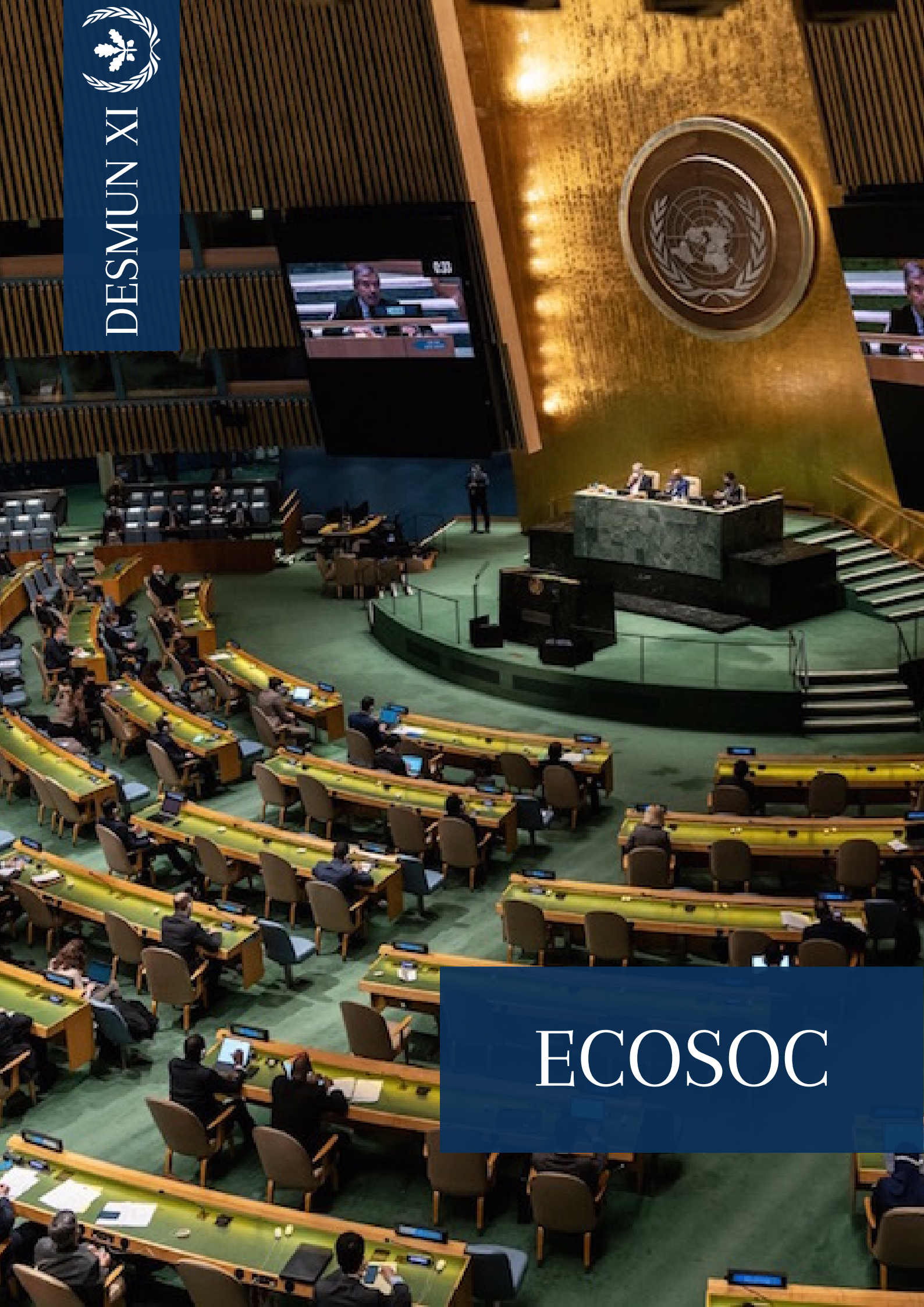




DESMUN XI



ECOSOC



DESMUN

DEUTSCHE SCHULE MODEL
UNITED NATIONS

BACKGROUND GUIDE

ECOSOC

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MENSAJE DE BIENVENIDA DE LA SECRETARIA GENERAL



Ana María Cuesta O.

Dear Delegates,

I am pleased to welcome you to the eleventh edition of DESMUN. It is an honor for me to serve as your Secretary-General and to once again conduct this great model.

I believe the definition of DESMUN can vary between each person, so I will give you mine, and I hope most of you will take it as an invitation to continue participating in our school's Model United Nations.

This will be the fourth edition in which I participate in DESMUN. Over these years, I have seen that our model goes beyond a simple simulation and can teach us very valuable lessons for our lives. Besides improving my rhetoric and argumentation, DESMUN has led me to listen to other positions and to achieve conciliation, something that I must admit is not easy due to the mistaken tendency to always want to be right, but I have found satisfaction precisely in agreements where everyone wins, instead of just one person.

Through DESMUN, I have been able to meet people with ideas or life perspectives different from mine, which has enriched mine. This year, we have the privilege of having delegates from 2 foreign countries, Ecuador and Mexico, so I believe this edition will be especially enriching.

DESMUN requires extensive organization to ensure that everything goes as smoothly as possible. None of this would be possible without a great team, to whom I want to recognize and thank for their commitment. First, I want to thank Jorge and Felipe, the academic directors of the model, who have guided and helped me throughout this year. Also, thanks to the Secretariat and the Board of Directors for shaping this project. None of this would have been possible without you, and I hope that in these three days we can see the fruits of our work.

Delegates, you are the center of this model, and your participation is what gives meaning to our work and to DESMUN. Therefore, regardless of whether this is your first or last model, I hope you enjoy it to the fullest, learn, and at the end of the three days, you are satisfied with your work and ours.

This will be my last model, so I would like to thank everyone who has accompanied me during these years and wish the best to those who will continue with this great tradition of our school.

Without further ado, I wish you all great success and a great model.

Welcome to DESMUN XI!

Ana María Cuesta Ortiz



INTRODUCTION TO THE COMMITTEE

The United Nations Economic and Social Council (ECOSOC) is a pivotal body of the United Nations responsible for coordinating and fostering international cooperation in the economic and social spheres. ECOSOC was created on January 28, 1946. It was established as one of the six principal bodies of the United Nations by the United Nations Charter, which was adopted on June 26, 1945. Its primary focus lies in advancing sustainable development globally, which involves monitoring and reviewing the progress towards achieving the Sustainable Development Goals (SDGs). As a platform for dialogue, ECOSOC facilitates discussions among member states on various economic, social, and environmental issues, promoting policy coordination and harmonization to address pressing global challenges. The council addresses a wide range of problematic issues related to economic and social development. Some of these issues include:

Poverty and Inequality, Climate Change and Environmental Sustainability, Access to Education and Healthcare, Youth Unemployment and Sustainable Development Financing among others. ECOSOC's role in addressing these problematic issues is essential for fostering international cooperation and collective action towards a more equitable, sustainable, and inclusive world.

Since the main focus on this Council is the economy and the social- wellbeing, we carefully chose two topics that connect these pillars and create a debate that primarily focuses on arriving to a solution. The topics discussed in the commission will be the environmental transition to renewable energy resources and its effects on the country's economy and the question of whether tax havens should be abolished.



TOPIC 1: THE TRANSITION TO RENEWABLE ENERGY RESOURCES

The topic of implementing policies to renounce fossil fuels and turn to renewable energy resources as a main form of consumption forces the world to face two major topics regarding the wellbeing of humanity, their relevance but differences challenging leaders to decide which one should be prioritized: The first one is the environment, the source of all the raw materials used for the survival of humanity and its cruciality upon the well-being and health of future generations. It is evident that to all countries, the environment is something to be preserved and taken care of for the sake of the world. The second topic is the living conditions and betterment thereof, which is directly related to the economic development of a country and the increase in their GDP (Gross Domestic Product) per capita. To clarify, the GDP is a measure of the way a country is developing economically, which shows the value of all the goods, services and businesses produced during a certain amount of time, mostly a single year. The transition to renewable energy resources will be a hard one, seeing as in 2019, about 84% of the energy in the world came from non-renewable resources such as gas and oil, showing that the transition to lower these numbers might have a devastating impact to both strong economies like USA and China, and the economies of developing countries as well.

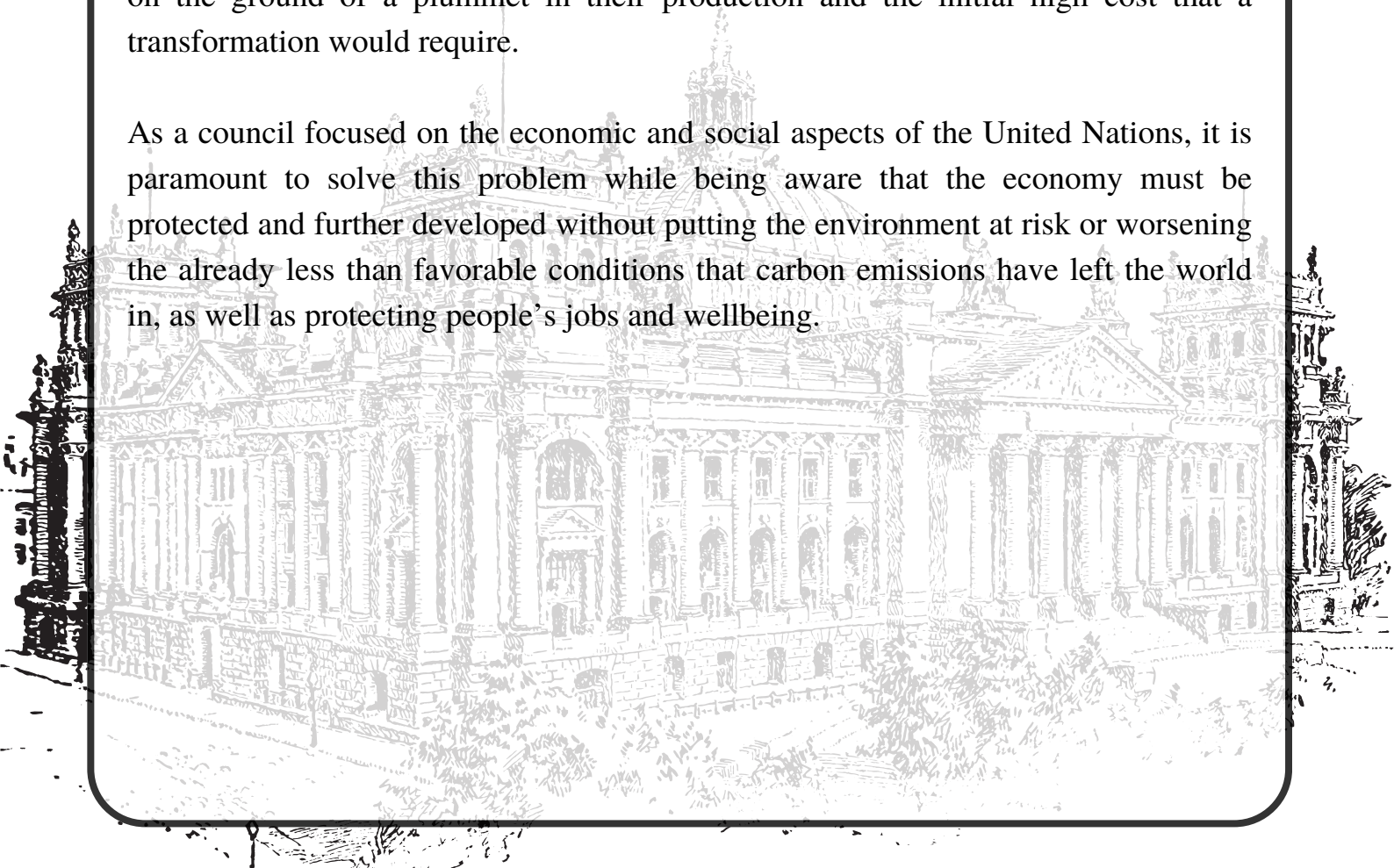
As a reminder, the GDP of a country can be seen as a direct influence on a country's wellness index, seeing as the higher the GDP is, the more resources and opportunities are available for the population, thus bettering the overall life quality. While it is not always the case that these two go hand in hand, the GDP remains an important monetary indicator, showing the economic health of a place, which benefits society as well as allowing to determine financial changes before they occur, maintaining economic stability and health. A strong economy means a large influence in relation to other countries as well as their dependency on one another, making nations more powerful and relevant for alliances, benefits, and common interests. An example thereof is China, with the world's second largest economy which can be determined by their 17.963.2-billion-dollar GDP.

However, with the growth of a country's GDP comes the steady increase in their carbon emissions, as a study from 'Our World in Data' shows, acknowledging that higher GDP per capita regularly emits a higher rate of CO₂ emissions as well, once again being manifested by China, whose carbon footprint is close to 11680.42.

The carbon footprint has been an issue that has grown to a worrisome level throughout the years, seeing the alarming numbers projected for 2023 vary. The growing carbon emissions have potentially devastating consequences on the long term, for instance the melting of glaciers and ice sheets which causes sea levels to rise; and drastic changes in temperature, which can affect harvests and the basic ability for people to feed themselves in the future, describing the known phenomenon called Global Warming. The numbers for 2021 have been worrisome since they faced an unprecedented peak of 15.3 billion tons of CO₂ emissions.

However, the effort to reduce a country's carbon emissions often targets their economy and agreements with other countries, such as the FTA (Free Trade Agreements) or RTA (Regional Trade Agreements), which is not in the best interests of any country with intentions of maintaining a stable financial system. The global economy is currently very much dependent on fossil fuels and non-renewable energy resources, which means that a transition will not be easy and could be potentially damaging for the financial state, causing 32 million people to lose their jobs. The efficiency of renewable energy resources does not match the one from natural gas, for example, meaning large companies that are crucial to the change will not consent on the ground of a plummet in their production and the initial high cost that a transformation would require.

As a council focused on the economic and social aspects of the United Nations, it is paramount to solve this problem while being aware that the economy must be protected and further developed without putting the environment at risk or worsening the already less than favorable conditions that carbon emissions have left the world in, as well as protecting people's jobs and wellbeing.



TOPIC 2: THE ABOLITION OF TAX HAVENS

Tax havens refer to countries or jurisdictions that offer favorable tax treatment and financial secrecy to attract foreign individuals and businesses seeking to minimize their tax liabilities and protect their assets. According to the Tax Justice Network, the three nations with the highest Corporate Tax Haven Index value (measure to determine how much corporate financial activity it puts at risk of corporate tax abuse) are the British Virgin Islands, the Cayman Islands and the Bermuda Islands. These jurisdictions provide low or zero tax rates on certain types of income and assets, coupled with strict confidentiality laws and limited financial transparency. While tax havens can serve legitimate purposes such as facilitating cross-border investment and international business activities, they have increasingly come under scrutiny for enabling tax avoidance, evasion, and financial misconduct. Critics argue that tax havens contribute to a global tax imbalance, where multinational corporations and wealthy individuals exploit loopholes to shift profits to low-tax or no-tax jurisdictions, leaving other countries with reduced tax revenues to fund essential public services and infrastructure like schools and hospitals. The lack of financial transparency in tax havens also hampers efforts to combat money laundering, corruption, and other illicit financial activities. As a result, there is growing concern among policymakers and international organizations about the role of tax havens in eroding the fairness and integrity of the global tax system.

Several investigations and leaks have shed light on the fact that tax havens are used to take advantage of tax avoidance or evasion, among these leaks are the Panama Papers. The Panama Papers is a massive leak of 11.5 million documents that were published in April 2016 by the International Consortium of Investigative Journalists (ICIJ). The leaked documents came from the Panamanian law firm Mossack Fonseca, which specialized in creating offshore entities and providing services related to offshore financial activities. The leaked documents exposed the financial dealings of numerous individuals and entities worldwide, including politicians, wealthy individuals, celebrities, and corporations. The Panama Papers revealed the use of anonymous shell companies and offshore structures to hide assets, evade taxes, and conduct financial activities in secrecy.

Nevertheless, there is also possibilities that the decision of different tax rights can uplift a small country and help it develop. Tax havens can attract foreign investment capital flows, which can stimulate economic growth and create employment opportunities.

It can also potentially benefit Financial Services Sector Growth. By establishing themselves as tax havens it can help the country develop a thriving financial services sector, generating revenue and employment in related industries.

There are two fundamental perspectives on tax havens, which allows delegates to have an informed debate and we are excited for you to come to a solution to this worldwide problem.



QARMAS

QARMAS TOPIC 1

- 1.How does a country's GDP affect its society?
- 2.What are sustainable and renewable energy resources, and how can they be implemented?
- 3.How dependent is your nation on non-renewable energy resources?
- 4.How strong is the economy of your country and will it be threatened by a transition?
- 5.What projects are already in place to reduce the carbon footprint?
- 6.Will any other countries and treaties be affected by the decisions of your own?

QARMAS TOPIC 2

- 1.What are tax havens, and how do they work?
- 2.How do tax havens impact the global economy?
- 3.What are the advantages and disadvantages of tax havens for countries and individuals?
- 4.Do tax havens facilitate money laundering and illicit financial activities?
- 5.How do tax havens impact developing countries?
- 6.What steps are being taken to address tax evasion and tax avoidance through tax havens?
- 7.Do tax havens contribute to a fair or unfair global tax system?
- 8.What are the fiscal laws in your nation? Has the nation taken a position regarding the topic of tax havens?



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