

FORUM: GA2 (Economic and Financial)

QUESTION OF: The Question of the Importance of Long-Term Investment in Infrastructure

SUBMITTED BY: The Russian Federation

CO-SUBMITTERS: The United Arab Emirates, Armenia, Montenegro, Russia, Croatia, Belgium, Colombia, Saudi Arabia, Qatar, Italy, Maldives, Sri Lanka, Malta, Tunisia, Bolivia, Somalia, Egypt, Trinidad & Tobago, Lebanon, Malawi

THE GENERAL ASSEMBLY,

Declaring infrastructure as the physical organization of structures and facilities encompassing physical structures as well as institutions and human capabilities,

Emphasizing the catalytic role infrastructure plays in fostering economic growth, reducing poverty and inequality by facilitating accessibility in all countries, particularly in landlocked developing countries, where investment in infrastructure can support economic growth,

Recognizing that Western Europe's infrastructure economic multiplier for 1995-2016 was 2.4,

Referring to goal 9 of the Sustainable Development Goals (SDG): "build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation",

Recalling ECOSOC's May 16th 2016 Resolution on "Infrastructure for sustainable development for all",

Congratulating the diverse international development funds and banks such as the BRICS New Development Bank, Asian Infrastructure Development Bank, the European Investment Bank and the UN office for project services,

1. Suggests the creation of a ranking system, primarily in LEDCs, to evaluate the viability of a nation's economy for foreign investment in infrastructure based on:
 - a) economic potential characterized by:
 - i. steadily growing GDP over the past 5 years
 - ii. low inflation rate which would not negatively affect corporate profits
 - iii. stable currency and lack of volatile swings in exchange rates and financial markets
 - iv. low budget deficit
 - v. rise in FDI (Foreign Direct Investment) over the past 5 years;
 - b) transparency through:
 - i. the promotion of open contracts calling upon UN supported NGOs such as the OECD and the FATF to provide quarterly reports of the countries' progress and have those results published publicly
 - ii. recommending that all investments and transactions be subjected to the FATF (Financial Action Task Force's '40 Recommendations on Money Laundering, Terrorist Financing and Proliferation Financing'), the International standard for Anti money-laundering laws (AML) and combating terrorism funding (CTF) laws.
2. Calls upon member nations with the collaboration of the OECD, to create Monitoring Agencies with the aim of:
 - a) surveying for needed infrastructure within member states, as well as locations for needed infrastructure, while monitoring already existing infrastructure, as well as new infrastructure projects
 - b) monitoring all funds in order to measure and assess loans and funds of infrastructure investment, focusing on the proper use of investments
 - c) encouraging the creation of private investor programs, such as the 'OECD Project on Institutional Investors and Long-term Investment' by UNOPS where necessary, by offering

fiscal tax incentives to businesses and organizations in the private sector in return for funding

- d) encouraging the creation of a coalition of Member Nations' Sovereign Wealth Funds that would:
 - i. accordingly allocate funds to appropriate countries based on the precedent metrics,
 - ii. determine the amount of funds provided after having conducted a comprehensive analysis into the requirements of each nation as well as the specific enterprises and sectors of the economy;
3. Invites Member States to reduce any trade barriers that limit Foreign Direct Investment (FDI) and deter other Nations or Firms from financing infrastructure projects by:
 - a) opening and liberalizing their markets
 - b) increasing transparency surrounding invaluable information relevant to the infrastructure;
4. Asks Member States to promote Public-Private Partnerships (PPPs) by establishing institutional agreements and legal regulatory frameworks, in order to further long-term investment in infrastructure by means such as but not limited to:
 - a) signing Bilateral Investment Treaties (BIT) or Multilateral Investment Treaties (MIT)
 - i. improving international relations as several countries are involved in the treaties
 - ii. additionally establishing boundaries between private companies and the state's expectations in order to achieve mutually beneficial goals;
5. Recommends Member States to further invest in infrastructure by:
 - a) increasing the budget on infrastructure investment through:
 - i. deficit spending, taking into account the multiplier effect
 - ii. lowering government expenditure
 - iii. raising the level of infrastructure investment to at least 2% more than current investment
 - b) providing preferential policies for infrastructure investors and builders through:
 - i. reducing investment tax drastically in order to create incentive for investment through private companies.
 - ii. presenting annual awards to outstanding investors;
6. Encourages the active participation of governments to regulate and control tax payments of corporations to avoid tax evasion and therefore recuperate tax money for public funds to invest in infrastructure by:
 - a) accepting regular inspections administered by UN approved NGOs such as the EFCC and UNODC
 - b) incremental budgeting by means of software analysis, supervised by the UN, such as:
 - i. balance sheets that report a company's assets, liabilities and shareholder equity, stressing what the company owns and owes
 - ii. invoices which are commercial electronic records that will specify transactions between buyers and sellers;
7. Further encourages the incentivizing of long-term investment in infrastructure that takes into account the carbon footprint and impact of climate change and supports the fulfillment of the development vision laid out in the 2030 Agenda for Sustainable Development by means such as but not limited to:
 - a) using green or sustainability-related instruments or funds for infrastructure projects to attract Environmental, Social and Governance (ESG)
 - b) urging development banks to maintain social and environmental safeguard systems that include:
 - i. human rights
 - ii. gender equality

- c) building resilient infrastructure that takes into account potential natural and man-made disasters;
8. Encourages the creation of an annual conference to be held in Geneva, Switzerland to be attended by UN member states, UNOPS and any other relevant NGOs and UNOs, to promote international cooperation for transnational infrastructure with the aim of:
- a) finding ways to expedite and find sustainable and feasible approaches to transnational projects, especially in the transportation and energy sectors,
 - b) focusing particular interest on land-locked countries, especially in Africa and Central Asia, which are interested in regional development efforts that include the creation of transnational transportation corridors.