FORUM: Economic and social council
QUESTION OF: Measures to Promote Economic Diversification in Oil-Dependent Gulf Economies
MAIN-SUBBITED BY: Republic of Burundi
CO-SUBMIITED BY: Canada, Republic of Ecuador, The Russian Confederation, The Lebanese Republic

THE ECONOMIC AND SOCIAL COUNCIL,

Emphasizing the importance of developing competitive non-oil sectors such as manufacturing, renewable energy, tourism, information technology and financial services to promote sustainable economic growth,

Recognizing the essential of small and medium sized enterprises (SMEs) in promotion entrepreneurship, innovation, employment creation and private sector development,

Reaffirming the importance of international cooperation, technology transfer, and capacity-building in supporting sustainable economic development,

Concerned that the skills gap between educational outcomes and the demands of emerging industries may limit employment opportunities for young people and hinder economic diversification,

Acknowledging successful international experiences in managing natural-resource revenues and promoting economic diversification, including voluntary knowledge-sharing opportunities with resource-producing economies,

1. Encourages oil-dependent gulf economies to accelerate the development of competitive non-oil industries that can support long-term economic growth, create job opportunities and increase exports through:
    a) Prioritizing the industries that can use existing infrastructure and geographical advantages, available natural resources and engineering skills, such as but not limited to:
        i. Renewable energy, such as solar, hydrogen, and wind power, where geographically suitable,
        ii. Sustainable agriculture and aquaculture that include drought-resistant crops and water efficient farming methods such as drip irrigation, sprinkler irrigation, rainwater harvesting,
    b) Strengthening the domestic industries and reducing the excessive dependence on oil revenues by:

i. Cooperating between domestic manufacturers and international companies to combine local resources with advanced technology and methods,
ii. Encouraging partnerships between universities, research institutions and private companies to develop new technologies and products that have practical commercial uses,
iii. Providing support for industrial research and product testing to help local manufacture compete in the international markets,
iv. Promoting responsible management of oil revenues to support long-term economic stability and investment in non-oil sectors,

c) Ensuring that government funded industrial development programs lead to economic benefits by:
   i. Assessing the program based on market demand, productivity and expected profitability,
   ii. Reviewing the government investment to make sure that financial support goes to industries that have long-term potential;

2. Recommends that oil dependent gulf economies improve their technical education and vocational training so that their populations are better prepared for employment in emerging non-oil industries through:
   a) Developing national skills-training programs that have cooperated with schools, universities, and international vocational training organizations by:
      i. Updating school and university curricula to keep up with technological developments and the changing needs of non-oil industries,
      ii. Providing practical technical training and professional qualifications aligned with the demands of non-oil industries such as renewable energy, manufacturing, engineering and financial services;
   b) Providing more learning opportunities for apprenticeships and practical workplace training by:
      i. Encouraging private companies to offer internships and apprenticeships in cooperation with technical schools, universities and vocational training centers,
      ii. Developing the technical qualifications that allow workers to improve their skills and access employment across participating gulf economies,
   c) Strengthening the access to employment in the private sector by:
      i. Considering temporary wage support programs for companies that hire and train young citizens in emerging industries,
      ii. Improving the collection and sharing of the market information so that educational institutions can provide the training that matches employs needs,

iii. Supporting equal employment opportunities for women and young people through mentorship programs and suitable childcare support;

3. Calls upon Gulf Cooperation Council (GCC) Member States to provide stronger support for small and medium-sized enterprises (SMEs), recognizing their importance in creating jobs, encouraging entrepreneurship, and supporting economic diversification, through:
    a) Making business registration, licensing and other administrative processes easier by:
        i. Providing basic business training and mentoring provided with loans,
        ii. Enforcing transparent and consistent regulations so that businesses can understand the requirements for entering and operating the market,
    b) Improving the access to the financing for SMEs with a realistic business plan by:
        i. Encouraging banks to assess loan applications based on business performance, cash flow, and ability to repay, rather than relying only on traditional forms of collateral,
        ii. Establishing or expanding partial credit-guarantee programs with domestic financial institutions to reduce the risks of lending to eligible businesses;

4. Invigorates the oil-dependent Gulf economies to attract foreign direct investment (FDI) and build stronger business partnerships with international companies in non-oil industries, while flowing the national economic priories and regulations through:
    a) Creating a more accessible and transparent environment for investors by:
        i. Developing online registration systems for company and make it easy for them to registrant investment licensing and other regulatory produces easier,
        ii. Establishing transparent procedures for resolving the investment disputes and protecting the company rights of both domestic and international investors,
    b) Strengthening the partnerships between foreign investors and domestic industries by:
        i. Supporting voluntary technology-transfer agreements and professional training programs to help local workers and businesses develop new skills,
        ii. Encouraging foreign companies to work with local suppliers and provide employment opportunities for qualified domestic workers,
        iii. Encouraging joint ventures between foreign companies, local companies and suppliers, and technical training institutions;
    c) Ensuring that the foreign investment provides long-term benefits to the local economy by:
        i. Offering targeted and time - limited investment incentives to companies that make clear contributions to local employment and non-oil exports,

ii. Inviting relevant international organizations, including the United Nations Development Programmed (UNDP), the United Nations Industrial Development Organization (UNIDO), and the International Monetary Fund (IMF), to provide technical assistance and policy advice to Member States upon request;

5. Endorses the establishment of a voluntary gulf economic diversification cooperation partnership with relevant United Nations agencies, including the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO), to promote regional economic cooperation and sustainable development, through:
    a) Promoting investment in sustainable infrastructure and non-oil industries by:
        i. Encouraging investment partnerships in renewable energy, manufacturing, sustainable agriculture, and technology-based industries,
        ii. Facilitating cooperation between Gulf investors and domestic businesses to strengthen local productive capacity,
        iii. Supporting infrastructure projects that improve access to electricity, transportation, and digital connectivity,
    b) Facilitating knowledge-sharing and capacity-building programs by:
        i. Organizing voluntary regional workshops on economic diversification strategies and successful development practices,
        ii. Promoting technical cooperation between participating countries in renewable energy, industrial development, and entrepreneurship,
        iii. Further encouraging the exchange of expertise among Gulf economies to strengthen economic resilience,
    c) Supporting employment creation and sustainable development by:
        i. Encouraging vocational training and entrepreneurship initiatives for young people,
        ii. Promoting technology transfer and the development of locally owned businesses,
        iii. Encouraging voluntary progress reports assessing the partnership's contributions to non-oil economic growth, employment creation, and sustainable development;

6. Suggests that the oil-dependent Gulf economies strengthen their long-term financial stability and regional cooperation to reduce their vulnerability to changes in global oil prices and support sustainable economic development through:
    a) Improving the management of the sovereign wealth funds and protecting oil revenues for future generations by:

i. Establishing transparent rules for saving a portion of government oil revenue when global oil prices are relatively high,
ii. Supporting independent professional investment management, regular external audits, and publicly available annual financial reports,
iii. Keeping short-term government spending separate from long-term investment assets to avoid excessive withdrawals that could weaken future financial stability,

b) Encouraging participating member states to regularly review their economic diversification strategies and to make improvements where necessary by:
   i. Publishing annual reports on non-oil exports, private- sector employment and business survival rates, and the diversification of the government revenue,
   ii. Inviting United Nations Economic and Social Commission for Western Aisia (ESCWA) to present a brief report on the peer learning network's activities and voluntary progress findings at a future session of the Council;

7. Demands member states to raise public awareness of citizens on the seriousness of the economic diversification in oil – dependent gulf economies and encourage the citizens to take part in reducing the damages through ways such as but not limited to:
   a) Holding physical campaigns and events to explain the current situation and consequences in over dependence in oil gulf economies and encourage citizens to participate in enhancing the situation by presenting information such as but not limited to:
      i. Causes of economic damage such as high recovery costs,
      ii. Problems caused by over reliance on oil sector,
   b) Publishing articles explaining the current environmental issues and consequences in the world on media such as but not limited to:
      i. Logistics-affiliated website homepages,
      ii. Major online newspaper platforms,
      iii. Major print newspapers and magazines,
   c) Spreading visual representations of the situations for more effective delivery and emphasis by presenting recent data trends and posters on media such as but not limited to:
      i. Television programs such as evening news,
      ii. Government-affiliated social media accounts,
      iii. Physical magazines, newspapers, banners, and flyers.