



ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC



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BACKGROUND GUIDE 2009



Official Welcome

Dear Delegates,

On behalf of Cyril Philip, Laura Vogel, and the excellent staff that make up the 2009 National Model United Nations-DC Conference, we would like to officially welcome you to the Economic and Social Commission on Asia and the Pacific (ESCAP). Throughout the year your Director and your Assistant Director have strived to provide you with the best preparatory information for the topics to be addressed. This background guide is the culmination of our efforts and serves to introduce you to the topics and pose questions which are at the center of the issues.

As the global economic slowdown has progressed, the roles of ESCAP and other regional UN economic commissions have been vital in stemming the flow and creating economic growth. Our first topic focuses primarily on how to prevent the financial meltdown that has befallen many of the world's premier banks. The second topic focuses on creating future growth through energy creation. Our final topic focuses on the measures taken to recover from the Cyclone Nargis within the region. These three topics are integral to the current and future mission of ESCAP. We wish you all the best in your research and look forward to a productive conference in October.

History of the Economic Commission for Asia and the Pacific

The Economic Commission for Asia and the Far East (ECAFE) was founded in 1947 but was renamed the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in 1974. It is the largest of the five regional commissions of the United Nations (UN), consisting of 62 Member States. The commission reports to the United Nations Economic and Social Council (ECOSOC) and meets annually. The goal of ESCAP is to foster regional cooperation specifically regarding the region's sustainable development. In April 2008, through UNESCAP Resolution 64/1, the following subdivisions were created: the Committee on Macroeconomic Policy, Poverty Reduction, and Inclusive Development; Committee on Trade and Investment; Committee on Transport; Committee on Environment and Development; Committee on Information and Communications Technology; Committee on Disaster Risk Reduction; Committee on Social Development; and the Committee on Statistics. The 65th Session of ESCAP was held on April 23-29, 2009.

I. Framework for Preventing a Future Financial Crisis

- How is the global financial crisis affecting the Asia-Pacific region? How can Member States seek to protect themselves effectively from the ensuing economic downturn and what plans and frameworks are currently implemented? How can regional cooperation help in preventing future crises in the region?
- How is the financial crisis linked to other crises facing the region? How does this affect the establishment of an effective framework for preventing future financial crises?

The global economy has recently undergone one of the most significant crises of the last 100 years. Financial turmoil, which started with the subprime crisis in 2007 in the United States, has transformed into a full-scale global financial crisis increasingly impacting the real economy. In putting an abrupt end to a long period of global growth, this crisis is an enormous challenge for prosperity, and the stakes for overcoming it are extremely high for all states. In addition to negative effects from slowing global demand, such as declining exports, the crisis also results in the tightening of financial services which results in the decrease of investment flows to emerging markets and developing countries. This is specifically problematic for the Asia-Pacific region which has made significant progress in the past decade largely through trade-led growth. Due to the contraction in global trade, the growth rate for the region has been dropping from 8.8% in 2007 to only 2.8% this year. However, while the global economy is in a recession, contracting 2% on 2009, there are some countries in the Asia-Pacific region, especially the emerging markets India and China, which keep growing at relatively robust rates, demonstrating the strength of the region.

In the immediate context of the crisis, many governments in the region have increased their spending through fiscal stimulus packages and expansionary monetary policies. Given the diversity of the region, not all countries have been equally capable to meet the immediate challenges of the crisis, and the situation is particularly vulnerable for the poor who further suffer from protectionist measures. Besides initiatives of the international community to restore global economy and facilitate recovery, such as the G20 package of \$1100 billion to international financial institutions to restore lending, there is a great potential for developing regionally integrated solutions. The need for a regional framework to address the challenges and prevent future crises is highlighted by the Regional High-Level Workshop on "Strengthening the Response to the Global Financial Crisis in Asia-Pacific: The Role of Monetary, Fiscal and External Debt Policies" held from July 27-30 in Bangladesh. Dr. Nagesh Kumar, Director of the Macroeconomic Policy and Development Division of ESCAP, underlines the importance of fostering regional economic integration.

Given the economic difficulties of developed economies which will impede their performance in the short and medium term, the Asia-Pacific region needs to rely on itself as an engine of growth and seize the existing opportunities for regional cooperation to speed up its recovery and return to a rapid growth path. Trade-led recovery has been proposed as a promising option in this increasingly interdependent region. Through specific policy tools facilitating trade and investment regionally, Asia-Pacific economies could counter the negative impacts of the crisis by diversifying products and markets to enhance South-South exchanges. An effective regional framework built on the strengths of the Asia-Pacific economies would allow the region to place itself in a beneficial position for the future.

At this Regional Workshop, ESCAP Executive Secretary Dr. Noleen Heyzer also highlighted the importance of addressing the financial crisis not as an isolated problem, but in an integrated and comprehensive manner as previously discussed in the High-level Regional Policy Dialogue on "The Food-Fuel, Financial Crisis and Climate Change: Reshaping the Development Agenda" held in December 2008 in Bali. The region's quest for development will require urgent, comprehensive and coordinated action on all aspects of these interrelated questions. The financial crisis offers the opportunity to design sustainable and socially inclusive rescue policies which will not only restore economic growth but also build prosperous and inclusive societies. The regional level offers the chance to pair frameworks and plans to address the apparently most pressing issue of financial crisis without neglecting concerns of energy or food security and assuring sustainable growth in the region.

II. Achieving Energy Security & Environmentally Sound Development

- What are the primary energy concerns facing the region? How can policy makers effectively respond to these challenges with the aim of achieving sustainable development?
- What role can regional cooperation play in helping Member States achieving energy security without compromising the future potential of natural resources?

Years of economic growth and development in the Asia-Pacific region have spurred the need for energy resources and energy consumption increased by 10% in the region. Given the volatility of energy prices due to rising demand and difficulties in predicting supply, energy security is an extremely crucial issue within the region. As defined by the United Nations Development Programme (UNDP), energy security implies sufficient, affordable, and available energy sources at all times without irreversible impact on the environment. Future energy policy thus needs to incorporate local and global environmental concerns such as pollution and climate change to ensure sustainable growth.

The issue is pressing for the Asia-Pacific region where energy consumption is still largely dominated by fossil fuels resulting in a considerable annual rise of greenhouse gas (GHG) emissions by 3.2% from 1990 until 2004. In a region where 1 billion people do not have access to electricity, energy security is also directly linked to achieving the Millennium Development Goals. The focus of energy policy in the region currently lies on seeking to enhance the supply of fossil energy resources. This needs to be implemented in a more sustainable manner favoring a diversification of energy supplies with an increased share for renewable energies. Supply-side management in the region must also include mechanisms seeking to

enhance production and distribution efficiency which could save up to 25% of energy consumption until 2020. Such efforts need to be paired with demand-side policies targeted at managing industrial and individual consumption more efficiently. The success of improving energy security will depend on balancing of economic and social development and the environment through successful investments in sustainable energy infrastructure and innovative technologies.

Shifting the energy paradigm from a vicious circle of poverty, global warming, dependency on fossil fuels, and unsustainable growth to a virtuous circle based on climate action, energy security, quality of growth, and renewable energy efficiency is a major task for the Asia-Pacific economies. Regional cooperation to share information and support the development of technological skills is particularly important to support more vulnerable countries such as least developed countries (LDCs), landlocked developing countries (LLDCs), and small island developing States (SIDSs), which make up half of the region. These countries have benefited from programs under the Clean Development Mechanism, but regional and sub-regional cooperation by synergizing infrastructure developments and coordinating regulatory and legal contexts. Enhancing South-South cooperation is a key aspect to achieve energy security in the region to utilize best practice experiences and expertise among Member States. A regional framework can help overcome detrimental competition dynamics in the context of internalizing ecological costs into energy prices and also fostering the potential of sharing information and expertise through cooperation with a special focus on countries with special needs. Realizing an Asia-Pacific sustainable energy security framework focused on cooperation in infrastructure development and finance, energy trade, energy exchange, and energy transit would underscore the development paradigm of "quality of growth" in the region. This paradigm would pair concerns of sustainable energy security with the achievement of the Millennium Development Goals in Asia-Pacific.

III. The Post-Nargis Response and Preparedness Plan (PONREPP): Moving the Rebuilding Framework Forward

- How can international cooperation be maximized to provide the most effective implementation of PONREPP? Is the current oversight allowed by the Government of Myanmar necessary and effective? Does the framework for this plan provide an example for future natural disaster plans? Is the national/international separation of plans the most efficient method of providing relief?
- What are the regional implications and risks associated with the rise of natural disasters in the past several years? How can these risks be mitigated in the future through a preparedness framework? Is the answer in local governance rather than large regional projects?

The Post-Nargis Response and Preparedness Plan (PONREPP) was launched on February 9, 2009 and represented a joint effort by the Union of Myanmar, the United Nations, and the Association of South East Asian Nations (ASEAN), which formed a Tripartite Core Group (TCG), which created the report. The report outlines the sectors and stages of recovery from the devastating effect of the Cyclone Nargis which struck South East Asia in May 2008. The plan is meant to be complementary with the Government Recovery Plan of the Union of Myanmar. The TCG outlines the sectors and best courses of action for all parties involved in the eventual transition from humanitarian relief to medium term recovery. The report focuses on international recovery options, but is still distinct from the national plan and the Union of Myanmar has the ability to change the plan within the first year of implementation to suit its needs. Although an admirable effort by the international community, questions remain about whether the plan has the ability to provide relief with the Myanmar government control. The main concern is that the Myanmar government is not using the resources allocated to them through PONREPP in a manner which is most beneficial to the people devastated by the cyclone.

Beyond PONREPP, the regional rise in natural disasters has had an adverse effect on a multitude of factors towards development. In January 2008, Cyclone Gene had a devastating effect on the Island of Fiji resulting in several fatalities and thousands of dollars in property damage. There have been several other tropical depressions and sea swells that have caused damage to other Member States in the Pacific.

Unfortunately, this was not an anomaly; in 2004 an earthquake reaching 9.0 on the Richter Scale off the coast of Sumatra caused resounding devastation which was referred to as the Indian Ocean Tsunami, appropriately labeled “the Tsunami,” soon after the damage was known. The damage cost tens of thousands of lives, but affected mostly coastal regions and not major capacity centers or urban areas. The majority of the damage was “localized” with the loss of transportation channels and industry. However, the response to the tsunami was very centralized, with a few exceptions including Thailand. It is important to consider the role of local institutions in international preparedness schema. However, as is the case with Myanmar, if problems exist at the lowest levels of government there are problems associated with local governance of relief efforts. Both these points of view need to be discussed in order to create a proactive framework to natural disaster preparedness.

Annotated Bibliography

History of the Economic and Social Commission for Asia and the Pacific

United Nations Economic and Social Commission for Asia and the Pacific. (2009). *About us*. Retrieved July 11, 2009, from <http://www.unescap.org/about/index.asp>
The “About Us” section of the Web site for UNESCAP provides many links to sources of information about the Commission. It has links to the different sub-committees of the Commission as well including detailed information. It also has detailed information regarding the Member States of the commission.

United Nations Economic and Social Commission for Asia and the Pacific. (2008, April 30). *Restructuring of the conference structure of the Commission, (E/ESCAP/64/I)*. Retrieved July 11, 2009, from <http://www.unescap.org/stat/nl/Resolution64-1.pdf>
This is the resolution passed at the 64th session of ESCAP. The resolution outlines a new structure for the commission which strives to better organize the commission towards achieving its goal. It is important to understand the new structure to implement any effective change through policy changes.

United Nations Economic and Social Commission for Asia and the Pacific. (n.d.). *UNESCAP brochure*. Retrieved July 11, 2009, from <http://www.unescap.org/unis/pub/brochure/Brochure.pdf>
This brochure presents a simple introduction into the work of the commission for delegates not familiar with it. It provides historical information about the founding and achievements of the commission. Several important points are made regarding the current actions of the committee as well. It also contains a section which describes the work and goals of each subdivision of ESCAP.

I. Framework for Preventing a Future Financial Crisis

Heyzer, Noleen. (2008). *Opening remarks at high-level regional policy dialogue on “The food-fuel crisis and climate change: Reshaping the development agenda.”* Retrieved July 2, 2009, from http://www.unescap.org/unis/press/2008/dec/ES_Opening_Remarks_HL_food-energy-climate-change.pdf
The opening remarks by Dr. Noleen Heyzer at the High-Level Regional Policy Dialogue on “The Food-Fuel Crisis and Climate Change: Reshaping the Development Agenda” hosted conjointly by ESCAP and the Government of the Republic of Indonesia in December 9-10, 2008 are an interesting perspective on the interlinkages of the food-fuel-financial crisis in the context of climate change. Dr. Heyzer emphasizes the dangers of the global financial crisis for slowing down growth in the region risking an increase in food and fuel insecurities and undermining progress towards development. Furthermore, she suggests possible initiatives which can help the region to face the challenges of these converging crises through regional cooperation.

United Nations Economic and Social Commission for Asia and the Pacific. (2009). *Economic and social survey for Asia and the Pacific 2009: Addressing triple threats to development*. New York: United

Nations Publications. Retrieved July 2, 2009, from <http://www.unescap.org/pdd/publications/survey2009/download/Survey2009.pdf>
The 2009 edition of ESCAP's Economic and Social Survey also focuses on the threats to development the region is facing. The section of the report focusing on the financial will be particularly helpful in assessing the impact of the crisis on the region and the outlook for 2009. The chapter underlines the particular vulnerabilities as well as resilience of the region and offers an outline to ensure crisis resistance through global and regional cooperation. The fourth chapter of the report also provides an overview of sub-regional variations in the impacts and responses to the crises.

United Nations Economic and Social Commission for Asia and the Pacific. (2009). *Implementation of the Bali Outcome Document in addressing the food, fuel and financial crises (E/ESCAP/65/L.7)*. Retrieved July 2, 2009, from <http://www.unescap.org/LDCCU/Meetings/HighLevel-RPD-food-fuel-crisis/BaliOutcomeDocument.pdf>.
The Bali Outcome Document summarizes the discussions and recommendations of the High-Level Regional Policy Dialogue on "The Food-Fuel Crisis and Climate Change: Reshaping the Development Agenda" held in Bali in December 2008. The document offers insights into the particular issues of concern to the Member States in relation to the financial crisis, food and energy security, and sustainable growth. It also emphasizes the importance of regional and global strategies in addressing these threats.

United Nations Economic and Social Commission for Asia and the Pacific. (2009). *Regional High-Level Workshop on "Strengthening the Response to the Global Financial Crisis in Asia-Pacific: The Role of Monetary, Fiscal and External Debt Policies"*. Retrieved July 31, 2009, from http://www.unescap.org/pdd/calendar/strengthening_responses/strengthening_responses_July09.asp
The Web site for the Regional High-Level Workshop on "Strengthening the Response to the Global Financial Crisis in Asia-Pacific: The Role of Monetary, Fiscal and External Debt Policies" provides links to many useful resources. Besides a short Concept Note describing briefly the issues and challenges at hand, the presentations of the sessions on I) Monetary Policy, II) Fiscal Policy, III) External Debt Management, and IV) Effective Policy Coordination are also available providing interesting data. Additionally, there are also country reports from 11 ESCAP member states.

United Nations Regional Commissions. (2008). *The global economic and financial crisis: Regional impacts, responses and solutions*. New York: United Nations Publications. Retrieved July 2, 2009, from <http://www.un.org/regionalcommissions/crisispublication.pdf>
This report is a joint publication by the Regional Commissions of the United Nations on the global economic crisis. It begins with an overview of the global crisis affecting all regions through contracting growth and trade and offers insights into immediate national and regional responses for recovery. Chapter IV focuses on the Asia-Pacific region and describes in greater detail the region specific impact of the crisis as well as national and regional initiatives to counter the crisis. The last section of the chapter also offers perspectives for the way forward through particular policy recommendations.

II. Achieving Energy Securities & Environmentally Sound Development

Asia Pacific Energy Research Centre. (2008). *APEC energy overview 2008*. Retrieved July 2, 2009, from <http://www.ieej.or.jp/aperc/2008pdf/Overview2008.pdf>.
The annual publication of the APEC Energy Overview provides plentiful information about the energy situation in the Asia-Pacific countries. In country-specific sections the publication contains data on energy supply and demand as well as an overview of energy policies. It assesses the important developments in the countries in respect of energy efficiency, technology or diversification, infrastructure developments, and environmental sustainability.

Asia Pacific Energy Research Centre. (2007). *A quest for energy security in the 21st century: Resources and*

- constraints*. Retrieved July 2, 2009, from http://www.iecej.or.jp/aperc/2007pdf/2007_Reports/APERC_2007_A_Quest_for_Energy_Security.pdf.
This publication by the Asia-Pacific Research Center for APEC offers a detailed analysis of the energy security challenges for the region. It clearly structures the issue into the four A's: resource availability, accessibility barriers, environmental acceptability, and affordability. The report also develops clear indicators for assessing energy security and applies these in a concrete case study of oil supply. The final part of the publication focuses on policies and measures in the APEC region to enhance energy security and offers country specific examples.
- Feinstein, C. (2001). *Economic development, climate change and energy security - The World Bank's strategic outlook*. Washington, DC: The World Bank Group. Retrieved July 2, 2009, from [http://irispublic.worldbank.org/85257559006C22E9/All+Documents/85257559006C22E985256F4C0076CDD7/\\$File/econdevccsecurity.pdf](http://irispublic.worldbank.org/85257559006C22E9/All+Documents/85257559006C22E985256F4C0076CDD7/$File/econdevccsecurity.pdf)
This publication by the World Bank offers insights into its perspective on energy security and its linkages with climate change and economic development. Given the focus of the World Bank, this publication focuses particularly on the issues of transition economies and developing countries by analyzing poverty reduction in the context of achieving energy security in an environmentally sustainable way. It develops an Action Agenda for realizing energy, environment and development synergies over a five to ten years horizon.
- United Nations Development Programme. (2004). *World energy assessment: Overview 2004 update*. New York: United Nations Publications. Retrieved July 2, 2009 from <http://www.energyandenvironment.undp.org/undp/indexAction.cfm?module=Library&action=GetFile&DocumentAttachmentID=1010>.
Written in the context of the World Summit for Sustainable Development in Johannesburg in September 2002, the World Energy Assessment offers scientific facts and background on the issue of energy security. The publication underlines how energy can be a means to ensure sustainable development. The final part offers an overview over policies and actions which can promote energy for sustainable development, realizing green growth and energy security.
- United Nations Economic and Social Commission for Asia and the Pacific. (2009). *Economic and social survey for Asia and the Pacific 2009: Addressing triple threats to development*. New York: United Nations Publications. Retrieved July 2, 2009 from <http://www.unescap.org/pdd/publications/survey2009/download/Survey2009.pdf>
The 2009 edition of ESCAP's Economic and Social Survey also focused on the threats to development the region is facing. Chapter 2 offers an analysis of the effects of fuel price shocks on the region and the risk of assuring fuel sustainability in the region. Chapter 3 focuses more in depth in the issue of climate change and the challenge of achieving sustainable growth. The final Chapter brings together the different strings of the publication in focusing on the interlinking of the different crisis in the region and the need for comprehensive solutions to achieve inclusive and sustainable growth.
- United Nations Economic and Social Commission for Asia and the Pacific. (2008). *Energy security and sustainable development in Asia and the Pacific*. Retrieved July 2, 2009, from http://www.unescap.org/esd/energy/publications/theme_study/themstudy.pdf
This study offers an in depth analysis of the issues of energy security in the Asia-Pacific region. Chapter 1 provides a good analysis of the correlations of energy security with development and climate change. The subsequent chapters focus on, among other topics, aspects of supply and demand for energy resources, the financing of energy developments, the national, regional and international policies and mechanisms in place, and the special cases of LDCs, LLDCs, and SIDSs. The final Chapter develops concrete policy options for energy security and sustainable growth.

III. The Post-Nargis Preparedness Plan (PONREPP): Moving the Rebuilding Framework Forward

- Association of South East Asian Nations. (2009). *ASEAN humanitarian effort for Cyclone Nargis*. Retrieved June 28, 2009, from <http://www.aseansec.org/CN.htm>
This is the official Association of South East Asian Nations (ASEAN) Web site on the efforts to help those affected by Cyclone Nargis. It provides the best source of news on the process of the PONREPP plan with updates provided by the TCG on a regular basis. The Web site also provides links to other key documents and a wide array of historical information about the Cyclone and the devastation it caused. This Web site provides a starting point for research on the topic.
- United Nations Development Programme: Pacific Centre. (2008). *Annual report 2008*. Retrieved July 28, 2009, from <http://www.undppc.org.fj/resources/article/files/UNDPPC%20Annual%20Report.pdf>.
Natural disasters have had a significant effect on the Pacific region in the past several years. Section 1.4 of the report outlines several disasters and their effects on the region. Section 2 elaborates with specific effects of climate change on the governance of the region. The report can aid delegates to understanding the broader effects of natural disasters.
- United Nations Development Programme: Regional Centre in Bangkok serving Asia and Pacific. (January 2006). *Local governance in tsunami recovery: Lessons learned and emerging principles*. Retrieved July 28, 2009, from http://regionalcetrebangkok.undp.or.th/practices/governance/documents/Local_Gov_Tsunami_Recovery-200601.pdf
Local governance can play an important role in natural disaster recovery. This report outlines the local response by areas affected by the Indian Ocean Tsunami of 2004. It has a review of the localized action and effectiveness of centralized governments in assisting local municipalities. The report can shed light on the possible role of PONREPP on a localized level.
- United Nations. Economic and Social Commission for Asia and the Pacific. (n.d.). *ESCAP Response to Launch of PONREPP*. Retrieved June 28, 2009, from <http://www.unescap.org/oes/statements/ST20090209-018-Post-Nargis-Recovery-and-Preparedness-Plan.pdf>
This press release is the official response to the launch of PONREPP by ESCAP. Delegates will see the outline of the role of ESCAP in the implementation of PONREPP through this document. The document should be considered in the formulation of any working papers and position papers created by delegates.
- Tripartite Core Group. (2008, December). *Post-Nargis response and preparedness plan*. Retrieved June 28, 2009, from <http://www.aseansec.org/CN-PONREPP.pdf>
This is the official PONREPP Report by the TCG. This document is a must-read to understand the topic at hand and provides in-depth detail into recovery methods and history of the plan. The document also has a timeline and the role of the Myanmar government in the plan.