Southern Regional Model United Nations XXII

*Addressing the global financial crisis:*

*Restoring economic stability through international solidarity*

November 17-19, 2011. Atlanta, GA

Email: unctad@srmun.org

Dear Delegates -

Greetings! Please allow me to welcome you to the Southern Regional Model United Nations (SRMUN) XXII Conference and the United Nations Conference on Trade and Development (UNCTAD.) My name is Jimmy Lewis and I will serve as your Director. I am looking forward to hearing your innovative solutions to the critical agenda topics before UNCTAD. I have been involved in Model United Nations for six years as a delegate, staffer, director and Secretariat member for conferences hosting middle school to college students. I will be joined on the dais by two excellent Assistant Directors: Cetoria Tomberlin and Meredith Edlin. Cetoria is a graduate of Berry College and Meredith is a graduate student at Seton Hall University. All three of us are excited to work with you during the conference. Please feel free to reach out to us before the conference if you have any questions or concerns.

UNCTAD was formed in 1964 in order to provide a forum for increase cooperation to promote development via trade and give underrepresented and developing Member States a larger voice in crafting international economic policy. It is this spirit of economic empowerment through increase cooperation targeting under-served global regions that we hope will guide this session of UNCTAD.

The topics set before UNCTAD are vital challenges facing the highest level of international diplomacy. In the wake of the global financial crisis, these agenda topics are imperative to ensuring the future success and stability of the international system and necessary to facilitate an expedited recovery:

I. Coordinating Macroeconomic Policy in the Digital Service Age
II. Ensuring Standardized and Coordinated Financial Investment and Trade in West Africa
III. Addressing and Promoting the Role of Non-State Actors in Trade and Development

Every delegation must submit a position paper which addresses each of the topics listed above. These papers should adhere to the SRMUN guidelines on position paper format and style. The position paper objective is to convince and persuade delegations of your committee that your recommendations on each topic are the prime courses of action to address the issue. Taking the objective of position papers into account, a proper position paper should also provide insight into your countries position, history, and statement of goals for the topic. Finally, each position paper should also take into consideration how the committee should address the issue as a whole.

Because your position paper should do everything listed above, it is an excellent opportunity to give the director and assistant directors an idea of what you expect to do in committee. We expect well developed position papers which will serve as a foundation for an excellent session for all delegates, and well-rounded intensive debate. While your countries position is what you represent, please remember that you may also want to research the other side of the issue, and address it in your research and position paper, as this can prove positive to your knowledge in committee. If you have questions about the details of the position papers, please visit the SRMUN website (www.srmun.org). **Please note that all position papers MUST be submitted to the SRMUN submission system by October 30, 2011, at 11:59 EST. Details can be found at www.srmun.org.**

We look forward to the opportunity to serve as your dais for this session of UNCTAD hosted as part of the SRMUN XXII Conference and we will see you all in November.

Regards,


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## Committee History of the United Nations Conference on Trade and Development

The United Nations Conference on Trade and Development (UNCTAD) is a principle conference organ of the United Nations and a subsidiary of the General Assembly with a permanent headquarters and Secretariat based in the United Nations offices in Geneva, Switzerland.[1] UNCTAD's highest-decision making body is a quadrennial member's conference generally hosted in a developing country. Previous conferences have been held in Accra, Ghana, Sao Paolo, Brazil, Bangkok, Thailand, and Midrand, South Africa; the upcoming 2012 conference is scheduled for Doha, Qatar.[2]

UNCTAD is an important forum to allow for intergovernmental consensus building in regards to development and global macroeconomic policy. Significantly, UNCTAD serves as forum for civil society engagement with governmental decision makers to promote development via cooperative trade agreements and policies.[3]

UNCTAD grew out of concern in the early 1960s that developing and least-developed countries were not a specific part of the global trade policy decision-making process. This concern called for a conference to address the insignificant role these States felt they held in the General Agreement on Trade and Tariffs (GATT), which was the forerunner of the modern World Trade Organization (WTO).[4] The first UNCTAD meeting was held in Geneva, Switzerland in 1964 and was institutionalized to meet every four years with intergovernmental meetings being held between sessions. The 1964 meeting also established the permanent Secretariat under the direction of the first UNCTAD Secretariat-General, Raul Prebisch. Since 1964, the work and contribution of UNCTAD has been divided into three phrases consisting of: North-South engagement (1960-70s), economic interdependence (1980s), and financial/capital flow understanding (1990s-present).[5]

During the early period of UNCTAD's existence, it was necessary for developing States to engage developed States in promoting trade and financial policies that utilized their markets and promoted development. During this time, UNCTAD served a forum for these dialogues and the promotion of the New Economic Order, Additionally, it was fundamental in providing analysis of development issues. In order to facilitate this agenda, developing States formed the Group of 77 (G77), a bloc position that still exists today with 131 countries.[6]

In its first phrase, UNCTAD produced four key agreements and a key international economic aid custom established by the General Assembly in 1970 for developed States to provide 0.7% of their gross domestic product (GDP) to aid the poorest States.[7] Of the agreements, the most important to future UNCTAD activity was the Generalized System of Preference (1968) in which developed economies agreed to improve market access to developing country exports. UNCTAD also worked to stabilize the price of commodities via a series of International Commodities Agreements, strengthen national merchant fleets via the Code of Conduct for Liner Conferences, and established equitable rule for business via the Control of Restrictive Business Practices.[8]

A series of economic and financial crises rocked the foundation of the global economic system during the 1980s, leaving developing States behind in economic growth. A new liberalized economic mentality had replaced the nationally controlled macroeconomic policies of the post-World War II era. As market opens and currency liquidity became a tool to make "quick-cash" with the American dollar, many businesses were lost. With foreign capital flowing out of States, the economic interdependence of the global trade system became more apparent and developing States sought new methods of cooperation to prevent exploitation of their markets. While the World Bank, GATT, and International Monetary Fund struggled to prevent debt crises, developing States began to develop South-South partnership under the Global System of Trade Preference among Developing Countries. Additionally, UNCTAD was instrumental in the creation of the first UN Conference on Least Developed Countries (1981) which has been held every 10 years to address the concern of the poorest of the poor.[9]

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1 "About UNCTAD." United Nations Conference on Trade and Development. http://www.unctad.org/Templates/Page.asp?intItemID=1530&lang=1
2 "UNCTAD Conferences." United Nations Conference on Trade and Development. http://www.unctad.org/Templates/Page.asp?intItemID=3361&lang=1
3 Ibid.
4 "About UNCTAD." United Nations Conference on Trade and Development. http://www.unctad.org/Templates/Page.asp?intItemID=1530&lang=1
5 "History of UNCTAD." United Nations Conference on Trade and Development. http://www.unctad.org/Templates/Page.asp?intItemID=3358&lang=1
6 Ibid.
7 Ibid.
8 Ibid.
9 Ibid.

UNCTAD has played and continues to play a central role in the understanding of cooperative development, especially in the technological sector and in developing environmentally sustainable practices. Additionally, UNCTAD has served to help developing States without the existing infrastructure to understand and monitor the complexities of the multilateral trade apparatus. In 2000, UNCTAD adopted the "Spirit of Bangkok," an agenda to address development in a globalizing world.[10]

In the post-millennium era, UNCTAD has worked to ensure the Millennium Development Goals (MDGs) are met for the most underdeveloped States. Also,UNCTAD has seen the fruits of its institutional labor including a "developing country" becoming the second-largest global economy and the G77, an institution associated with the formation of UNCTAD, halting the WTO's Doha Trade Rounds because developed States failed to address the concerns of the developing countries. Additionally, the G20 has replaced the G8 and the fundamental, informal operational body for intergovernmental macroeconomic policy creation. As much of the trade and development cooperation moves from UNCTAD to other formal and informal institutions, UNCTAD remains the singular genesis for developing and developed States organizing to cooperate in an open forum to promote the development of the least developed States with a global beneficial practice, trade.

All Member States are members of UNCTAD.

## Topic I: Coordinating Macroeconomic Policy in the Digital Service Age

***Introduction***

Adam Smith, the father of macroeconomic theory, described economics as an invisible hand of the markets that, through self-regulation, brings about equilibrium.[11] For Smith, the self-regulation is characterized by three basic concepts of macroeconomics: supply and demand, competition, and self-interest. Keynesian economics maintains that government intervention keeps markets stable and growing.[12] Keynes argued that the private business sector is unable to grasp the complexities of macroeconomic policy, thus the government was needed to step in and balance out the national economy. Furthermore, Keynesian economic holds a benevolent State were the government intervention is meant to maximize the overall benefit of the domestic economy. Unlike Smith, Keynes did not believe that a "rising tide lifts all boats" but rather government intervention stabilizes an economy and ensures the lifting of all boats, or at least the compensation of capsized vessels.

Traditional macroeconomic policy holds that only goods can be manufactured then imported and exported, but services must be consumed where they are "manufactured." In a real-world example, an MRI machine is most likely manufactured in China, and exported to the United States. The same MRI machine is used by a radiologist to scan for brain tumors in an American hospital and reviewed by an American physician located just down the hall from where the scan was created. The "digital service age" has created a new form of service export and with the help of telecommunication networks, it is not always the local physician who reads the scan; the service oftentimes gets outsourced to a doctor overseas.[13] Thus, a service that was once rendered bedside is now being "consumed" in America and "created" in India or Japan.

These rules of international and macroeconomic policy no longer apply in the emerging digital service age, therefore it is necessary to re-evaluate and develop new coordination strategies to address the future of the global economy. The 2008-2009 recession prompted serious soul searching and offers the opportunity to develop and pursue novel approaches to trade, investment, development, and global economic policies. It is simple to understand the economic benefits associated with the digital age as the speed and expanded access to services at a low-cost brings benefits to consumers and businesses alike.

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10 Ibid.

11James Tobin. "The Invisible Hand in Modern Macroeconomics." Cowles Foundation for Research in Economic at Yale University. January 1991. http://cowles.econ.yale.edu/P/cd/d09b/d0966.pdf

12Alan Coddington. "Keynesian Economics: The Search for First Principles." *Journal of Economic Literature*. December 1976. Volume 14, Number 4. p. 1258-1273.

13"Some U.S. hospitals outsourcing work." MSNBC.com. December 6, 2004. http://www.msnbc.msn.com/id/6621014/ns/health-health_care/t/some-us-hospitals-outsourcing-work/

***Managing, protecting, and growing the vital telecommunications infrastructure***

Telecommunications is built on platform of wires and cables; this required infrastructure acts as the "roads" for digital data to travel through cyberspace and between locations. The first submarine telecommunications infrastructure link was the trans-Channel telegraph cable under the English Channel between France and England in 1850 and it was laid by the Anglo-French Telegraph Company. The first cable linking separate continents was laid in August 1858 linking Europe and North America. This telegraph cable decrease communications time from 10 days to a matter of minutes.[14] Today, the trans-Atlantic cable system using fiber-optic cables has replaced this older system. During the 1990s there was a significant boom in the lying to these cables, all continents are now connect via this vital infrastructure save Antarctica. Although much progress has been made to connect all continents, the connections between countries, especially developing nations, is still very fragmented.[15] Many countries are still communicating with the rest of the world via satellite and microwave technology which oftentimes are destroyed by natural disasters and floods only furthering the disconnect from the global economy. Fiber optic cabling is an efficient answer for many developing nations as it can handle dense traffic and are not harmed by natural disasters as easily as satellite towers and above-ground cabling can be. Nations are beginning to understand the importance of a fiber optic infrastructure when competing in the global economy however this is not a priority in many national governments.[16] Some States do not have access to Internet, whether by lack of resources or by government intervention. For example, less than 10 percent of Uganda's population has access to the Internet.[17] In a fifteen country comparison by Freedom House, Cuba has the lowest score for Internet freedom, meaning there is a high level of obstacles to access, a high number of limits on content, and a high number of violations of user rights.[18]

Telecommunication networks are important opportunity makers for businesses in developing nations. Many businesses miss opportunities within the global market due to a lack of access and exposure. If a developing nation has the infrastructure remotely close to that of a developed nation they can compete more evenly with corporations in the developing nation.[19] Many developing nations obtain a significant amount of GDP from the foreign direct investment (FDI) by multinational corporations in developed nations. In order for developing nations to attract quality FDI from these multinational corporations a proper telecommunications infrastructure must be in place in order for the operations to function. Studies show that economic growth caused by FDI is more likely when a nation already has infrastructure in place for a MNC to utilize.[20] Some countries are not prime places to attract companies' outsourcing, particularly States with high exchange rates or civil unrest. It is important for Member States to understand the immediate and long-term economic benefits of a strong telecommunications infrastructure. Investment in the fragmented global network as well as the maintenance in current networks in vital to the new order of macroeconomic digital policy.

Singapore's economic policy has changed drastically over the past few decades. Since the 1970's, however, the Economic Development Board decided that the main focus on growing the economy would be based around promoting investments in electronics and chemicals.[21] In the 90's, the government of Singapore and the Economic Development Board launched Industry 21, an initiative to invest in technological infrastructure and make Singapore a hub for business and technology. Singapore is now regarded as having a world-class infrastructure and is the main transport hub for all of Asia. UNCTAD ranked Singapore as the 11th most important maritime nation in 1999 due to its excellent infrastructure and services.[22] The Infocomm Development Authority works to regulate and maintain the 'perfect' digitization of Singapore's infrastructure. The government of Singapore places high priority on telecommunications infrastructure as a key driver for economic growth and development and this has lead to the nation's reputation as an ecommerce hub.[23]

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14Donard de Cogan. "Dr. E.O.W. Whitehouse and the 1858 trans-Atlantic Cable." *History of Technology*. Volume 10. p. 1-15. 1985.

15 Shabbir A. Bashar "Fiber-Optic Telecommunication and the Economic Benefits of a Better ICT Infrastructure in the Context of Bangladesh." http://www.betelco.com/bd/bdstel/icee.pdf.

16 Shabbir A. Bashar "Fiber-Optic Telecommunication and the Economic Benefits of a Better ICT Infrastructure in the Context of Bangladesh." http://www.betelco.com/bd/bdstel/icee.pdf.

17"Internet Usage Statistics for Africa." Miniwatts Marketing Group. 2011.

18*Freedom on the Net: A Global Assessment of Internet and Digital Media*. Freedom House. April 1, 2009. http://www.state.gov/documents/organization/135959.pdf

19 Ibid.

20 Daniel Chudnovsky and Andres Lopez. "Foreign Direct Investment and Development: the MERCOSUR experience". CEPAL REVIEW 23. August 2007. pp7-23.

21 Younei Soe. "Communication Infrastructure and Economic Development: Comparative Analysis of Singapore and Venice." Global Media Journal. Volume 2, Issue 2. Spring 2003.

22 Ibid.

23 Ibid.

### *Two Sides of Globalization*

The leading force in global telecommunications is the United States. The Central Intelligence Agency's World Factbook publication specifically notes telecommunications as a critical part of the American economy. In order for a developing nation to implement much needed telecommunications infrastructure, they must purchase the physical infrastructure as well as installation and education from developed nations. This can oftentimes raise concerns with the treatment of local human capital as labor in order to install the infrastructure is often recruited from the more developed nations. Other questions arise as money flows from developing nations into developed nations and potentially furthering the wealth gap between nations.[24]

Mainstream economic thought centers around the ideal that globalization, through increased access, will automatically bring the poor out of extreme poverty, integrate cultures, and decrease the gap between developed and developing nations.[25] More recently, economists have begun to understand that globalization actually has two faces the idealistic view of all nations sharing prosperity and the reality that developing nations who cannot immediately compete in the global market fall further behind the developed nations who have participated for decades.[26] It is the level of technological infrastructure and innovation which determines whether a nation will prosper or flail in the increasingly competitive market. The size of a nation's economy in the new global market can help protect them from falling behind developed and other developing nations within the global market.[27]

Import and export diversification also plays a factor in which end of the globalization spectrum a nation will lay. In 2005, UNCTAD launched a study on different regions of the world in regards to import/export mix and economic growth. East Asia, Sub-Saharan Africa, and Latin America were analyzed based on respective trends in import/export diversification correlated with GDP growth. The study found that GDP in regards imports and exports actually did not change much for Latin America and Africa as they had over the past couple of decades as opposed to East Asia who had steady GDP growth.[28] Researchers found that countries in East Asia showed a steady increase in GDP due to a long trend in a rapid expansion in manufacturing exports coupled with an expansion in innovation and industrial imports associated with the innovation.[29] Latin America and Africa has slow growth in industrialization and GDP structure has not changed in respect to the manufacturing sector. Although manufacturing exports have increased in many Latin American countries, especially in resource-based sectors, innovation and investment as not been made at high of a rate in making the production of goods technologically efficient.[30] Researchers suggest that more investments need to be made in manufacturing more technologically efficient production and industries such as what has been done in East Asian countries.[31]

Member States of UNCTAD must work to understand how an adjustment in macro-economic policies can aid developing nations in avoiding falling further behind developed nations in the world. A change in policy and economic strategy by developing nations must be researched and implemented in order for nations to compete in the changing market. A shift from the historically profitable manufacturing-based economic policy of many developing nations is now longer sufficient to give a nation a competitive advantage. Manufacturing however is extremely important and should still be included within a nations export portfolio.

### *Investing into Information Technology Infrastructure*

In order for Member States to be able to both attract and spur digitally-based investments, there must be greater parity in information and communication technologies (ICTs). Today there are still wide gaps both between and within States.[32] Much of these gaps are dependent on location (rural vs. urban), gender, education, and income. Although this parity exists, the opportunities for ICTs continue to expand, shown through the "dramatic increase in the availability of mobile phones in

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24 Shabbir A. Bashar "Fiber-Optic Telecommunication and the Economic Benefits of a Better ICT Infrastructure in the Context of Bangladesh." http://www.betelco.com/bd/bdstel/icee.pdf.
25 Lucky O. Imade. "The Two Faces of Globalization: Impoverishment or Prosperity?" Globalization. 2003. http://globalization.icaap.org/content/v3.1/01_imade.html.
26 Ibid.
27 Ibid.
28 "Trade Liberalization and Economic Reform in Developing Countries: Structural Change or De-Indusrialization?" United Nations Conference on Trade and Development. April 2005.
29 Ibid.
30 Ibid.
31 Ibid.
32 http://www.unctad.org/en/docs/ier2010_embargo2010_en.pdf p. 2

low-income countries."[33] In 2003, only 2% of residents of the least developed countries had subscribe to mobile phone service, while in 2009, that number jumped to 25%. The ability for individuals to have wireless technology allows for new opportunities for internet access and information exchanges throughout a developing nation, thus allowing for better coordination between States. Despite these technology advances, States have not fully integrated them within their infrastructure. They cannot do it alone. Private sector involvement is needed for infrastructure investment .[34]

### *Multilateral Trade Agreements*

Multilateral trade agreements are used around the world as an advantage over international free trade markets. Often an arrangement between countries within a region, free trade agreements (FTAs) can level the economic playing field for all Member States and promote international and regional cooperation and integration. The following are some of the largest and most influential regional FTAs in the world and their members. Delegates should review and study these different agreements in relation to how they both close the gap in digital access and allow for greater coordination in economic policies.

The North American Free Trade Agreement (NAFTA), created in 1994, encompasses Canada, the United States, and Mexico. This FTA, the largest in the world, produces more than 17 trillion dollars USD in goods and services.[35]

*Mercado Común del Sur*, Common Market of the South (MERCOSUR), began in 1991 and includes four full members: Argentina, Brazil, Paraguay, Uruguay; also one pending member: Venezuela, and five associate members: Bolivia, Chile, Colombia, Ecuador, and Peru. Brazil provides the largest base of capital and market share in the 2.4 trillion dollar FTA with a gross domestic product (GDP) of more than 1.6 trillion dollars.[36]

The Economic and Monetary Union (EMU) of the European Union (EU) is a union formed in 1999 that includes seventeen nations across the continent, including: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain with Latvia and Lithuania posed to join in 2014. This FTA is one of the few that has only one all-encompassing currency, the Euro (EUR).[37]

The Economic Community of West African States (ECOWAS), founded in 1975, is one of the African free trade markets that includes fifteen West African States, including Benin, Burkina Faso, Cape Verde, Cote D'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. The mission of the economic union is to pursue development projects in its Member States.[38]

The Association of Southeast Asian Nations (ASEAN) began in 1967 and covers ten countries throughout the region: Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam. ASEAN has many trade agreements with other nations, including China, Japan, and South Korea in the ASEAN Plus Three trade agreement.[39]

The Greater Arab Free Trade Area (GAFTA) spans fourteen countries on two continents. Member States include Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, and the United Arab Emirates. This free trade area shares nearly 100 percent of the intra-regional trade.[40]

### *Conclusion*

The new digital service age has created significant opportunities for the international community to address trade and development unbalance, especially between historically "Northern" and "Southern" States. The current infrastructure is already in place and new technologies are developed daily to further maximize existing infrastructure. Likewise, States,

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33 Ibid.
34 Ibid., p. 92.
35"North American Free Trade Agreement (NAFTA)." Office of the United States Trade Representative. http://www.ustr.gov/trade-agreements/free-trade-agreements/north-american-free-trade-agreement-nafta
36"Mercosur: South America's Fractious Trade Bloc." Council on Foreign Relations. http://www.cfr.org/trade/mercosur-south-americas-fractious-trade-bloc/p12762
37 "Introduction." EMU: A Historical Documentation. http://ec.europa.eu/economy_finance/emu_history/introduction.htm
38"ECOWAS in Brief." Discover ECOWAS. http://www.comm.ecowas.int/sec/index.php?id=about_a&lang=en
39"Overview." Association of Southeast Asian Nations. http://www.asean.org/64.htm
40"Greater Arab Free Trade Area." World Trade Organization. http://www.moft.gov.ae/wto/index.php?option=com_content&view=article&id=57&Itemid=25&lang=en

NGOs, IGOs and MNCs are all involved in the generation of even more infrastructure. With infrastructure in place, how can development be facilitated and trade streamlined?

Conversely, the digital service age can result in decreased human-to-human interaction and threatens to further digitize a digital society. As service sector services are being increasing conducted overseas, it is necessary to consider if that policy and action is something consumers desire. Does a scared mother want to use Skype to talk to the doctor that will give her son live-saving but risky open-heart surgery using a large exo-skeleton style robot and Internet connection from Buenos Aries? Is it imperative to save $20 to have an accountant in United States complete your tax return instead of having a face-to-face discussion with a financial advisor in town? Can illegal markets, especially sex trafficking use the increase digital access to develop ever more frightening ways to conduct their "trade." As in all matters, it is a balance. Benefits and risk exist in this new world order and digital service market.

***Committee Directive***

Although a complex topic with a wide array of viewpoints and solutions from Member States, it is essential that delegates be prepared to discuss many of the following questions. What digital and/or telecommunications policies does your State employ and how do these policies increase or decrease citizen access to digital services? Do you benefit from digital integration of the world market and how can your State maximize its benefits? Can digital services replace human-based one-on-one services and what sort of services should be digitized? Can the digital service industry prevent labor migrations and brain drain? How can the digital services address the development divide? What can UNCTAD do to address the digital divide or digital access disparity between different Member States? Does this new form of communication offer new avenues to pursue increase understanding and international peace?

## Topic II: Ensuring Standardized and Coordinated Financial Investments and Trade in West Africa

"*We [the United Nations General Assembly] resolve to halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day. We also resolve to take special measures to address the challenges of poverty eradication and sustainable development in Africa, including debt cancellation, improved market access, enhanced Official Development Assistance and increased flows of Foreign Direct Investment, as well as transfers of technology"*

*-United Nations Millennium Declaration, September 8, 2000*

***Introduction***

West Africa is a diverse regional area with various cultural and historic influences that impact the daily lives of inhabitants and the economics, development, and business culture of its countries. Various areas of West Africa have differing religious influences including large populations of practitioners of indigenous religions, Christianity and Islam. The trans-Atlantic slave trade has developed a mercantile regional economic mindset as well as influenced the identity of populations and nations within the region. Most importantly, the geographically borders established by the decolonization process have created significant wealth and resource disparities within the region and internally with specific States. West Africa is a resource-laden region of the world where sadly domestic and international conflict has prevented the development of robust economies, however multinational corporations and capital-heavy firms will risk regional investment given the potential investment returns. While generally foreign direct investment (FDI) is generally a supportive element in economic development, significant increases and decreases in capital can destabilize domestic and regional economies either by asymmetric development, allowing human rights violations or market/currency instability and collapse domestic and regional economies and foster violence.

A capital markets can be viewed as being the fundamental amount of dollars in that banking system or invested in industrial/service/agricultural sector development. The term capital refers to the amount or amount of monetary vehicle. Foreign direct investment is capital investments made by foreign firms or foreign nationals in a different State. For example, if a citizen of the Gambia were to purchase a new textile machine; that is a capital investment. If a German citizen were to purchase that same machine in order to have it worked in Senegal,that would be FDI.

The global capital market has been nearly completely globalized. "The saturation of domestic capital markets drives each country to invest in the foreign capital markets in terms of financial internationalization.[41]" In order for investment to occur, the capital must be either available domestic or obtained through FDI. The majority of global capital is held by investors and firms of nationalities or incorporation within the Western world or in oil-rich areas such as the Middle East.[42] Therefore in West Africa, nearly all capital investment will not be domestic but rather FDI. Whenever a specific portion of a national economy, especially the capital market is held by an international entity, it is imperative to examine the impact of influx and/or outflow of capital on the stability of the national economy and State. As we have seen recently in the European austerity measures and the Arab Spring, the economic situation with a State directly relates to its political stability.

Research has shown that nations with high levels of political stability and democracy are likely to invest, rather than receive FDI.[43] Conversely, less democratic and less political stable regimes are likely to attract FDI. A recent study of the Middle East and North Africa region showed that the degree of instability was the most critical determinant in FDI.[44] The study found that countries with high levels of corruption and low levels of democracy attracted increased FDI capital flow when other macroeconomic factors are controlled by the model. The level of governmental corruption is "consistently positive" with the inward performance of FDI.[45] With limited democracy, foreign capital holders are only required to engage with a small subset of the population, the ruling elite, and systemic corruption allows only these elites to benefit from the capital investment. This is often the case in West Africa; however, there is not as much research available on the converse relationship, namely FDI on political stability.

### *A Brief History of Modern West Africa*

The United Nations defines West Africa as: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mail, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo.[46] West Africa has been a vital trading position for centuries with a unique culture that combines the mercantile society and various European and Arab influences. West Africa was a pivot apex-point in the trans-Atlantic slave trade and therefore the region was critically valuable to various European powers.[47] European contact occurred along the standard model of Portuguese followed by French and English settlements. However, the Maghrebs had also exerted a cultural exchange in West Africa so Mediterranean and Arab learning and ideas had already developed a foothold. Timbuktu, in modern-day Mali was once the greatest center of Islamic scholarship.[48] Several powerful empires including the Asante Empire, Bambara Empire and Dahomey arose via slave trade involvement with Europeans, often trading slaves for European firearms.[49]

West Africa colonization was a clear display of the European Scramble for Africa with English and French forces seizing African kingdoms.[50] Today, the predominate official language in West Africa is French but English is used in some of the largest and most influential States including Nigeria, Liberia, and Ghana. By the end of the Scramble, England controlled what is today: The Gambia, Ghana, Nigeria and Sierra Leone and the French consolidated Benin, Burkina Faso, Cote d'Ivoire, Guinea, Mali, Niger and Senegal into French West Africa. Portugal controlled Guinea-Bissau and Cape Verde and Germany, Togoland. Germany was forced to divide Togoland between France and England as a prevision of the Treaty of Versailles. Only Liberia, whose history is slightly different, remained independent but at the cost of many territorial concessions.[51]

In the early 1820s, an American organization called the American Colonization Society began to transfer freed slaves to what is now Liberia under the premise that these individuals would have greater freedom in Africa. In 1847, the Republic of Liberia was founded after the U.S. system.[52] Development in Liberia remained limited until the 1926 grants of land from

41 Kim Haksoon. "Political Stability and Foreign Direct Investment." *International Journal of Economics and Financ.* Vol 2 No 3 August 2010.
42 Ibid.
43 Ibid.
44 Kitty Chan and ER Gemayel. "Risk instability and the pattern of foreign direct investment in the Middle East and North Africa region." International Monetary Fund. Washington DC. IMF Working Paper WP/04/139. 2004
45 Kim Haksoon. "Political Stability and Foreign Direct Investment." *International Journal of Economics and Finance.* Vol 2 No 3 August 2010.
46 "West Africa." The United Nations. ww.un.int.
47 Wendy McElroy. "West Africa and Colonialism." The Future Freedom Foundation. http://www.fff.org/freedom/fd0410d.asp
48 Ibid.
49 Ibid.
50 "The European Scramble." BBC World Service. http://www.bbc.co.uk/worldservice/africa/features/storyofafrica/11chapter3.shtml
51 Ibid.
52 John Flint. *The Cambridge History of Africa: from c.1790 to c.1870.* Cambridge University Press 1976. Pp. 184-199

the American Firestone plantation, these grants began the modernization of the Liberian economy. During WWII, the U.S. began investing in Liberia, specifically transportation infrastructure including the air and seaports. In 1980, a military coup overthrew the president and in 1985 post-coup elections were held. However, these elections resulted in a three-day coup that were overthrown by the previous ruling party. In 1989, the first Liberian Civil War began[53] and another civil war began in 1999. A transitional government was established, first under Charles Taylor then Gyude Bryant and democratic elections were held in 2005. Since 2005, Charles Taylor has been under indicted by the Special Court for Sierra Leone and Liberia has been at peace.[54]

Liberia's history, as is the history of each State, is unique; Liberian independence was achieved significantly earlier than the rest of the region. The remainder of West Africa was decolonized in the 1950s and 1960s. The first State to achieve independence was Ghana (1957) followed by Guinea in 1958. By 1974, all of West Africa had been decolonized. Since decolonization, the region has been the scene of several bloody civil wars including the Nigerian Civil War (the southeastern province attempted to form the independent Republic of Biafra (1967-1970)), the Liberian Civil Wars, Sierra Leone Civil War (1991-2002),[55] the Guinea-Bissau Civil War of 1998-199 (an attempted coup d'etat), Ivorian Civil War of 2002-2004 (which divided the country rebel-held North and government-held South) and the Ivorian election crisis in 2010-11 (incumbent president Gbagbo refused to leave power despite UN certified elections empowering Ouattara).

### *History and Role of Financial Organizations within West African Region*

The Treaty of Lagos (1975) established the Economic Community of West African States (ECOWAS) and all 15 regional States have been members.[56] Its mission is to promote economic integration in "all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial questions, social and cultural matters..."[57] ECOWAS exists as two forums: the ECOWAS Secretariat and ECOWAS Bank for Investment and Development (formerly Fund for Cooperation). The forum provides various function including a regional court, regional security cooperative, allied armed forces, cultural and sporting exchange as well as various economic functions.[58]

Within the ECOWAS region, two financial and economic institutions exist: the West African Monetary Zone/Union (WAMZ/WAMU) and Union Economique et Monetaire Ouest Africaine/West African Economic and Monetary Union (UEMOA). UEMOA was established to promote the economic integration of West African nations using the West Africa CAF (communaute financiere d'Afrique) franc. The CAF franc originated with French imperialism and is associated with the Central Africa CAF franc currency. CAF franc was pegged to the French franc and is now pegged to the Euro and is guaranteed by the French treasury.[59] The Central African and West African CAF franc are both pegged to the Euro at the same rate and are therefore, one-to-one exchangeable, however, Central African CAF francs cannot be used in West Africa and vice-versa. Both Guinea and Mauritania has opted out of the CAF franc. UEMOA was created in 1994 with founding members Benin, Burkina Faso, Cote d'Ivoire, Mali, Niger, Senegal, and Togo, with Guinea-Bissau joining in 1997.[60] WAMZ was formed in 2000 to rival the UEMOA and includes founding members The Gambia, Ghana, Guinea, Nigeria, and Sierra Leone with Liberia joining in 2010.[61] A central currency, likely to be called the "Eco", plans to be launched in 2015.[62] The Eco and CAF franc are to merge in 2020 to create a central regional currency.[63] According to the ECOWAS BIDC, "A new impetus has been added to this monetary project with the recent directive by the ECOWAS Authority of Heads of State and Government that the ECOWAS Commission in consultation with the Ministers of Finance and the Governors of Central Banks of Member States should fast-track the common currency project with a view to attaining a single currency in 2009"[64] but limited global financial crisis has limited monetary printing and currency development.[65]

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53 Adekeye Adebajo, "Liberia's Civil War: Nigeria, ECOMOG, and Regional Security in West Africa." Lynne Rienner/International Peace Academy. 2002.
54 "Liberia: War-battered nation launches truth commission." *IRIN Africa*. Feb. 21, 2006.
55 "Liberian Conflict." Global Security.
56 *ECOWAS Charter (AKA 1975 Treaty of Lagos.* ECOWAS. May 28, 1975
57 "ECOWAS in Brief." Economic Community of West African States. http://www.comm.ecowas.int/sec/index.php?id=about_a&lang=en
58 "The ECOWAS Commission." United Nations. Www.ecowas.int.
59 "Communate Financiere d'Afrique." Encyclopedia Briticannia.
60 Union Economique et Monetaire Ouest Africaine. UEMOA. Www.uemoa.int.
61 WAMZ Intranet Brief. The Government of Ghana. Www.bog.gov.gh/privatecontent/File/ExternalFinancialRelations/WAMZ intranet brief.pdf
62 Kofi Adu Domfeh. "West African common currency needs more than political will – IMF official." Modern Ghana. May 11, 2011. http://www.modernghana.com/news/328407/1/west-african-common-currency-needs-more-than-polit.html
63 Juliana Taiwo and Dele Ogbodo. "West Africa: ECOWAS Targets 2020 for Single Currency." *All Africa.com* June 23, 2009.
64 Www.bidc-ebid.org
65 Ibid.

### *Economic Data & Crises*

Sixty percent of Africa's FDI occurs within the oil or natural resource sectors.[66] While the cycles of the U.S. economy generally determine FDI in other global regions, a study by Calvo and Reinhart find the only external factor systematically influencing capital flows in sub-Saharan Africa is global commodity prices.[67] FDI in Africa has been principally determined by the amount of natural resources within the country and the amount/size of the domestic market. When Morisset examined FDI and GDP within Africa between 1996 and 1997, he determined that 65% of FDI inflow was concentrated between South Africa, Nigeria, and Cote d'Ivoire and these three States accounted for 2/3rds of the continent's GDP. Within his study period, Nigeria's GDP was 36.54 billion and FDI was 1.56 billion, which accounts for approximately 4% of Nigeria's GDP. Over Morisset's same study period of 1996/7, Cote d'Ivoire's GDP was 10.21 billion and FDI was 305.1 million, approximately 3% of GDP.[68]

On the most basic level, if all FDI left Nigeria or Cote d'Ivoire, the State's GDP would be cut 3-4% in one year. However, the economic and development impact of FDI cannot be purely represented as a percentage of GDP. FDI inspires economic activity through wages, tax revenue, domestically consumed goods, and infrastructure development which further expands the economic impact of FDI. For example, a French mining operation in Guinea creates direct mining jobs but also inspires the economic activity in worker's taking lunch or in building a road to the mining site. Therefore, while the primary impact of FDI loss within a country would directly translate into several GDP percentage loss, the secondary and tertiary effects would be significantly greater.

While the inflow and outflow of FDI is based on foreign investor choices made using perceptions, opportunity cost and risk, these items are impossible to control. In a study by Aron and Elbadawi, they found that another domestic anomaly, parallel market premiums, affects capital market stability.[69] Parallel markets coexist with the official exchange rate and can provide a flexible exchange rate and price systems while encouraging financial and trade liberalization in the long run. Parallel market premiums are the ratio of the "black market" or unofficial rate to the official rate. Aron and Elbadawi find that the large parallel market might be responsible for macroeconomic management issues and failure within economic reform.[70] Reinhart and Ragoff visit the impact of these parallel market premiums in West Africa. While they find that CFA fran countries are less impacted by parallel market premiums, the interconnectivity of the ECOWAS region means a singular crisis in one State will have impact in another via economic tremors or violence spillovers. Reinhart and Ragoff found extremely high levels of parallel exchange premium of greater than 50% and at sometimes exceeding 500.[71]

### *Case Studies of West African States*

#### *Sierra Leone, Liberia, and the Illicit Diamond Trade*

On December 1, 2000, the General Assembly unanimously adopted resolution A/RES/55/56 entitled, "The role of diamonds in fuelling conflict: breaking the link between the illicit transaction of rough diamonds and armed conflict as a contribution to prevention and settlement of conflicts." The General Assembly "expressing its concern over the problem of conflict diamonds fuelling conflicts in a number of countries and the devastating impact of these conflicts on peace, safety and security for people in affected countries…" encouraged involvement in the Kimberly Process, a diamond certification process.[72] The United Nations webpage of conflict diamonds specifically references three States. Two of these states, Libera and Sierra Leone, are located in West Africa.[73] The United Nations General Assembly defines conflict diamonds as, "rough

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66 UNCTAD 1999.

67 Calvo, Guillermo and Carmen M. Reinhart. "The Consequences and Management of Capital Inflows: Lessons for Sub-Saharan Africa." *Expert Group on Development Issue Series 1998:2.*

68 Morisset, Jacques. "Foreign Direct Investment in Africa: Polices Also Matter." *New Horizons and Policy Challenges for Foreign Direct Investment in the 21st Century* – Mexico City. OCED. 2001.

69 Aron, Janine and Ibraham A. Elbadawi. "Parallel Markets, The Foreign Exchange Auction, and Exchange Rate Unification in Zambia, Volume 1." The World Bank. 1992.

70 Ibid.

71 Reinhart, Carmen M. and Kenneth S. Rogoff. "FDI to Africa: The Role of Price Stability and Currency Instability." *Annual World Bank Conference on Development Economics.* International Monetary Fund. 2002.

72 A/RES/55/56. *United Nations General Assembly*. December 1, 2010.

73 "Conflict Diamonds." United Nations. http://www.un.org/peace/africa/Diamond.html

diamonds which are used by rebel movements to finance their military activities, including attempts to undermine or overthrow legitimate Governments."[74]

It is impossible to discuss West Africa, especially Sierra Leone and Liberia without discussing diamonds. In 1989, the First Liberian Civil War began when Charles Taylor lead a band of rebels into Liberia from Cote d'Ivoire. The First Liberian Civil War quickly became a bloody free-for-all with three forces and spilled into Sierra Leone in 1991. Regional troops were eventually used to bring an unstable peace to Liberia in 1996. Peace was short lived in the region with violence erupting again in 1997 and continuing until 2003; this time. A serious conflict generation emerged when rebel forces from Guinea entered Liberia and violence from Sierra Leone's Civil War spilled back across the border. Meanwhile, in Sierra Leone a violent civil war raged from 1991 until 2000.[75] Charles Taylor's indictment is for his role in supporting the conflict in Sierra Leone; the Sierra Leone Panel of Experts reported that illicit diamond trade out of Liberia could not have been conducted with the permission and involvement of high-ranking Liberian officials.[76] Eventually, peace was achieved with the establishment of the United Nations Mission in Sierra Leone (UNAMSIL). Throughout these conflicts, ECOWAS played a critical role in facilitating peace agreements and ceasefires. Liberian diamond mining was not re-legalized until 2007.[77]

Although Africa is rich in natural resources, the motivating resource for the struggle in the Liberian-Sierra Leone conflict was diamonds. Repressive regimes were challenged by equally repressive rebel forces and each side attempted to control and utilize the mineral wealth of respective State for gain an advantage. While capital markets did not play a specific role in the conflict, diamond mining was critical. Alluvial diamonds are rarely mined industrial but rivers and diamonds field were critical to control because they are accessible because of erosion effects and generally deposited in water formations; these are the common diamonds of West Africa. Diamonds have the potential to become instruments of development or instruments of war.[78] The value of a single diamond or collection of diamonds can have a huge impact of the macroeconomic situation of a small group, town or even a nation with a small GDP. Once mixed with legal diamonds, it is nearly impossible to tell the difference between illicit and legal diamonds. Therefore, these stones can impact capital markets by their sale on the international market and begin in massive amounts of capital that can be used to fuel domestic conflict or invested.

The role of diamonds and conflict spillover in the Liberian-Sierra Leone conflict generates two areas for UNCTAD's consideration. One, what is the role of geographic proximity in preventing conflict in West Africa that destabilizes capital markets? Should a nation be developing and its neighbor develop a civil conflict will investors withdraw FDI collapsing the capital market and development of the secondary country? Along this same vein, what role do resources that are shared between borders play in capital stability in West Africa? Given that Oil shells and alluvial diamonds do not generally respect national borders, how should FDI and capital investment in West Africa be managed to promote stability and development? Secondly, what role should diamonds play in development in West Africa and in stabilizing capital markets?

*Nigeria and Niger Delta Oil Wealth*

Many have attacked Nigeria's economic development as ill-begotten gains. Oronto Douglas, author of *Assassins in a Foreign Land* told CorpWatch Radio, "There is a symbiotic relationship between the military dictatorship and the multinational companies who grease the palms of those who rule….They are assassins in foreign lands. They drill and they kill in Nigeria."79 Nigeria is an economic leader of West Africa with the highest level of FDI and GDP. The wealth and success of Nigeria can be directly associated to the resource, specifically oil wealth of the Niger Delta. Nigeria ranks 6th in the world for oil export as it exports 2.327 million barrels per day. The Niger Delta is extremely rich with other hydrocarbon commodities, especially natural gas. Nigeria ranks 11th in natural gas exports with 20.55 billion cubic meters of exports per year.80 In addition to its resource wealth, Nigeria has a massive domestic market as the most populous African State.

Nigeria is divided into two cultural, ethnic, and religious regions: the Islamic Hausa-Fulani North and the Christian Yoruba and Igbo South. While there has been ethnic conflict between Igbo and Yoruba living in East and West region of the country's south, the most noted conflicts involve the North-South conflict. Despite Nigeria's wealth, most of the population lives on under one dollar a day. Oil production and manufacturing exist in the Delta (South). However, there are

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74 A/RES/55/56. *United Nations General Assembly*. December 1, 2010.
75 "Liberian Conflict." Global Security. http://www.globalsecurity.org/military/world/war/liberia.htm
76 Ibid.
77 "Liberia Lifts Diamond Mining Ban." BBC. July 28, 2007.
78 A/RES/55/56. *United Nations General Assembly*. December 1, 2010.
79 "Assassins in Foreign Lands: A CorpWatch Radio Interview with Nigerian Human Rights Activist Oronto Douglas." http://www.thirdworldtraveler.com/Africa/Oronto_Douglas_Nigeria.html
80 "Nigeria." CIA World Factbook. The Government of the United States of America.

many attempts at earning a living through farming and herdsmanship. [81] The Nigeria Civil War was caused when the Southeastern Igbo region attempted to form the Republic of Biafra. Biafra would have included the hydrocarbon rich Niger Delta. Violence in Nigeria has been kept in check, mostly by the military regime until 1999 and since with increased democratic and religious freedoms. Despite these peaceful attempts, violence does occasionally erupt.[82]
The Niger Delta remains poorly developed and many within the area argue for development of the region given resources are present under its soil. Conversely, the rest of the State argues for equalized development since the resources belong to all Nigerians. Internally, the Delta has seen various episodes of unrest by armed gangs stealing oil and pipeline materials, attacking oil facilities, and kidnapping foreigners and workers for ransom. In 2006, BBC compared the level of violence to Colombia and Chechnya.[83] Capital investment within Nigeria is responsible for both areas of the conflict, including within the Delta and the Delta versus the rest of the State. While capital has created conflict, it has in some cases spurred development and it is certain that conflict would increase in the capital markets of Nigeria were disrupted.

The Nigerian case study presents three areas for specific UNCTAD's consideration. One, what is the role of internal regional difference, domestic financial institutions and capital markets, specifically FDI interaction with the rest of the state? Should State's implement policies taxing FDI to improve nation-wide development, specifically in infrastructure and how should State's balance the regional interests of the regional in which resource extraction is occurring? Two, how should State's balance domestic fiscal and monetary policy to achieve capital market and currency stability where a specific region of a country is extremely wealthy and receiving massive amounts of foreign capital and other areas have little foreign-generated capital? Three, what is the larger regional role of Nigeria within West Africa, especially ECOWAS, and the potential future for a regional or sub-regional, WAMZ, currency?

*Guinea, the Heart of Global Aluminum*

Nearly 80% of Guinea's global exchange involved bauxite or alumina, the refined bauxite product.[84] Bauxite is the primary ore for aluminum, a highly globalized and trade international commodity with applications in electronics, packaging, transportation, building and construction, aerospace, scientific research and other metal applications. A joint venture of bauxite and alumina accounts for 80% of Guinea's foreign exchange. The major player in this sector is Compagnie des Bauxites de Guinea (CBG), a company owned 49% by the Guinea government and 51% by an international consortium including Alcoa and Rio Tinto Alcan. CBG produces an average of 14 million metric tons of bauxite a year. Another major player, Compagnie des Bauxites de Kindia, a joint venture between the Guinea government and the Russian Russki Alumina (RusAl) produces some 2.5 million metric tons of bauxite.[85]

Bauxite, alumina, and aluminum are international traded commodities with price fluctuations based on global demand and supply. While the Guinea government has been strong willed in maintaining a significant investment interest in the major bauxite operations within its borders and has maintained strong minority control of international capital consortium vehicles, there are still a number of concerns. With nearly 80% of foreign exchanged based in one specific industry, Guinea must face the potential for capital flight and market collapse should the global price of a specific commodity rapidly decrease. With Guinea's foreign exchange heavily invested in one sector, is it a case of competitive advantage or lack of market diversification? The Guinea government maintains significant stakes within the companies operating bauxite and alumina operations within its borders, should Guinea serves as an example for direct governmental involvement in capital investment? Finally, the bauxite reserves of Guinea are nearly completely contained within its borders, what role should natural resources of one State play in regional development and stability?

*Cote d'Ivoire and Cocoa*

A 2007 report from Global Witness highlighted the role cocoa played in financing the 2002-2004 civil war in Cote d'Ivoire.[86] During the recent election struggle of 2010, President Ouattara banned the export of cocoa in order to cut funding for ousted President Laurent Gbagbo.[87] In 2006, Cote d'Ivoire accounted for 40% of global cocoa exports and is the world's largest cocoa exporter. Cocoa represents about 35% of the State exports, about 1.4 billion USD and the sector employs some 3 to 4 million Ivoirians. During the civil war, national-controlled cocoa institutions contributed nearly 20.3 million to

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81 Meg Handley. "The Violence in Nigeria: What's Behind the Conflict?" *Time Magazine.* March 10, 2010. http://www.time.com/time/world/article/0,8599,1971010,00.html
82 Ibid.
83 "Nigerian Oil Fuels Delta Conflict." BBC. January 25, 2006.
84 "Guinea." United States Department of State. The Government of the United States of America.
85 Ibid.
86 "Hot Chocolate: How Cocoa Fuelled The Conflict in Cote d'Ivoire." Global Witness. 2007.
87 "Gbagbo bagged." The Economist. April 12th, 2011. http://www.economist.com/blogs/baobab/2011/04/cote_divoire_1

the war effort and Gbagbo reportedly used 38.5 million in sector profits for the war. Global Witness, an investigate advocacy group, estimated that Forces Nouvelles rebel, a political coalition, gained an annual 30 million in cocoa revenue since 2004.[88]

Regardless of the actual amount of cocoa revenue, the product has played a significant role in funding the conflict and in the strategic and tactical operations during the war. Ivoirian cocoa is grown primarily in the south, a territory the government controlled and struggled to maintain. Cocoa institutions in Cote d'Ivoire were general established after Gbabgo's ascension to power in 2001 and have stakeholders from major foreign market powers. Global Witness is critical of the global industry 'lack of responsible action' regarding conflict chocolate.[89]

The case in Cote d'Ivoire differs from the former case studies because cocoa is an agricultural product, not a mineral resource. Cultivation and harvest of the product raises questions about global farming policy. The major capital investments in an agricultural product are land and in most cases, farming equipment and fertilizers. What differences do agriculture commodities present in developing capital market stability? What impact does land and land prices, especially large government or foreign-owned plantations on capital market stability given the capital investment only occurs once within the market and is difficult to remove without other investment replacing it?

### ***Potential Mechanisms of Actions***

*Special Drawing Rights*

Internally traded currencies are currencies that are engaged on the international system between countries within intergovernmental organizations (IGOs). These currencies play a specific role in stabilizing intergovernmental economic interactions. The best studied and most general example is the Special Drawing Rights (SDR) of the IMF.[90] The SDR system is not a currency or a claim by the IMF. It is "a potential claim on the freely usable currencies of IMF members"[91] and is calculated "as the sum of specific amounts of the four basket currencies."[92] Holders of SDRs can attain these currencies by either a voluntary exchange with other members or having the IMF designate members with strong positions to purchase them from members with weaker positions.[93] Today, the SDR basket includes the U.S. dollar, Japanese yen, British pound sterling, and European Monetary Zone Euro. Every five years, the basket combination and ratio is re-examined.[94] SDR presents an interesting case for potential banking models in West Africa through the potential utilization of SDRs. The ECOWAS BFID has 603 million units of account or roughly 750 million US in initially authorized capital. In addition, the United States treasury has published both testimony and a report of each member nations' SDR holdings for review.[95]

*Central Currency*

Currently the CAF frac is pegged to the Euro and underwritten/guaranteed by the French Treasury. At the end of the study produced by Reinhart and Ragoff, it states, "We believe there are tremendous benefits to be reaped by adopting unified exchange rate regimes broadly throughout the region" because of the prevalence of high parallel market premiums. They continue, "a[n] unified exchange rate regime (or at least very low parallel premia) is a key element in a transparent macroeconomic framework, and would help produce many beneficial side effects in terms of improving governance and reducing corruption."[96]

Conversely, recent financial and debt crises in the Eurozone have displayed the potential dangers of a unified currency. Greece, Portugal, and Ireland have been "bailed out" by other European nations, because the States were on the verge of debt default. Germany was either able to supply the funds directly or take loans on its own market value. Most of the nations of West Africa are heavily indebted and could not qualify for loans nor have the funds to "bail out" a failing neighbor. Delegates should consider the dangers of linking the currency and the economies of States heavily based on commodities. In addition, delegates should consider what exchange should exist if currencies merge or the region seeks an

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88 "Hot Chocolate: How Cocoa Fuelled The Conflict in Cote d'Ivoire." Global Witness. 2007.
89 Ibid.
90 "Special Drawing Rights." International Montary Fund. March 31, 2011. http://www.imf.org/external/np/exr/facts/sdr.htm
91 Ibid.
92 Ibid.
93 Ibid.
94 Ibid.
95 "Report to Congress on the Use of Special Drawings Rights By IMF Member Countries." United States Treasury. August 2010. http://www.treasury.gov/about/organizational-structure/offices/International-Affairs/Documents/Report%20to%20Congress%20on%20SDR%20Use%20--%20August%202010.pdf
96 Carmen Reinhart and Kenneth S. Rogoff. "FDI to Africa: The Role of Price Stability and Currency Instability." *Annual World Bank Conference on Development Economics.* International Monetary Fund. 2002.

alternative currency model. There are three general exchange rate regimes: a fully floated currency, a directly pegged currency, and a mixed option. [97] A fully floated currency is similar to the U.S. dollar which moves up and down compared to other currencies based on the markets. A pegged or fixed currency maintains the same value against any given currency such as the CAF fran to the Euro. A mixed option, employed by the Euro allows for a currency to float within a predetermined range with pegs at either end to a specific currency or basket. A pegged currency regime can be modified to result in a peg to a basket of currencies.[98]

Delegates must consider whether the new ECOWAS currency should maintain the CAF frac's peg and foreign underwriting. In addition, delegates should review whether an internally traded currency should be implemented, and if so, how it would operate under the current systems.

*Banking Coordination*

In addition to considering currencies and currency stability, banking mechanisms play a significant role in stability.[99] Central banks are a vital entity in financial policies of both developed and developing nations. Exchange rates, interest rates, and operations of private banks all depend on central banks. In Africa, central banking institutions are not considered to be an independent entity and its lack of autonomy raises various concerns.[100] A crisis capital markets could play in West Africa is the potential for FDI holders to abuse a State because of the massive value of the FDI compared to the GDP of the State. With small national banks in West Africa operating, delegates must consider solutions that could be developed that would allow West Africa to create and sustain an independent banking system not swayed by short-term political considerations.

### *Conclusion*

West Africa has a unique identity that is tribal, national and regional. While UNCTAD is specifically examining this one "at risk" region, the solutions developed within West Africa can be transported elsewhere for successfully capital market stabilization. The case of West Africa provides UNCTAD a complex but beneficial situation with plans for a central currency, two inter-linked monetary zones, a regional banking infrastructure and a strong regional forum within to operate. West Africa has already developed a strong interconnected economic zone thereby allowing for increased effectiveness due to institutional maximization for specific international and global policies.

The violence and civil upheaval in West Africa has create underused potential and contributed to negative corporate, governmental, and individual action fueled by and independently developing corruption. The yield gains allowed by developing a strong zone for the universal West Africa currency to emerge could significantly and positively impact the long-term development of West Africa and the continent. However, in order to achieve this parallel markets must be addressed with the assistance of the larger international community and banking reforms instituted to allow for an independent central banking institution capable of standing within the larger international market.

In the long-term, addressing these issue in West Africa will prevent greater and far more dangerous issues and crises in the future as natural resources become increasingly scarce and the payoffs for controlling access to limited resources grows exponentially. The violence experience in West Africa over the last sixty years could look minimal compared to future war, death, and destruction if a centralized plan for managing resources, resource wealth and capital market stability are not enacted.

### Committee Directives

Given the complexity of both the region being considered and the topic itself, delegates are expected to consider a wide array of issues from a diverse set of resources. Throughout the background guide, specific questions of interest were asked in the appropriate sections. Delegates should review these questions thoroughly to assist in both your research and the framing of the debate at the conference. Delegates must consider what role or resources the States within the West African region have in this debate. There are a number of States that have a significant cultural, historical, and/or economic interest in the West African region. What if any role should they have in potentially standardizing investments. What successful domestic or regional policies of other Member States could be adopted in West Africa? What role do other Member State's have in the demand side of the commodity markets and supply side of capital markets? Delegates must also consider the current economic climate the international community is facing. What time frame should be adopted as the global economy

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97 Jeffrey Frankel. "A Proposed Monetary Regime for Small Commodity-Exporters: Peg the Export Price." Harvard University. April 14th, 2003. http://www.hks.harvard.edu/fs/jfrankel/PEP-YaleApr_IF+App.pdf

98 Ibid.

99 Megan Presnak. "Central Bank Independence in Sub-Saharan Africa." Res Publica – Journal of Undergraduate Research. http://digitalcommons.iwu.edu/respublica/vol10/iss1/6/

100 Ibid.

recovers from the financial crisis? What aid, expertise or financial, can be given under assist in capital market stability in West Africa? What role should/does the Euro play in West Africa now and potentially into a singular currency?

## Topic III: Addressing and Promoting the Role of Non-State actors in Trade and Development

> *"The expanding worldwide networks of non-governmental organizations embrace virtually every level of organization, from the village community to global summits, and almost every sector of public life, from the provision of microcredit and the delivery of emergency relief supplies, to environmental and human rights activism."*[101] *-Former United Nations Secretary-General Kofi Annan*

***Introduction***

Doctors Without Borders is an organization that is committed to providing "emergency medical care to millions of people caught in crises in more than 60 countries around the world."[102] In many countries that have war zones, this organization treats those that are within the crossfire. The conflicts may physically injure some through gunfire, knife wounds, or sexual assault. In other instances routine access to medical care to treat illness or pregnancies is no longer an option. Through the efforts of thousands of medical professionals, treatment and care can be given to these people.[103] This organization is one of more than 3,000 non-governmental organizations (NGOs) accredited with the UN.

Since its founding, the United Nations has put forward policies that ensured NGOs had a significant role in the work of the United Nations.[104] NGOs conduct a number of "activities including information dissemination, awareness raising, development education, policy advocacy, joint operational projects, and providing services and technical expertise."[105] In the 1970s and 1980s, there was an increase in the number of NGOs participating, and the depth of their work within the UN system. They were recognized as entities that had the ability to make a significant impact in policies, operations, and efforts of international cooperation.[106] The primary criticism of NGOs at this time was that they were predominantly northern-based and their relationship with the UN was strictly formal.[107]

In the 1990s, the relationship between the UN and NGOs changed significantly. NGOs played a more in-depth role, especially at UN-sponsored world conferences. Tony Hill, the former UN Non-Governmental Liaison Service Coordinator, noted that this second generation of NGOs is "marked by the much larger scale of the NGO presence across the UN system, the more diverse institutional character of the organizations involved, now including national, regional and international NGOs, networks, coalitions and alliances, and the greater diversity of the issues that NGOs seek to address at the UN."[108] This new generation of NGOs had a strong desire to work with the UN to influence how the world was governed.[109]
As a result of these advances, the United Nations decided to conduct a review of the consultative status that the NGOs had received. Routinely only international organizations could receive accreditation. However, after Resolution 1996/31, which was adopted in 1996, accreditation status could be issues to subregional, regional, and national NGOs. [110] In 2004, Secretary-General Kofi Annan composed a panel of experts whose charge was to provide guidance on how to improve UN-civil society relationships.[111] This panel issued a report, referred to as the "Cardoso Report", named after the former Brazilian President who chaired the panel. A list of proposals were generated, ranging from investing more in partnerships with NGOs, focusing NGO efforts at the Member State level, and simplifying the accreditation process. [112] Many of these proposals are still under review or being implemented today.

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[101] A/59/354. *Report of the Secretary-General in response to the report of the Panel of Eminent Persons on United Nation-Civil Society Relations.* United Nations General Assembly. 13 September 2004.
[102] "About Us: Support Our Work". Doctors Without Borders. http://www.doctorswithoutborders.org/aboutus/activities.cfm?ref=main-menu.
[103] Ibid.
[104] "Brief History" UN Non-Governmental Liaison Service. http://www.un-ngls.org/spip.php?page=article_s&id_article=796
[105] Ibid.
[106] Ibid.
[107] Ibid.
[108] Ibid.
[109] Ibid.
[110] Ibid.
[111] A/58/817. *Note by the Secretary General.* United Nations General Assembly. 11 June 2004.
[112] Ibid.

***Definitions and Roles of Certain Non-State Actors within the International System***

Non-state actors are organizations or entities that are involved in the general program work of the United Nations that are not Member States. They have a wide array of work programs and classifications. The most common ones, NGOs, Inter-Governmental Organizations (IGOs), and Multi-National Corporations (MNCs) are listed below.

*Non-Governmental Organizations*

An NGO can be defined as "any non-profit, voluntary citizens' group which is organized on a local, national, or international level."[113] NGOs perform a number of actions, including, "humanitarian functions, advocating and monitoring policies and encouraging political participation through provision of information."[114] They are separate from intergovernmental organizations in that they do not have an international legal status, nor can they sign on to treaties or international agreements. They are however able to promote various agreement and treaties.[115]

An example of an NGO includes Amnesty International, an organization that, with 3 million supporters, focuses on defending human rights.[116] The main pillars of the organization focus on defending freedom of expression, protecting women's rights, abolishing the death penalty, demanding justice for crimes against humanity, and demanding corporate accountability when companies abuse human rights.[117] A major priority within the organization's outreach is promoting human rights abuses throughout the world. They conduct outreach through "public demonstrations, vigils, letter-writing campaigns, and email petitions and other online actions."[118]

They currently serve as an NGO within the United Nations, striving to put human rights on the agenda of many of the subsidiary bodies.[119] They specifically target work at the General Assembly Plenary, Human Rights Council, and the Security Council.[120] At the General Assembly, they advocate for "human rights action against poverty."[121] Specifically, Amnesty International opposes certain motions, such as the "No Action Motions" of Member States that prevent certain measures being considered.[122] At the Security Council, they promote resolutions that focus on Women Peace and Security and accountability for international peace crimes.

*Inter-Governmental Organizations*

Intergovernmental Organizations (IGOs) are "an association of States established by and based upon a treaty, which pursues common aims and which has its own special organs to fulfill particular functions within the organization."[123] Many United Nations related bodies that delegates may be familiar with are technically IGOs, such as the North Atlantic Treaty Organization (NATO), Organizations of American States (OAS), the World Trade Organization (WTO) and the Association of Southeast Asian Nations (ASEAN).[124] The WTO has served as an intergovernmental organization since its inception in 1995, and in its prior version under the General Agreement on Tariffs and Trade (GATT).[125] The primary function of the WTO is to "administer prior trade agreements, handle trade disputes, provide technical assistance and training for developing States, and essentially serve as a forum for trade negotiations."[126] The common aim of the WTO is to provide a forum for States to meet to discuss international, regional, and local trade issues. Under this standing, the WTO serves as an IGO.

*Multinational corporations*

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[113] "Definition of NGO's." NGO Global Network. http://www.ngo.org/ngoinfo/define.html
[114] Ibid.
[115] "Resources" American Society of International Law. http://www.asil.org/erg/?page=io#definitions
[116] "About Amnesty International." Amnesty International. http://www.amnesty.org/en/who-we-are/about-amnesty-international
[117] Ibid.
[118] Ibid.
[119] "United Nations. Amnesty International. http://www.amnesty.org/en/united-nations
[120] Ibid.
[121] Ibid.
[122] Ibid.
[123] *The Max Planck Encyclopedia of Public International Law.* Oxford University Press. 2008. www.mepepil.com.
[124] "Other Intergovernmental Organization." United Nations. http://www.un.org/depts/los/Links/IGO-links.htm
[125] "Who We are." World Trade Organization. http://www.wto.org/english/thewto_e/whatis_e/who_we_are_e.htm
[126] Ibid.

Multinational corporations (MNCs) have, and continue to be a global presence in the growth of economics across the international spectrum. In 2003, there were more than 65,000 multinational corporations who were either doing business or controlled some assets in more than one Member State.[127] In 1980, MNCs increased their number of exports from 25% to 33% from the 1980 to the 1990s. In addition, they are involved in more than 60% of world trade, as they are involved in a number of processes in the sales process, including production, distribution, and sale of products.[128] MNCs play a larger role in foreign direct investment (FDI). Between 1996 and 2000, FDI increased astronomically from $94 million to $866 billion.[129] For many Member States, FDI represents a more than 50% increase in many developing States.

Although all of the above practices  are completely legal and appropriate for any enterprise, it is important to highlight the role that MNCs play in the global community. MNCs represent and are responsible for more than 50% of the world's greenhouse gases.[130] Despite this statistic, MNCs can play an important and relevant role in many United Nations efforts. Specifically, the UN Global Compact, principles of commitment to an array of issuing including human rights and labor standards,  is the largest agreement made in efforts to foster corporate citizenship. Many well-known and popular companies have taken part, including Nike, Daimler Chrysler, Deutsche Bank, and BP Amoco.[131]

***United Nations Actions & Statements***

Since its inception, the United Nations has a significant interest in working with non-governmental organizations to advance its mission and goals. This is shown through Article 71 of the United Nations Charter: "The Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence. Such arrangements may be made with international organizations and, where appropriate, with national organizations after consultation with the Member of the United Nations concerned." [132] In 2000, General Assembly met to make the United Nations a more effective body and plan for it s future. In the MillenniumDeclaration, the  outcome document from the conference, the UN  re-confirmed their commitment to incorporate NGOs within its work: "We resolve therefore to give greater opportunities to the private sector, non-governmental organizations and civil society, in general to contribute to the realization of the Organization's goals and programmes."[133] Following the World Summit in 2005, the UN again expressed its welcome to partnering with NGOs: "We welcome the positive contributions of the private sector and civil society, including non-governmental organizations, in the promotion and implementation of development and human rights programmes and stress the importance of their continued engagement…..as reflected in the first informal interactive hearings of the General Assembly with representatives of non-governmental organizations…".[134]

***Panel of Eminent Persons on United Nations –Civil Society Relations***

In February 2003, UN Secretary-General Kofi Annan established the Panel of Eminent Persons on United Nations –Civil Society Relations. The Panel was charged with the following:

> "..Review existing guidelines, decisions and practices that affect civil society organizations' access to and participation in United Nations deliberations and processes; to identify best practices in the United Nations system and in other international organizations with a view to identifying new and better ways to interact with non-governmental organizations and other civil society organizations; to identify ways of making it easier for civil society actors from developing countries to participate fully in United Nations activities; and to review how the Secretariat is organized to facilitate, manage, and evaluate the relationships of the United Nations with civil society and to learn from experience gained in different parts of the system." [135]

The panel issued their report, "We the peoples: civil society, the United Nations, and global governance," in June 2004. The report, also known as the "Cardoso Report" (named after its Chair, Brazilian President Fernando Henrique Cardoso), highlighted both the progress that had been made but also the concerns of Member States and civil society in having a

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[127] Shauna Sadowski. "Environmnetla Treaty-Making Process Through the UN Global Compact." Harvard Law School. http://www.pon.org/downloads/ien14_2sadowski.pdf
[128] Ibid.
[129] Ibid.
[130] Ibid.
[131] Ibid.
[132] *Article 71. Repertory of Practice of United Nations Organs Supplement No. 7.* United Nations.
[133] A/55/L.2. *United Nations Millennium Declaration*. United Nations General Assembly. 8 September 2000.
[134] *2005 World Summit Outcome*. The United Nations. 16 September 2005
[135] A/58/817. *Note by the Secretary General.* United Nations General Assembly. 11 June 2004.

harmonious, progress relationship. The panel noted that "tensions have arisen," between the two. Governments have a hard time accepting non-governmental organizations' work, especially when it relates to the functions of the government. They have expressed doubt over the motives of the organizations, and have challenged whether they are truly legitimate and whether they are valid representatives. Many believed that these organizations were "pushing a Northern Agenda." On the other hand, civil society felt that as though they could speak at the UN, their input did not resonate in the final outcomes and decisions that were being made. [136]

Proposal 30 encourages Member States to establish and maintain policies that allow civil society to flourish. Specifically, the report cites consultations with non-State actors during any process where the United Nations is involved (such as Millennium Development Goal reports) as an avenue to effectively establish partnerships. In addition, it was recommended that Governments consider including civil society in delegations sent to United Nations forums.[137]

The proposals were not strictly relegated to civil society organizations. The report noted the need to engage the private sector in its initiatives. Specifically, the report recognized that the private sector, regardless if they are a small, local business or a large multinational corporation, need to be engaged with different strategies. Each of these types of private sector entities has the ability to contribute to the Global Compact. The Global Compact is set of ten principles, in the areas of human rights, labor, the environment, and anti-corruption that companies are asked to support and enact within their own businesses.[138]

***UN Civil Society Trust Fund***

Proposal 27 of the Cardozo Report outlines the importance of establishing a fund that would assist civil society in partnering with the United Nations in working with developing countries. The recommendation stemmed from the panel's experiences with organizations that have the framework to have grassroots experiences in developing States, but cannot finance their own participation.[139] The proposal's specific goals included providing briefings and training to civil society members prior to major conferences, strengthening the ability for groups representing women, indigenous people, disabled people and the poor to be represented at the UN, and to overall "strengthen-civil society organization dialogue and partnerships."[140]
As a result of this proposal, Secretary-General Kofi Annan established the United Nations Democracy Fund (UNDEF) in 2005.[141] UNDEF in the past six years of its existence, has issued four Rounds of Funding, and assisted more than 330 projects in 110 countries.[142] UNDEF is a voluntary fund that has received more than $110 million dollars in contributions since its inception from more than 35 Member States. They have issued grants ranging from $50,000 to $500,000 on a wide array of projects including increasing women's participation in Kenya, strengthening media capacity in Gambia, and developing legislation on security/terrorism in Eastern European parliaments.[143]

***Enhanced Coordination of the Accreditation Process***

Non-governmental, non-profit public or volunteer organizations can be "admitted into a mutually beneficial working relationship with the United Nations" through a consultative status that is given by the Economic and Social Council (ECOSOC). These contributions can be made through serving as "technical experts, advisers, and consultants" to both governments and to the UN Secretariat.[144] The process in order to become accredited takes a significant amount of time. A 19-member panel composed of representatives from Member States meets twice yearly to make formal recommendations that ECOSOC issue consultative status.[145] These recommendations fall under three categories: General, Special, and Roster. General status is issued to those organizations "concerned with most of the activities of the ECOSOC and its subsidiary bodies."[146] Special Category is issued to those "which have a special competence in, and are concerned specifically with,

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[136] Ibid.
[137] Ibid.

[138] "The Ten Principles." United Nations Global Compact http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html.
[139] A/58/817. *Note by the Secretary General.* United Nations General Assembly. 11 June 2004.
[140] Ibid.
[141] "About UNDEF" The United Nations Democracy Fund. http://www.un.org/democracyfund/About_Us/about_us_index.html.
[142] Ibid.
[143] "Asia and the Pacific." The United Nations Democracy Fund. http://www.un.org/democracyfund/worldwide_asia.html.
[144] "NGO related frequently asked questions." United Nations. http://www.un.org/esa/coordination/ngo/faq.htm.
[145] Ibid.
[146] Ibid.

only a few of the activities of ECOSOC." [147] Roster status is given to those organizations that "make occasional and useful contribution to the work of ECOSOC and its subsidiary bodies." [148] The primary difference among these different classes is that, depending on which status an organization is issued, they are permitted to propose items for the ECOSOC agenda, circulate statements (of varying lengths), are permitted to speak, and must submit quadrennial reports.[149]

The Cardozo Report outlined a number of concerns that they had heard throughout the consultation and open-forum process in compiling the report. The Panel appreciated that governmental bodies had concerns that the high number of civil society organizations working with the UN lead to the wasting of time, tensions in attaining meeting facilities, and disagreement with the missions of certain organizations. However, the Panel countered that slowing the accreditation process time for organizations to engage with the UN was not an effective means of addressing these concerns.[150]

The Panel highlighted a number of issues with the current process, including: Political concerns of Member States being a higher factor in issuing accreditation than the expertise of the organization, inconsistencies between UN agencies on how the accreditations are issued, the cost (in both money and time) in applying, and lack of transparency on how decisions are made. As a result of these concerns, the Panel issued four proposals that would assist with the accreditation process.

- Proposal 19 recommends that the UN should merge all accreditation procedures existing at the UN Headquarters, the Department of Public Information, and for conferences into a single-accreditation process that would be managed by the UN General Assembly;
- Proposal 20 notes that Member States should no longer review applications and that the Secretariat should be responsible for accessing candidacy in order to reduce the time it takes and have a more technical, non-political focus in the review;
- Proposal 21 calls for greater coordination and support of the process through allowing national and regional UN offices to facilitate applications, and the printing of information on how to receive accreditation, and the responsibilities of those who are issued them; and
- Proposal 22 recommends that the Secretary-General conduct additional reviews in order to find further inefficiencies in the accreditation process.

***Conclusion***

As we can see, there are a wide-diversity of non-State Actors that can contribute significantly to the mission and goals of the UN, its subsidiary bodies, and Member States. The UN, since its inception, has welcomed and promoted the role that non-governmental organizations have within the deliberative process, and in the work program of Member States. Much of this success however is dependent on a strong partnership between civil society and the Member States.

Although there is a sense of welcome within the UN for these civil society organizations, there are many opportunities to improve these partnerships. A primary theme that was expressed in the Cordozo Report was the ongoing tensions between certain Member States and civil society organizations that operate or attempt to operate within their borders. Member States believed that these organizations undermined their responsibilities, and questioned their legitimacy. These political conflicts and tensions then transfer to the accreditation process, where a panel of Member States determine whether these civil society organizations should be accredited to consult within the UN system.

There are a number of recommendations that have been issued by UN panels and by civil-society on how to improve processes for NGOs to engage with the United Nations. The United Nations is still considering these on an ongoing basis. Despite these obstacles for civil society, the UN has made significant investments in civil society opportunities as shown in the Civil Society Trust Fund. These investments have allowed many civil society organizations to flourish in developing member states through inclusion of under-represented members of society in innovative and progressive projects. The partnership between the UN and civil society will continue to improve through constant self-assessment, and implementation of important projects that are mutually supportive to both.

[147] Ibid.
[148] Ibid.
[149] Ibid.
[150] A/58/817. *Note by the Secretary General.* United Nations General Assembly. 11 June 2004.

***Committee Directive***

The delegates should keep in mind the theme of this year's conference, Addressing the Global Financial Crisis: Restoring Economic Stability Through International Solidarity" as they prepare to write position paper and prepare on this topic for the conference. There are many opportunities for civil society to advise and work with Member States in ensuring economic stability for both developed and developing nations. However, this can only be done through the foundations of a strong partnership. Delegates should consider what civil society organizations are within their borders. What is the relationship does your State have with these organizations? What are some partnership projects that have been implemented that would serve as a model for other States? If there is not a strong partnership, what are some of the obstacles that prevent your government from successfully engaging with these organizations? What efforts and recommendations have the UN and civil society made to improve relations (outside the ones highlighted in this guide)? Consider what recommendations have been made that the UN has not enacted. What are the barriers preventing the UN from following the guidance listed in the Cordozo Report?

## Technical Appendix Guide

## Topic I: Coordinating Marcoeconomic Policy in the Digital Service Age

Held, Gilbert. Fiber-Optic and Satellite Communications. *Understanding Data Communications.* http://technet.microsoft.com/en-us/library/bb726936.aspx

*Gilbert Held in this publication provides a strong overview and introduction to technical communications infrastructure. This is excellent for delegates who need a primer on telecommunications infrastructure and the different nuances of it.*

Thomas L. Friedman. *The World is Flat: A Brief History of the Twenty-First Century*. New York: Farrar, Straus and Giroux. 2005.

*An absolute must-read for anyone interested in global economics, Friedman of the New York Times floats the idea of the digital service age and tracks its development and evolution. Friedman provides real-life, tangible examples that will allow delegates to absorb the information.*

## Topic II: Ensuring Standardized and Coordinated Financial Investment and Trade in West Africa

*Charter of ECOWAS.* ECOWAS (Lagos.) May 28, 1975. http://www.comm.ecowas.int/sec/index.php?id=treaty&lang=en

*Given the region specific nature of this topic, it is imperative to understand the overarching governing organizations of the region.*

2005 Riyadh Counter-Terrorism International Conference Working Group Recommendations. The Government of Saudi Arabia http://www.saudiembassy.net/files/PDF/CTIC-workshop-English- Feb05.pdf

*The second working group completed an in-depth analysis of money laundering related to financing terrorist activities. Their recommendations can be used to model stronger, more independent banking institutions and increase cooperation between various regional and global institutions.*

Durbin, DF. "Gray Markets and the Legal Status of Parallel Importation." *Journal of Marketing.* 1988.

*Durbin analysis of gray markets and parallel importation might seem a bit dated but understand the quasi-legal world of parallel importation is necessary to fulfill understand and more importantly, address the issue in West Africa.*

## Topic III: III: Addressing and Promoting the Role of Non-State actors in Trade and Development

Department of Public Information – Non-Governmental Organizations. The United Nations. http://www.un.org/wcm/content/site/dpingorelations/index.html

*The United Nations created a website that allows NGOs to be able to better receive information on opportunities for them to engage with the UN. This can be useful to delegates as a starting point to see what events and forums the UN has sponsored that relates to and affects NGOs. Some examples as shown on the site include forums on funding opportunities, how to best utilize new media, and an assessment of MDGs.*

UN Non-Governmental Liaison Service. The United Nations. http://www.un-ngls.org/spip.php?page=sommaire

*The UN NGLS was established in 1975 to promote constructive relationships between NGOs and the United Nations. The website contains a wide array of information, including how civil society can engage with the UN. They also have a number of publications that delegates can review to ensure they are currently being informed of latest news and actions.*