**FORUM:** Economic and Social Council

**QUESTION OF:** Measures to Avoid Global Default and Decrease External Debt in Times of Financial Crisis

**MAIN SUBMITTER:** Peru

**CO-SUBMITTERS:** Thailand, Egypt, Croatia, United Kingdom, United States of America, Central African Republic, Republic of Korea, Israel

THE ECONOMIC AND SOCIAL COUNCIL,

*Considering* that global financial crises such as those of 2008 have occurred despite implementing preventive measures it is essential to recognize the ongoing challenges in maintaining economic stability,

*Reaffirming* that the Vienna Convention states that when a country or company is in a situation where it is difficult to repay its existing debts the terms of the debts can be changed through negotiations with creditors,

*Aware of* the fact, there have been 18 maps showing countries at risk of default sovereign defaults in 10 developing countries the highest in 20 years and astonishingly 34 countries are currently in high debt distress,

*Noting with deep concern* the current situation of many countries’ finances that have declined due to COVID-19 restrictions,

*Aware of* promoting economic growth by Investing in education and keeping in mind skills development to enhance human capital,

1. Encourages discussion of ways to share information and cooperate among member countries through regular international meetings, and continuously strengthens joint efforts to enhance the stability of the global financial system,
   1. Requesting experts from United Nations (UN) countries gather to conduct in-depth research and data analysis on the following financial-related topics such as but not limited to:
      1. Digital currency,
      2. Financial regulation,
      3. Imports and exports of countries,
   2. Encouraging UN countries to establish a joint response mechanism that can be activated immediately when a financial crisis occurs at regular meetings;
2. Recommend the UN monitor each country's economic situation such as debt levels and advocate necessary policy actions based on the results to promote global financial stability and sustainable development such as:
   1. Proposing the UN to conduct regular assessments of the economic conditions and debt levels of countries,
   2. Presenting the assessment results and discussing how to adjust between the creditor country and the debtor country also considering various economic political with social factors that may influence the outcome and ensuring that the proposed adjustments are mutually beneficial and sustainable for both countries;
3. Suggests that the Organization for Economic Cooperation and Development (OECD) should consider providing technical assistance to less economically developed countries (LEDC) to support their development and help them overcome challenges in various sectors as but not limited to:
   1. Offer training programs and workshops to areas that have less financial education aimed at enhancing the skills and knowledge of governmental staff in LEDCs regarding effective fiscal management and policy formulation with a special focus on finance departments such as but not limited to,
      1. high school and college students
      2. businesses
   2. Advocate for the adoption of best practices in infrastructure construction, ensuring that projects are not only sustainable but also aligned with national development objectives;
      1. Using flood protection measures to reduce the risk of flooding by designing dams and spillway walls and building seawalls to prevent flooding in low-lying areas,
      2. Implemented a traffic management system that leverages GPS and IoT technologies to monitor and optimize traffic flow in real-time, as well as a sustainable urban environment with energy-efficient design and policies that prioritize the use of renewable resources;
4. Urges to strengthen their financial laws and regulations in various ways, all aimed at preventing future financial crises and ensuring long-term economic stability such as:
   1. Establishing legal measures to increase the holdings of strong foreign currencies to enhance the ability to purchase undervalued stocks or real estate, so that financial institutions can prepare for exchange rate depreciation,
   2. Launching minimum standards for foreign exchange reserves to strengthen financial soundness, so that financial institutions can increase their resilience to economic shocks,
   3. Introducing legal measures to limit the amount of foreign investment, set limits on certain foreign-based investments to reduce the risk of external attacks on the local financial system, and establish regulations to prohibit such investments if an attack on the financial system is detected;
      1. Limit the amount of foreign-based investment by 20% percentage of that country's GDP,
      2. Limit the amount that foreigners can invest to $100 million per year;
5. Encouraging a culture of financial literacy and accountability and urging all member states to raise awareness of how to prevent financial crises from an individual to a global scale in a variety of ways to mitigate the risks associated with economic instability:
   1. Raising awareness of financial crisis through offline platforms such as but not limited to:
      1. Newspapers,
      2. Posters,
      3. Exhibitions,
      4. Volunteer work on the financial part of companies,
   2. Raising awareness of financial crisis through online platforms such as but not limited to:
      1. Newsletters,
      2. Radio broadcasts,
      3. Commercials,
      4. Social media platforms,
      5. Blogs;
6. Recommends member states to find multiple ways to obtain income through different methods to prevent problems with that income from affecting the entire country but not limited to:
   1. Increasing the diversity of agricultural crops to mitigate risks associated with price volatility and market demand and improving soil health by using crop rotation and polyculture practices to increase agricultural productivity,
   2. Increasing the usage of renewable resources and reducing money spent on resources of the normal days through the use of different resources such as but not limited to:
      1. Solar panels,
      2. Dams,
      3. Wind turbines,
      4. tidal power plant,
      5. geothermal power plant;
7. Suggests member states consider a range of approaches to help their economies recover from the financial crisis, both internally and in collaboration with other countries with which they have financial relations, such as but not limited to the following strategies:
8. Controlling the number of imports and exports to reduce money spent on buying items abroad, and earning more money from selling items to foreign countries,
9. Encouraging banks to reduce the cost of borrowing and interest rates on savings so that consumers can, but not limited to,
   1. inclined to buy local products
   2. more investment in businesses
   3. Seizing new financial opportunities creates a more dynamic financial environment that fosters growth and recovery.