financial literacy, micro-financing alternatives, and cooperative resilience. The delegates demonstrated exemplary professionalism and mutual respect throughout their interactions; actively engaging in constructive discussions on controversial topics, ultimately achieving consensus and finding common ground



Code: UNDP/1/1

Committee: United Nations Development Programme

Topic: Fostering Resilience and Inclusivity in the Informal Economy

The United Nations Development Programme,

Mindful of the lack of educational access and opportunities for workers, especially for children and women in informal economies, and building up on the recent efforts of United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), and United Nations Development Programme's (UNDP) working groups cities creating livelihoods, financing innovation, and opening doors, all established in 2024 and operating under the framework of UNDP,

Acknowledging the importance of strengthening the means of implementation and revitalize the Sustainable Development Goals (SDGs) with regard to the Global Partnership for Sustainable Development, namely, SDG 17 (partnerships for the goals), and SDG 1 (no poverty),

Recognizing article 25 of *Universal Declaration of Human Rights* (UDHR) stating everyone has the right to a standard of living adequate for the health and well-being of themselves and of their family, including food, clothing, housing, medical care, necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond their control, and the workers in the informal economy are not able to access these fundamental services,

Recalling the *Global Digital Compact and Declaration on Future Generations* objective to expand inclusion and the benefits of the digital economy to ensure equitable and affordable access to digital technologies, aligning with SDG 9 (industry, innovation and infrastructure) to decrease the barrier to entry in formalization as established by the *2030 Agenda for Sustainable Development*,

Noting that the United Nations Capital Development Fund (UNCDF)'s mission is to support market development by enabling entities to access finance in high-risk environments for impactful investments by deploying financial instruments, mechanisms, and advisory,

Aware of the International Telecommunication Union (ITU)'s work to close the digital divide through universal connectivity and sustainable digital transformation,

Conscious of the lack of connectivity, including data collection, between governments and small and medium enterprises (SMEs) in our current digital landscape, as highlighted in the Asia-Pacific Economic Cooperation Policy Support Unit's Measuring Progress on the Supply Chain Connectivity Framework Action Plan (SCFAP III) 2022–2026: Indicators and Policy Practices,

Reaffirming the relevance of SDG 5 (gender equality) and SDG 8 (decent work and economic growth), especially those who comprise fifty-eight percent of the global informal economy facing modern-day forms of slavery,

Emphasizing the successes of the International Labour Organization (ILO) in holding workshops within marginalized and vulnerable communities,

1. *Recommends* the provision of accessible education through the introduction of learning centers administered by the Cities Creating Livelihoods Working Group that offer soft and hard skill development programs to marginalized populations, with the cooperation of companies that hereby gain visibility, access to low - cost trainings, and an increase in their perceived value including:
 - a. The creation of second chance schools for women within these centers, which are funded by the joint SDG fund and overseen by cities creating livelihoods working group, in collaboration with UN Women as an advisory support, to enable women to complete their degree and successfully integrate into the formal labor market;
 - b. Partial financial support to families that would depend on their children's income, providing more children with the possibility to attend school and therefore combating child labor, which is funded by the joint SDGs fund and orchestrated by the financing innovation, opening doors working group;
 - c. The cooperation with regional institutions seeking to improve the living standards and Members States' private partners searching for workforce and supporting the establishment of volunteers on the ground looking for opportunities to assist socially and geographically excluded populations;
 - d. Collaborating with NGOs, such as Amnesty International, to take advantage of their expertise in designing educational courses and providing awareness to their work;
2. *Motivates* Member States to collaborate with the UNCDF and ITU to increase digitalization in order to improve digital and financial literacy to combat the effect of marginalization on worker in the countries affected by the informal economy by:
 - a. Recommending Member States to collaborate with ITU to work with countries to establish educational camps to provide workers facing persistent poverty and high levels of exclusion in the digital sector access to technologies to access the digital sector to expedite the formalization process;
 - b. Encouraging Member States to implement educational camps through through UNCDF to teach business owners and workers within the informal how to use the digital platforms to apply for formalization which results in the reduction of administrative and transaction costs working as an incentive for business to formalize;
 - c. Monitoring public spending based on data provided by the International Monetary Fund and then apply a self-financing action, using the saved funds to allow workers to carry out their actions in a safe environment;
3. *Affirms* the importance of data collection in the informal sector for Member States to transition into the formal economy by grasping the situation of the informal economy with the collaboration between UNDP and ILO by holding workshops for citizens unwillingly cornered into informality hosted by private institutions on:
 - a. Best practices of data collection and focus on underreported areas;

- b. Using big data and analytics to improve decision-making, budget allocation, and the monitoring of service usage and citizen needs with the help of public and private organizations;
 - c. Setting a border of the minimum needed data within the informal economy;
 - d. Setting limitations to data storage in order to protect netizens from information leaks and privacy violations;
- 4. *Suggests* Member State's governments utilizing NGOs and the private sector abroad, or locally if the resources available allow it, to develop digital platforms such as single window systems which would:
 - a. Create business opportunities for the third party;
 - b. Give access to digital government-SME connectivity platforms in areas where technological development is scarce;
 - c. Ensure more broad and accurate data collecting;
 - d. Improve international economic collaboration in times of harsh political climates;
- 5. *Calls upon* Member States to facilitate the access to business and acquiring licensing by simplifying procedural requirements for small-scale entrepreneurs to register their businesses, in line with national development priorities, such as:
 - a. Recommending the creation of an integration program supervised by international institutions such as the ILO which recognizes the skills and experiences of informal workers and allows them to obtain licenses including international workers to increase formalization;
 - b. Encouraging that with the support of ITU Member States develop accessible and inclusive electronic licensing platforms that enable individuals to apply for, track, and obtain official business, while ensuring the use of simplified language, user-friendly interfaces, and minimum documentation requirements to better support vulnerable populations and first-time applicants;
- 6. *Encourages* Member States to adopt micro-financing alternatives for people in the informal sector by:
 - a. Collaborating with UNDP national offices, the private sector and NGOs to establish a low barrier application program that establishes local contact points and offers assistance staff for bureaucratic matters;
 - b. Mobilizing of financing to multilateral development banks at favorable interest rates by Member States of the Global North;
 - c. Expanding accelerator programmes by the UNCDF that increase access to financing and foster inclusion addressing especially marginalized groups such as women and youth.



Code: UNDP/1/2

Committee: United Nations Development Programme

Topic: Fostering Resilience and Inclusivity in the Informal Economy

The United Nations Development Programme,

Fulfilling the mandate of the United Nations Development Programme (UNDP) to monitor data and make information accessible to both private and public entities entitled to transparent reporting,

Keeping in mind General Assembly resolution 79/1 on "Global Digital Compact for the Future," which emphasizes the need for inclusive, secure, and human-centered digital transformation,

Welcoming the International Labour Organization (ILO) *Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)* (2015), which guides Member States in promoting decent work, social protection, and workers' rights,

Bearing in mind the shared responsibility between Member States to ensure dignity and protection to immigrants based on the *Universal Declaration of Human Rights* (1948),

Recognizing that successful formalization requires clear incentives for workers and small to medium enterprises, such as simple procedures, light regulation, and low barriers to business registration,

Reaffirming the Sustainable Development Goals (SDGs) that ensure that all people are living in peace and prosperity by 2030,

Emphasizing the importance of SDG 4 (quality education) to educate those people in the informal workforce, the relevance of SDG 8 (decent work and economic growth) to encourage decent work in the informal economy and the importance of SDG 10 (reduced inequalities), especially target 10.7 which tackles the effects of immigration,

Calling attention that some migrants are forced to leave their home Member States because of their need to join a more active economy,

Realizing the necessity for improving the quality, accuracy, and accessibility of data collection to better inform analysis, policymaking, and interventions aimed at enabling the formalization of informal economies and advancing social development,

Cognizant of the need for more positive education programs and initiatives, as well as a more excellent distribution of information in the informal economies in all Member States,

Mindful of the need for greater community involvement in the education sector to foster a greater connection between those working in the informal workforce,

Highlighting the importance of encouraging more education initiatives targeted towards women and educating the unregulated economy,

Underlining the importance of initiatives such as Kenya's M-Pesa system, which has significantly increased financial access, transparency, and regulatory oversight in informal markets,

Considering the significant pressure placed from increased immigration that impact a Member State's ability to provide robust social safety net programs,

Drawing attention to Member States that struggle with workers who are forced to leave the Member States because of external forces like violence and lack of economic opportunity to find employment in other Member States,

Reiterating the success of the ILO's Social and Solidarity Economy Academy in fostering inclusive and sustainable economic development, strengthening global and regional networks, and enhancing the capacities of Private-Public Partnerships (PPPs),

Reminding the international community of the Informal Economy Project, which aims to address the challenges faced by informal workers and promote their integration into formal economic structures through inclusive policies and capacity-building initiatives,

Further reminding everyone of the importance of south-south trade, which is the exchange of goods, services, technology, and knowledge between developing Member States, also known as the Global South,

1. *Calls for* the production of reports and data collection to assist Member States in transforming their informal economies through individualized and practical recommendations by:
 - a. Building on the Informal Economy Project to provide analysis on healthcare services, social protection, informal employment relations, and gender inclusivity to develop actionable and practical policy recommendations through evaluating healthcare and social services at the regional level;
 - b. Collecting data on employers' non-compliance with national laws regarding employee social security provisions;
 - c. Collaborating with country-level UNDP offices that support nationally-driven efforts to enhance social protection systems and enforcement mechanisms by suggesting the systematic elevation of hours spent on care work to gather reliable data on gender equality;
 - d. Assisting Member States with implementing the *Global Digital Compact for the Future*;
 - e. Creating recommendations modeled after suggestions decided upon in the *Global Digital Compact for the Future*, more specifically in section F of the Policy Brief 5 A *Global Digital Compact*;
 - f. Reminding Member States that this data collection is optional, the data will be anonymized in reports given to Member States, and the report will not be used to discriminate against or prosecute workers in the informal economy;
2. *Recommends* the reintroduction of the ILO's Annual Social and Solidarity Economy Academy sessions and expanding both in-person and virtual meetings, workshops, and seminars;
3. *Suggests* creating programs per Member State to encourage education and programs for greater community involvement by:

- a. Educating women to use and develop their skills through programs and initiatives as well as partnering with UN Women to fight for women's rights in the informal economy;
 - b. Providing safety net education for informal workers;
 - c. Making sure workers are educated on their rights using SDG 4 (quality education) by encouraging government-workforce partnerships;
 - d. Using SDG 8 (decent work and economic growth) to help build on recommendations from the ILO through empowering women in the workforce and providing further education;
- 4. *Invites* Member States to evaluate their informal economies to see where improvements and other changes could be made to encourage the education sector through:
 - a. Using resources and existing partnerships with NGOs to create and utilize incentives for education;
 - b. Taking into account existing data on the unique informal economic sectors within the Member State;
- 5. *Calls for* the creation of an initiative called Digital Inclusivity & Cooperative Resilience Initiative (DICRI) to incentivize workers in the informal sector, which includes but is not limited to:
 - a. Digital finance which will be included by creating mobile-based digital IDs that enable UNDP partners to access formal banking, credit systems, and government economic programs using blockchain;
 - b. Microfinance uses blockchain technology to deliver transparent, low-cost microloans through licensed financial institutions, encouraging informal entrepreneurs to formalize operations via the expansion of Digital Payment Platforms into QR-based transactions to support mobile money better;
 - c. Ensure Market Access for legally Registered Worker Cooperatives by transforming informal businesses into registered cooperatives that comply with national labor and tax regulations via Women's Business Networks that provide legal advice for women who are being harmed or exploited;
 - d. The use of Enterprise Development Training, where training programs with partnerships via the chambers of commerce of different Member States and related government agencies, aim to offer registration and scaling methods for the formalization of informal businesses;
 - e. The transition to Market-Oriented Infrastructure and Services where Innovative Markets & Formal Workspaces can develop into formally regulated "Smart Markets" with utilities, legal status, and integrated payment systems;
 - f. Allow small businesses to operate in recognized commercial zones, including mobility solutions that enable employees to access and interact with corporate resources and processes from anywhere and foster flexibility and productivity, licensing solutions that revolve around facilitating the formalization of businesses and workers, offering benefits like access to finance, legal protections, and social security;

- g. Addressing challenges like tax avoidance and regulatory hurdles, subsidized licensing schemes, and transport infrastructure that lower entry barriers into the formal sector;
 - h. Legal Recognition and Data for Policy Reform, which include informal Economy Census and Formalization Mapping that launch national surveys to assess informal contributions to GDP and identify transition pathways into the formal sector;
 - i. Incentivized Registration Programs that develop policy packages that reduce registration fees, simplify licensing, and offer tax holidays or tiered taxation for newly formalized businesses;
 - j. Digital Engagement Platforms that utilize mobile and web tools to enable small business owners to interact with regulators, access formality pathways, and stay compliant with minimal friction;
6. *Adopts* the DICRI in the following phases:
- a. Phase 1: Pilot and Identity Rollout, where UNDP partners with Member States to create PPPs that promote digital ID and payment integration to offer “no-fee accounts to ID holders;”
 - b. Phase 2: Introduce blockchain-backed loan platforms through licensed microfinance institutions where the expansion of formal smart market infrastructure and business registration incentives;
 - c. Phase 3: Work with UNDP country offices to implement formalization frameworks to promote supportive legal and regulatory environments through South-South policy exchanges;
7. *Encourages* Member States to improve global immigration conditions related to the informal economy:
- a. Assist Member States with high immigration flows with resources and funds to be able to protect and assure human rights are being preserved by creating a manageable immigrant intake system that leads to simplified legal pathways for employment and work permits linked to the labor market needs;
 - b. Emphasize the need for bilateral and regional agreements between Member States that contain notable resources repartition;
 - c. Endorse a development program that focuses on the transition to a formal economy in Member States with high migration rates;
8. *Recommends* creating the Stay and Thrive Initiative to support Member States with significant immigration flows to reduce incentives for migrants to leave by:
- a. Creating Special Economic Zones in key areas where migrants have to leave due to external factors like corruption or violent conflicts with the Infrastructure, Manufacturing, Agriculture Tech, and Digital Services;

- b. Creating a Return on Investment Programme with funding from PPPs that support private investment guarantees and SMEs;
- 9. *Encourages* Member States to strengthen and utilize formal banking systems while reducing reliance on cash-based transactions that enable governments to effectively monitor and enforce tax obligations, thereby improving fiscal transparency and public revenue collection, facilitating the integration of informal workers into national social protection systems through verified financial identities, and improve oversight of wage payments by ensuring they are timely, non-exploitative, and traceable, where feasible, by restricting cash-based wage payments following national legal frameworks;
- 10. *Suggests* to offer reasonable loans to small businesses aimed to support their long-term success and prosperity by:
 - a. Facilitating the integration of informal workers into national social protection systems through verified financial identities;
 - b. Promoting the use of subsidized financing models through the establishment of clear eligibility criteria for underdeveloped Member States, whereby international donors partially absorb investment risks to reduce initial capital requirements for sustainable business development, accompanied by mechanisms for long-term monitoring and accountability to ensure effectiveness and reduce borrowing costs;
 - c. Improving oversight of wage payments by ensuring they are timely, non-exploitative, and traceable, where feasible, by restricting cash-based wage payments by national legal frameworks;
- 11. *Further recommends* that Member States enhance access to formal banking services for both individuals and SMEs, including through digital and mobile platforms, suggests Member States to promote domestic peer-to-peer lending frameworks to expand credit availability for SMEs, particularly those transitioning from the informal sector, and encourage developed Member States to assist developing Member States in building inclusive and resilient financial infrastructure;
- 12. *Further recommends* that Member States implement law-based approaches to protect workers in the informal economy against unfair labor practices by:
 - a. Providing grievance mechanisms for victims of labor exploitation by creating forums for victims to submit appeals against worker rights abuses;
 - b. Forming worker associations and platforms to report and seek redress and forming investigative bodies to examine and report instances of inhumane labor practices;
 - c. Establishing work condition standards that promote safe and equitable work environments by encouraging the development of health and safety codes;
 - d. Promoting the implementation of practices such as fair wages, equitable pay, and reasonable working hours per input from NGOs and civil society organization programs such as the Amnesty International Supplier Code of Conduct;
- 13. *Further implementation* helps small businesses access more reasonable loans and aim for the longevity of their business by:

- a. Providing support mechanisms by partnering up with central banks and lowering the predatory interest rates in under-developed Member States;
 - b. Promoting the use of a subsidized finance model by defining the criteria by which underdeveloped Member States can ask for these subsidized financing models with international donors absorb part of the risk of lowering the amount needed to build up a business (long-lasting with proof and controls over time) by doing so will reduce the borrowing costs;
 - c. Improving credit infrastructures to assist capacity-building for local banks and microfinance institutions to improve credit risk assessment, making loans more accessible for underdeveloped Member States;
14. *Promotes* legal and regulatory reforms for informal workers to establish borrower protections and transparent lending systems in underdeveloped legal systems.



Code: UNDP/1/3

Committee: United Nations Development Programme

Topic: Fostering Resilience and Inclusivity in the Informal Economy

The United Nations Development Programme,

Emphasizing the crucial and massive role of the informal sector of the economy in both domestic and global economies,

Bearing in mind the difficulty in which improvements in the informal economy can be achieved through governmental actions by Member States,

Realizing the amassing globalization and interconnectedness through digitalization and its importance in our future,

Seeking modern solutions to the issue of unaccountability of the informal economy,

Acknowledging the transformative potential of digital technologies in economic growth, and acknowledging the critical role of accessibility and targeted educational programs to empower individuals to transition from informal to formal employment,

Taking into consideration the role of refugees and immigrants as well as citizens in the informal economy,

Observing the existing policies of the United Nations High Commissioner for Refugees (UNHCR) relating to data security and privacy, specifically the General Policy on Personal Data Protection (GDPP),

Citing the work of United Nations, countries, non-governmental organizations, and third parties to overcome digital divides and connect the world to the internet through programs such as the *Global Digital Compact*, UN Technology Bank, and the Alliance for Affordable Internet,

Fully Aware of the work done to achieve the *2030 Agenda for Sustainable Development* Sustainable Development Goal (SDG) 9, which calls for resilient infrastructure, promotes inclusive and sustainable industrialization, and fosters innovation, resulting in 95% internet connectivity globally,

Seeking to fulfill Target 16.9, which calls for legal identity for all, and SDG 8 (promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all),

Recognizing article 6 of the *Universal Declaration of Human Rights* (UDHR), which designates legal identity as a fundamental human right,

Further Recognizing the United Nations Development Group (UNDG)'s principles on data privacy, ethics, and protection, specifically 1 (Lawful, Legitimate and Fair Use), which maintains that all data usage should align with the SDGs, and 5 (Data Security), which invokes the use of third-party data providers to de-identify sensitive data before reaching the UNDG when applicable,

Seeking funding the Organisation for Economic Co-operation and Development (OECD) to utilize Member States Official Development Assistance (ODA),

Invites the collaborative work of Non-Governmental Organizations (NGOs) for fundings for the establishment of educational programs and regulation of misinformation,

Welcoming voluntary contributions from other Member States and NGOs,

1. *Encourages* linking the private and public sectors to allow all workers to find a secure vocation;
2. *Suggests* the use of a digital framework by employers to find employees and vice versa employees to find new structured opportunities for employment;
3. *Endorses* the use by Member States of the established Informal Economy Explorer database created in 2019 to oversee the formulation of an international digital platform for job offers and community-based identification with the intention to:
 - a. Designate the creation, management, and subsequent upkeep of this digital framework to a neutral third party;
 - b. Authorize the use of the UNDP regular budget to fund and maintain this digital framework;
4. *Further suggests* an additional reporting system within the digital framework for anonymous or otherwise reporting for poor working conditions, unfair treatment, and other work concerns imposed by employers and invites NGOs to advise the investigation of ethical or general human rights concerns related to employers;
5. *Encourages* the use of biometric and blockchain technologies in this digital framework to confirm the identity of the users, when appropriate and with consent, to ensure the security, authenticity, and privacy of community-based digital IDs;
6. *Confirms* the implementation of safeguards to prevent discrimination in identification processes, such as gender, race, or immigration status by designating the creation of this digital framework, its subsequent data storage, and de-identification to a third-party;
7. *Expresses its hope* that with infrastructure development and the work of charitable organizations that work to provide internet access around the world, this digital framework will help to organize and hold accountable the players in the informal economy;
8. *Suggests* the creation of official pathways to integrate workers into the formal economy, building on shared cooperation between ministries of education of each Member State to ensure access to education and opportunities through:
 - a. Emphasizing the need for training programs that address barriers faced by informal workers;
 - b. Encouraging collaboration with local institutions to deliver accessible, skills-based education;
9. *Calls for* international cooperation between companies to share a common graduation pool of workers to enter the workforce and recommends a partnership between existing companies and communities in rural areas to access education and positions in their workforce;
10. *Recommends* the cooperation of Member States with NGOs and local community leaders to:

- a. Promote educational programs, such as the University for Peace (UPEACE) Human Rights Centre, CINEP / Peace Program, Omar Dengo Foundation, and Myanmar Program on the Elimination of Child Labor, on workers' rights, legal protection, and human rights;
- b. Ensure information dissemination through local networks to also reach marginalized populations effectively;
- c. Foster partnerships with civil society organizations.



Code: UNDP/1/4

Committee: United Nations Development Programme

Topic: Fostering Resilience and Inclusivity in the Informal Economy

The United Nations Development Programme,

Noting the achievement of the *2030 Agenda for Sustainable Development* (2015), such as Sustainable Development Goal (SDG) 1 (no poverty), SDG 5 (gender equality), SDG 8 (decent work and economic growth), and SDG 10 (reduced inequalities) within and among countries,

Reaffirming the principles of the *Convention on the Elimination of All Forms of Discrimination Against Women* (CEDAW) (1979) and the dedication to the *International Covenant on Economic, Social and Cultural Rights* (1966) in the promotion of human rights inclusive of all people,

Additionally reaffirming the dedication to the International Labor Organization (ILO) recommendation 204 (2015), emphasizing national-level based solutions and the ILO's "The Informal Economy and Decent Work: A Policy Resource Guide," as a set of guiding principles within the informal economy,

Recognizing the efforts made by the United Nations Development Programme (UNDP) Chief Digital Office (CDO) in supporting Member States regarding digital transformation,

Guided by the Digital Strategy and Inclusive Growth initiatives endorsing advancement of small businesses, facilitating the transition from informal to formal economy, in line with Human Rights Council (HRC) resolution 42/15 on "The Right to Privacy in a Digital Age" (2019),

Acknowledging UNDP's *Gender Equality Strategy, 2022-2025*, the efforts of the UNDP's Gender Steering and Implementation Committee (GSC) and emphasizing the need for inclusive legal and financial systems that address the systemic gender inequalities within informal economies,

Expressing appreciation for the efforts of UNDP's GSC in commissioning UNDP's financial resource allocations,

Underlining the work done by the UNDP's regional bureaus in its support regarding the implementation of impactful and locally driven solutions by providing expertise and infrastructure,

Recognizing that inclusive and legal frameworks are essential to empower informal workers, safeguard their rights, and facilitate their gradual integration into the formal economy without disruption to livelihoods,

Alarmed that, according to UN Women, women account for 60% of the global informal workforce and up to 90 percent in low-income Member States, thus highlighting their disproportionate vulnerability in informal employment,

Welcoming the contributions of civil society groups, including non-governmental organizations (NGOs) pertaining to the informal economy expertise and the contribution to Member States towards a resilient and inclusive informal economy,

Welcomes the continued provision of up-to-date data to the Informal Economy Data Explorer by ILO and relevant national statistical agencies, with an emphasis on respect for privacy and prohibition of informal-based criminalization,

Acknowledging the intrinsic connection between education and emerging technologies, such as Artificial Intelligence (AI), and its strong impact on the development of the international economy in accordance with the United Nations Educational, Scientific and Cultural Organization's (UNESCO) *Beijing Consensus on Artificial Intelligence and Education* (2019) and the vital nature of removing educational barriers to the formal economy to allow steadfast transition from the informal economy, while staying mindful of digital privacy as per UNESCO's *Recommendation on the Ethics of Artificial Intelligence* (2021),

Further acknowledging the work of UNESCO's Education Sector in its pursuit of global and regional leadership guided by the principles of SDG 4 (quality education),

Highlighting small-scale microfinancing mechanisms like the Munafa microfinancing program in African Member States is especially important in Least Developed Countries (LDCs), Small Island Developing States (SIDS), and Member States facing political or economic crises or affected by conflict,

1. *Encourages* Member States to establish a program called the United Nations Workforce Empowerment Action (UNWEAct), supervised by the UNDP's CDO, which provides digital solutions based on two pillars to Protect and Enable, facilitating the transition from informal to formal economy by:
 - a. Including the enable pillar, giving incentives for businesses to transition to formality, paving the way for long-term economical sustainability by:
 - i. Implementing automated e-formalization solutions, which reduce the complexity of salary statements or tax compliance, making formalization efficient and scalable;
 - ii. Removing bureaucratic barriers allowing online access making it easier to ingress for people especially those living in peripheral regions;
 - iii. Advising Member States to introduce simplified regulatory frameworks for small businesses, ensuring that the formalization process is proportional, accessible, particularly for micro-enterprises in low-capacity settings;
 - iv. Establishing financial incentives such as temporary tax reliefs or reduced registration fees to reward formalization efforts, easing the initial burden on small businesses during their transition phase;
 - v. Extending information to underrepresented and Indigenous groups using existing infrastructure of the UNDP's regional bureaus in collaboration with regional civil society organizations;
 - b. Further including the protect pillar which focuses on ensuring social security for informal workers by providing fundamental safeguards through online-based social protection systems, allowing easier access to information about but not limited to:
 - i. Providing comprehensive health, accident, and unemployment insurance for workers, supported by social protection institutions and development funds,

within a collaborative framework between Member States and private sector partnerships;

- ii. Supplying pension by facilitating public or semi-public pension plans;
- iii. Providing legal protection by guaranteeing access to legal support and dispute resolution mechanisms;
- iv. Contributing gender-sensitive healthcare, maternity support, disability benefits, and pensions in the process of formalization;

2. *Introducing* the One-Stop-Formalization-Hub (OFH) an online application that provides free access to easy formalization by:
 - a. Supporting and developing the two pillars introduced by the UNWEAct framework;
 - b. Being allocated in and created by the framework of the Digital Strategy and Inclusive Growth initiatives of the UNDP;
 - c. Offering official certificates, online workshops and free business registrations, funded by a collaborative and voluntary effort between Member States and private sector partnerships, OFH ensures that formalization tools are adaptable to evolving market needs;
 - d. Encouraging voluntary contributions from Member States to the UNDP, the initiative aims to mobilize \$20 million USD by 2028, starting with an initial pledge of \$10 million USD - comprising \$2 million USD each from South Korea, Norway, France, Germany, and Romania - and targeting 50% secured funding by 2026;
 - e. Providing an additional section within the OFH, the Women Formalization Access Program, aimed at the inclusion of women in the transition process from informal to formal economy to give them access to additional and tailored information and education;
3. *Further recommends* Member States to establish regional Digital Resource Centers in the most underserved regions by using the OFH located in the UNWEAct framework for individuals and small businesses lacking access to digital equipment, alongside voluntary advisors that offer digital literacy and language-based training programs for migrants;
4. *Suggests* Member States the implementation of simplified legal procedures to formally recognize and protect informal workers, considering the specificity of each Member States' laws and policies;
5. *Encourages* Member States to leverage the use of emerging technologies, such as artificial intelligence, to promote the growth and development of educational materials to support protections in the informal economy in partnership with UNESCO;
6. *Endorses* efforts towards the monitoring and accountability, as suggested in the UNDP's *Gender Equality Strategy 2022-2025* by:
 - a. Advocating for the work of UNDP's GSC;
 - b. Documenting and reporting annual progress to UNDP's Executive Board;

- c. Strengthening the United Nations Board of Auditors and the Joint Inspection Unit (JIU), a mechanism where UNDP can provide the necessary framework for external oversight executed by civil societies and independent experts, and being maintained by UNDP's Executive Board;
7. *Recommends* the expansion of microfinance programs similar to Munafa with Informal Economy Projects through public-private partnerships, coordinated in collaboration with UNDP, national microfinance institutions, and regional development banks, like the Inter-American Development Bank due to its regional expertise, funding capacity, and experience in facilitating inclusive economic development through microfinance initiatives by:
- a. Offering low-interest rates not exceeding 5% annually with an amount of \$300 USD tailored to the needs of informal entrepreneurs and especially for dependent sectors like agriculture, fisheries, forestry, street vending, waste collection, and domestic services, being repaid over 12 to 36 months, depending on the borrower's business type and income stream;
 - b. Complementing financial education and mentorship programs through UNESCO's Education Sector, focusing on educational equality and African Nations in cooperation with schools and universities to provide massive open online courses, guaranteeing independent access for everyone worldwide, but also presence courses with financial support by the United Nations Capital Development Fund and Member States themselves in the institutions to support the access for indigenous people and minorities in LDCs, small island developing states, and Member States facing political or economic crises or areas affected by conflict;
 - c. Leveraging digital payment platforms, offering alternative data sources such as mobile payments or utility bills, a streamlined registration process, and mobile banking with administrative oversight coordinated by UNDP regional offices and national authorities to increase accessibility for vulnerable groups due to their limited access to financial services and to prevent major barriers for informal workers to transit into the formal economy;
 - d. Introducing the simplification of licensing and regulatory procedures to enable small microfinance institutions to enter the market more easily, also by reducing capital requirements.



Code: UNDP/1/5

Committee: United Nations Development Programme

Topic: Fostering Resilience and Inclusivity in the Informal Economy

The United Nations Development Programme,

Emphasizing General Assembly resolution 70/1 on “Transforming our world: the 2030 Agenda for Sustainable Development” (2015) (2030 Agenda) being a core action guideline that guides Member States in tackling resiliency and in the informal sector,

Further acknowledging the Sustainable Development Goals (SDGs) outlined in the *2030 Agenda*, specifically on SDG 1 (no poverty), SDG 4 (quality education), SDG 5 (gender equality), and SDG 8 (decent work and economic growth),

Recognizing social protection programs, like Social Protection for Inclusion, Resilience, and Efficiency (INSPIRE), that provides additional support to 29 social assistance programmes targeting the most affected people in conflict affected regions,

Acknowledging that for the first time in two decades there has been a rise in which almost one in ten children are subject to child labor, or 160 million children globally, a number that has risen for the first time in two decades,

Having considered General Assembly resolution 79/1 on “The Pact for the Future” (2024), which addresses sustainable development and financing for development as a crucial elements in order to fight climate change and poverty,

Further noting that approximately 1.8 billion people between the ages of 10 and 24 are in need of the protections outlined in this resolution,

Bearing in mind the important work of the United Nations Capital Development Fund (UNCDF) in providing funding for Small and Medium Sized Enterprises (SMEs) and in supporting innovative solutions that granted access to affordable and inclusive digital financial services by providing funding and technical support for over a 1 million people,

Deeply concerned that more than 95 million women in the formal sector have been estimated to have fallen below the threshold of extreme poverty since 2020 as a result of the COVID-19 pandemic,

Recognizing the efforts done by Women in Informal Employment: Globalizing and Organizing (WIEGO), whose goal is empowering female workers organizations,

Expressing appreciation of the hard work of the International Domestic Workers Federation (IDWF),

Considering the National Apprenticeship Programme (NAP) introduced in Ghana through the Council for Technical and Vocational Education and Training (COTVET), which provides structured training to apprentices in the informal sector,

Taking into account that the UNDP *Gender Equality Strategy 2022–2025* serves as a transformative framework for advancing gender equality and empowerment globally,

Further recalling that the COVID-19 pandemic has driven more than 95 million women working in the formal sector into extreme poverty since 2020, highlighting the urgent need for targeted recovery efforts,

Further believing on the importance of the General Assembly resolution 77/281 on “Promoting the social and solidarity economy for sustainable development” (2023), which further promotes the Social and Solidarity Economy (SSE) as a vital framework to address informality through cooperative business models and inclusive development,

Taking note of the United Nations Young Leaders Training Programme (UNITAR), which offers a four week e-learning course on the UNITAR e-learning platform, open to all actors wishing to assume leadership roles in international affairs,

Being aware that among employers, according to the International Labour Organization (ILO), there is a gender pay gap where for every dollar a man makes, a woman makes 77 cents,

Recognizing the importance of accelerating the Gender Justice Platform to advance gender equality and close the global gender justice gap,

Recalls the financial crisis of 2008-2009 and the consequences of Covid-19 pandemic, that led many into the informal employment during and after the crisis due to slower recovery and weak formal job creation in emerging and developing economies, as reported by the ILO,

Calling attention to the unstable nature of the informal economy and the disruptions that can be caused by ecological disasters, sudden economic changes, and gentrification,

Recognizing the General Assembly resolution 72/232 on “Follow-up the second United Nations Conference on Landlocked Countries” (2018),

Fully aware of the General Assembly resolution 73/220 on “International financial system and development” (2015) concerning the importance of sustainable development,

Draws attention to the General Assembly resolution 70/126 on “Promoting social integration through social inclusion” (2015) focusing on social integration through social inclusion,

Recalling General Assembly resolution 70/137 on “Rights of the Child” (2015), which reaffirms the rights of the child and calls for particular attention to those disproportionately affected by discrimination, exclusion, inequality, and poverty, including refugee children, especially those unaccompanied or separated from their parents,

Recognizing the commitment of the ILO in programs like the Decent Work Agenda and its constituents such as the Amnesty International to advancing the universal goal of decent work for all,

Noting with appreciation the initiative of the Governing Body of the International Labour Office in inviting the International Labour Conference to engage in a comprehensive dialogue on the challenges and opportunities of the informal economy,

Realizing that using artificial intelligence (AI) as a strategy will align with SDG 4 (quality education) and SDG 17 (partnerships for the goals), ensuring to collectively achieve sustainable outcomes,

Seeking efforts to reduce pay gaps and language barriers through the inclusion of free language courses in training programs under the *National Action Plan on Forced Labour (2021–2025)*, developed with technical assistance from the ILO to eliminate forced labour in developing economies,

1. *Underscoring* the necessity of a transition of the informal sector to the formal sector through:
 - a. Encouraging Member States to develop a tailored approach that balances national policy priorities with low-bureaucracy implementation, while upholding international labor standards—particularly those enshrined in article 23 of the *Universal Declaration of Human Rights*, which guarantees the right to work, fair wages, and safe working conditions;
 - b. Calling on Member States to collaborate with UNDP in integrating fair employment standards into national development strategies by providing technical assistance, supporting the enforcement of labour laws, and leveraging partnerships with the ILO and the United Nations Global Compact to pilot inclusive employment programs and monitor progress;
2. *Requests* making the formal sector more inclusive and accessible to create equal opportunities for vulnerable groups by:
 - a. Reducing pay gaps and language barriers with free available language courses in training programs designed by the *National Action Plan on Forced Labour (2021-2025)*, which was developed with technical assistance from the ILO to end forced labor in developing economies;
 - b. Stabilizing national framework, administrative and organizational measures, and reduction of social discrimination through social protection programs such as INSPIRE, which is financed by the World Bank, to reduce income inequalities in families with more children or fewer educational opportunities;
 - c. Promoting gender-sensitive healthcare programs, in reference to recognizing and addressing the varied experiences, needs, and roles of individuals based on their gender, maternity care, disability benefits, and equitable pensions per the *UNDP Gender Strategy 2022-2025*;
 - d. Reducing barriers for SMEs via capacity building initiatives, easing the tax filing process, and waiving business registration fees;
3. *Further requests* the use of AI to bridge the gap between the formal and informal economy's social capital by:
 - a. Tailoring training programs covering key areas such as systems thinking, human-centered problem solving, and strategic foresight that assists informal workers and aligns with SDG 4 (quality education);
 - b. Prioritizing the implementation of formalized training programs that enhance employability and transition to formal employment, bolstering existing initiatives in developed nations to invest in development programs through financial support and the establishment of a robust framework;
 - c. Developing strong partnerships with multinational corporations to ensure the expansion of knowledge and skills needed to excel in alignment with SDG 8 (decent work and economic growth);

- d. Providing the informal economy with equal labour opportunities through artificial intelligence training and awareness;
 - e. Enhancing digital literacy through training in digital skills, enabling informal workers to access online job opportunities and resources, thereby facilitating a transition to a more formalized digital economy;
- 4. *Further recommends* Member States to develop strong partnerships with multinational corporations to ensure the expansion of knowledge and skills needed to excel in alignment with SDG 8 (decent work and economic growth), which:
 - a. Provide the informal economy with equal labour opportunities through AI learning centers and skill training facilities by utilizing adaptive learning algorithms such as the item response theory which adjusts to detect any learning difficulties and adapt the course to the individual in effort to increase their comprehension;
 - b. Enhance digital literacy through training in digital skills, enabling informal workers to access online job opportunities and resources, thereby facilitating a transition to a more formalized digital economy;
- 5. *Recommends* UNDP to strengthen its partnership with UN Women alongside with the Gender Justice Platform;
- 6. *Encourages* all Member States to make frameworks of action plans including both practical and strategic needs for advocacy of the importance of situations of women and men within the same environment and circumstances;
- 7. *Encourages* Member States to collaborate with NGOs such as Amnesty International and other local and regional partners to establish access to training programs that focus on sustainable entrepreneurship under the circumstances of informality especially for women and youth;
- 8. *Calls upon* Member States to strengthen the work of the UN Capital Development Fund (UNDCF) to provide easier access to microloans in developing countries while, scaling up collaborations with the private sector, seeking corporations with private partners on a local and regional level and mobilizing financing for multilateral development banks;
- 9. *Fully supports* the work done by United Nations Population Fund (UNFPA) like the Bamboo-UNCDF Initiative for the Least Developed Fund (the “BUILD Fund”) to further create growth capital to businesses;
- 10. *Encourages* Member States to create a National Action Plans of conflict-affected areas;
- 11. *Calls* for improvement in education for informal workers by:
 - a. Distributing information on social rights through regular workshops and accessible resources to empower workers to advocate for themselves;
 - b. Integrating a gender perspective into educational initiatives to address the unique challenges faced by women in the informal economy and promote equality;

- c. Promoting positive narratives around immigration through educational initiatives to address the unique challenges faced by women in the informal economy and implement strategies that foster equality;
 - d. Encouraging community engagement by involving local communities in the development and implementation of educational programs to ensure relevance and ownership;
- 12. *Urges* Members States to further adopt ILO's Decent Work Agenda to promote decent work conditions for all workers, including those in the informal economy;
- 13. *Supports* the implementation of initiatives that enhance labor rights and social protection for informal workers, drawing from successful examples in various countries;
- 14. *Calls* for the establishment of sustainable livelihood programs aimed at improving the economic stability of workers in informal sectors;
- 15. *Encourages* the development of educational and vocational training programs that work on:
 - a. Targeting women, youth, and migrants;
 - b. Promoting their integration into formal labor markets;
 - c. Improving their resilience to economic shocks;
 - d. Expanding microfinancing opportunities and financial literacy campaigns for workers in informal sectors, especially in rural and underserved areas;
- 16. *Recommends* the adoption of tax incentives and low-cost healthcare options to make formalisation more appealing for informal workers and entrepreneurs;
- 17. *Emphasizes* Member States to support the United Nations Department of Economic and Social Affairs (UN DESA), which is aiming to build an awareness of the global situation of young people and promoting their rights of education and strengthening their participation in decision making process;
- 18. *Further invites* Member States to support conflict-affected areas to minimize the informal sector by funding healthcare systems;
- 19. *Calls upon* Member States to invest in private sectors to promote economic growth and the diversification of the formal market;
- 20. *Further calling* for Member States to start Investing in agro processing, technology and infrastructures to help stimulate the economy by the creation of jobs and opportunities.