

OECD Japan LAMUN XXVII

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Capítulo 1

Committee - Organization for Economic Cooperation and Development

1.1. Some Terms

1.1.1. Market

An actual or nominal place where forces of demand and supply operate, and where buyers and sellers interact (directly or through intermediaries) to trade goods, services, or contracts or instruments, for money or barter. Markets include mechanisms or means for (1) determining price of the traded item, (2) communicating the price information, (3) facilitating deals and transactions, and (4) effecting distribution. The market for a particular item is made up of existing and potential customers who need it and have the ability and willingness to pay for it.

Market Economy A market economy is an economy in which decisions regarding investment, production and distribution are based on supply and demand, and prices of goods and services are determined in a free price system. The major defining characteristic of a market economy is that decisions on investment and the allocation of producer goods are mainly made through markets.

Market Structure The interconnected characteristics of a market, such as the number and relative strength of buyers and sellers and degree of collusion among them, level and forms of competition, extent of product differentiation, and ease of entry into and exit from the market. Four basic types of market structure are:

1. Perfect competition: many buyers and sellers, none being able to influence prices.
2. Oligopoly: several large sellers who have some control over the prices.
3. Monopoly: single seller with considerable control over supply and prices.

4. Monopsony: single buyer with considerable control over demand and prices.

Market value The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.

Market Based Environmental policy instruments (MBIs) Market-based instruments are regulations that encourage behavior through market signals rather than through explicit directives regarding pollution control levels or methods. These policy instruments, such as tradable permits or pollution charges, are often described as *harnessing market forces* because if they are well designed and implemented, they encourage firms (and/or individuals) to undertake pollution control efforts that are in their own interests and that collectively meet policy goals. By way of contrast, conventional approaches to regulating the environment are often referred to as *command-and-control* regulations, since they allow relatively little flexibility in the means of achieving goals.

1.1.2. Taxation

A mean by which governments finance their expenditure by imposing charges on citizens and corporate entities. Governments use taxation to encourage or discourage certain economic decisions. For example, reduction in taxable personal (or household) income by the amount paid as interest on home mortgage loans results in greater construction activity, and generates more jobs.

Tax Haven Generic term for a geographical area outside the jurisdiction of one's home country which imposes only a few restrictions on legitimate business-activities within its jurisdiction, and little or no income tax. Offshore havens generally provide international banking and financial services, and promise privacy of deposits and earnings. In effect, however, almost every country (in one way or the other) is a tax haven for non-nationals because it wants to attract foreign capital by offering incentives. Also called low tax jurisdiction, non tax jurisdiction, or offshore haven.

Harmful Tax Competition noncooperative tax setting by independent governments. at this point, it is necessary to identified and asses the key factors of these practices.

1. a) No or low effective tax rates A low or zero effective tax rate on the relevant income is a necessary starting point for an examination of whether a preferential tax regime is harmful. A zero or low effective tax rate may arise because the schedule rate itself is very low or because of the way in which a country defines the tax base to which the rate is applied. A harmful preferential tax regime will be characterised by a combination of a low or zero effective tax rate and one or more other factors set out in this Box and, where relevant, in this section.
2. b) «Ring fencing» of regimes Some preferential tax regimes are partly or fully insulated from the domestic markets of the country providing the regime. The fact that a country feels the need to protect its own economy

from the regime by ring-fencing provides a strong indication that a regime has the potential to create harmful spillover effects. Ring-fencing may take a number of forms, including:

a regime may explicitly or implicitly exclude resident taxpayers from taking advantage of its benefits.

enterprises which benefit from the regime may be explicitly or implicitly prohibited from operating in the domestic market.

3. c) Lack of transparency The lack of transparency in the operation of a regime will make it harder for the home country to take defensive measures. Non-transparency may arise from the way in which a regime is designed and administered. Non-transparency is a broad concept that includes, among others, favourable application of laws and regulations, negotiable tax provisions, and a failure to make widely available administrative practices.
4. d) Lack of effective exchange of information The lack of effective exchange of information in relation to taxpayers benefiting from the operation of a preferential tax regime is a strong indication that a country is engaging in harmful tax competition.

1.1.3. Indexes

Statistical device which summarizes a collection of data (usually related to the price or quantity of a 'basket of goods and services) in a single base figure. This composite figure serves as a benchmark for measuring changes in the price or quantity data over a period (month, quarter, and year). Usually, the base is assigned an arbitrary value of 100 and all subsequent data is expressed in relation to this base. For example, the consume price index (CPI) of a year might stand at 95 (to indicate a fall of 5 percent in the prices) or 105 (to indicate an increase of 5 percent in the prices). Indexes also measure up and down movement of industrial production, and of the market prices of bonds, commodities, shares, etc.

OECD Better Life Index This Index allows you to compare well-being across countries, based on 11 topics the OECD has identified as essential, in the areas of material living conditions and quality of life.

1. Income and Wealth: Household net adjusted disposable income; Household net financial wealth.
2. Jobs and Earnings: Employment rate; long term unemployment rate; average gross annual earnings of full-time employees/ Personal earnings; Job security/stability.
3. Housing: Number of rooms per person/ Rooms per person; Dwellings without basic facilities; Housing expenditure.
4. Health Status: Life expectancy at birth; Self-reported health status.
5. Work and Life: Employees working very long hours; Time devoted to leisure and personal care.

6. Education and Skills: Educational attainment; Students cognitive skills; Expected years in education.
7. Social Connections: Social network support
8. Civil Engagement and Governance: Consultation on rule-making; Voter turnout.
9. Environmental Quality: Air pollution; Satisfaction with water quality.
10. Personal Security: Intentional homicides/ Homicides rates; Self-reported victimisation/ Assault rate.
11. Subjective Well-being: Life satisfaction.

Human Development Index the Human Development Index (HDI) is a composite statistic of life expectancy, education, and income indexes used to rank countries into four tiers of human development. It was created by the Pakistani economist Mahbub ul Haq and the Indian economist Amartya Sen in 1990 and was published by the United Nations Development Programme. starting with the 2010 Human Development Report the HDI combines three dimensions:

1. A long and healthy life: Life expectancy at birth
2. Education index: Mean years of schooling and Expected years of schooling
3. A decent standard of living: GNI per capita (PPP US\$)

Gross Domestic Product the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

$$GDP = C + G + I + NX \quad (1.1)$$

Where:

1. C is equal to all private consumption, or consumer spending, in a nation's economy
2. G is the sum of government spending
3. I is the sum of all the country's businesses spending on capital
4. NX is the nation's total net exports, calculated as total exports minus total imports. ($NX = Exports - Imports$)

Gross Domestic Income

Gross National Product

Sovereign Investment Fund They are state owned funds that are usually composed of the budgetary surplus states sometimes own. This is the case of States that have little or no international debt. In other words these funds are the savings of the state, they exist because liquidity excess is sometimes not desirable, some uses of these funds are:

1. as saving for unexpected situations (called war chests),
2. when states depend greatly on commodities they use SWFs because of the properties of resource revenue (price volatility, unpredictability of extraction, and exhaustibility of resources)
3. counter the boom-bust cycles adverse effect on government spending and the national economy (Stabilization SWF)
4. build up savings for future generations (Savings SWF)
5. diversify from non-renewable commodities exports
6. Earn greater revenues than on foreign exchange reserves
7. dissipation of unwated liquidity through assistance to monetary institutions
8. Funding of social and economical development
9. Sustainable capital growth
10. Political use

Since it involves enormous amounts of money, as the amount rises, its relevance to the market increases and so it does its possible impact on various market assets, they could be used as a political tool to force a country through a economical manouver. Furfhtermore their transparency is not the best and this could backfire the objective of a fund.

To control the possible undesirable side effects of the funds and their administration, governments adhere to a set of rules:

1. Accumulation rule (what portion of revenue can be spent/saved)
2. Withdraw rule (when the Government can withdraw from the fund)
3. Investment (where revenue can be invested in foreign or domestic assets)

Polluter-Pays Principle Is the policy of making a polluter of some sort pays for the enviromental consequences of its acts, thus placing the responsibility of enviromental responsibility in the actors creating it instead of the government only.

1.2. Reasons of its creation

It was created as the channel to promote and stimulate economic progress and world trade, for the reconstruction of Europe after WWII, this initiative was led by France to help the implementation of the Marshall Plan. In 1960, with the Convention on the Organisation for Economic Co-operation and Development the membership of the organization was extended to non European Countries, most of the members are developed countries. The extension of membership was twofold, first because after Europe emerged from the WWII economic troubles it also witnessed the creation of the European Union, the European Economic Community and many others whose members applied for membership in order to obtain all the capabilities, economically speaking, that are thriving in this powerful group of nations.

1.3. Powers and Functions

The capacity of decision and action of the organization is the consequence of soft law, the creation of manuals, guidelines, recommendations, best practices and agreements, the OCDE creates a path to treaties and hard law. The OECD plays an important role in the fight against corruption, bribery and spam, furthermore, it works with Enterprises and civil society groups. The OECD also played an important role against tax havens in 2009 and constantly oversees the use of taxes by governments.

Also as a statistical and informative organization it plays an important role communicating and revealing information globally.

Aims - Article 1 of the OECD Convention

1. achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
2. to contribute to sound economic expansion in Member as well as nonmember countries in the process of economic development;
3. to contribute to the expansion of world trade on a multilateral, nondiscriminatory basis in accordance with international obligations.

Powers - Article 5 of the OECD Convention

1. take decisions which, except as otherwise provided, shall be binding on all the Members;
2. make recommendations to Members; and
3. enter into agreements with Members, non-member States and international organisations.

Decision making - Article 6 of the OECD Convention The OECD Council is the organ that takes decisions, all by consensus.

1. Unless the Organisation otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the Members.
2. Each Member shall have one vote. If a Member abstains from voting on a decision or recommendation, such abstention shall not invalidate the decision or recommendation, which shall be applicable to the other Members but not to the abstaining Member.
3. No decision shall be binding on any Member until it has complied with the requirements of its own constitutional procedures. The other Members may agree that such a decision shall apply provisionally to them.

1.4. Organizational Structure

The structure of the OECD is made of 3 main instances,

1. The Council, made of all member countries, they provide direction and guidance to the work of the Organization. Is the decision making organ, decisions are made by consensus. The council meetings are chaired by the SG.
 - Economics Department
 - Environment Directorate
 - Public Governance and Territorial Development Directorate
 - Statistics Directorate
 - Trade and Agriculture Directorate
 - General Secretariat
 - Executive Directorate
 - Public Affairs and Communication Directorate
2. The Secretariat, led by the SG(Mexico), provices support to the Standing and Substantive committees, it is organized into directorates
 - Centre for Entrepreneurship, Small and Medium Enterprises (SMEs) and Local Development
 - Centre for Tax Policy and Administration
 - Development Cooperation Directorate**
 - Directorate for Education
 - Directorate for Employment, Labour, and Social Affairs
 - Directorate for Financial and Enterprise Affairs
 - Directorate for Science, Technology, and Industry
3. The Substantive Committees, they address the areas of interest of the OECD, the member of those commissions are typically experts from both member and non-member states.
 - Africa Partnership Forum
 - Business and Industry Advisory Committee (BIAC)
 - Development Assistance Committee
 - OECD Development Centre
 - Institutional Management in Higher Education (IMHE)

International Transport Forum (ITF) (formally known as the European Conference of Ministers of Transport)

International Energy Agency

Nuclear Energy Agency
Partnership for Democratic Governance (PDG)
Sahel and West Africa Club
Trade Union Advisory Committee (TUAC)

Also the OECD has special events and meetings that are of the outmost importance. Some of those are

1. Yearly Ministerial Council meeting
2. Annual OECD Forum
3. Thematic Ministerial Meetings
4. Bi-annual World Forum on Statistics, Knowledge and policies

1.5. Coop Committees

1. European Council
2. IRENA
3. UNDP
4. **Asian Development Bank - Presiding**
5. European Investment Bank
6. Inter-American Development Bank
7. International Labour Organization
8. UNCTAD
9. World Bank
10. World Health Organization
11. African Development Bank
12. APEC
13. FAO
14. International Monetary Fund
15. UN Economic Commission for Africa
16. UNESCO
17. World Trade Organization

1.6. Relevant Documents

1.6.1. Convention on the Organisation for Economic Cooperation and Development

Is the Document that creates the organization that supersedes the Organization for economic cooperation and development in Europe as a consequence that Europe was rebuilt.

1.6.2. Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

Document that states the policies states should follow to fight corruption through bribery of foreign public officials.

1. It calls for the criminalization of the bribery of public foreign officials
2. the offence will also comprehend incitement, aiding and abetting, or authorisation of an act of bribery of a foreign public official.
3. The sanctions and penalties will be equivalent to bribing a national public officer,
4. Parties cannot allow off-the-book accounts, expenditures or transactions,
5. there will be dual criminality if the offence is within the scope of the Convention when a party asks for legal assistance to another and dual criminality is a condition for such assistance
6. Bank secrecy is not a argument to deny legal assistance
7. bribery is a extraditable offence and if the country needs an extradition treaty, the adhesion to the convention should suffice.
8. Open for signature 17 December 1997 Entry into force on 15 February 1999

1.6.3. Declaration on Environment: Resource for the Future C(85)111

published 20th June 1985. OECD + Yugoslavia.

1. Outdated
2. The Enviroment should be considered as fundamental part of new economic policies, thus it will be taken into account in the early stages of the policy in the areas of transport, agriculture, energy and industry.
3. improvement of enviromental quality in Urban areas is a must
4. Overall pollution reduction, no selectivity with the pollution of the industry.
5. Implementation of *vigorous* national and international policies for pollution and acid deposition levels reduction
6. Continous enhancement of chemical control, from manufacture to ultimate disposal
7. Seek to introduce more **flexibility, efficiency and cost-effectiveness in the design and enforcement of pollution control measures** in particular through a consistent application of the *Polluter-Pays* Principle and a more effective use of economic instruments in conjunction with regulations
8. natural resources management improvement, integrated approach specially for long-term resources accountability and economic sustainability

1.6.4. Declaration on Environmental Policy - C/M(74)26/FINAL

published 14th November 1974

1. Outdated
2. The protection and progressive improvement of the quality of the environment is a major objective of the OECD Member countries
3. Economic growth should include components and considerations of environment and quality of life, and cease to be just quantity of goods produced/-consumed. Therefore economic and social policies have a new component to consider and ensure.
4. The operations related to energy and energy resources should take place under conditions that safeguard environmental values.
5. Promotes:
 - non-polluting tech
 - conservation of energy and other scarce resources
 - material recycling
 - substitution of hazardous substances
6. Refinement of *Polluter-Pays* principle
7. Significant public and private activities should acquire environmental assessment over the consequences of their activities in order to prevent future environmental deterioration.

1.6.5. Declaration on Policy Coherence for Development - C/MIN(2008)2/FINAL

published 4th June 2008

1. Enhance understanding of the development dimensions of our policies and their impacts on poverty reduction
2. greater coherence and coordination between the various international arrangements and institutions to maximize the profits from globalization
3. Increase in quality and quantity of aid for developing countries, furthermore the same principle must be taken specially to key economic sectors of those countries.

1.6.6. Declaration on Sovereign Wealth Funds and Recipient Country Policies - C/MIN(2008)8/FINAL

published 5th June 2008

1. SWFs cannot be driven by political objectives
2. SWFs are highly reliable and useful for sustained economic growth
3. IMF is of importance to provide best practices and transparency assessment

4. Recipient countries should not erect protectionism neither discriminate on investors in like circumstances.
5. Investment restrictions allowed only if general policies are incompatible with national security concerns
6. Safeguards by recipient countries are:
 - Transparent and predictable
 - Proportional to clearly-identified national security risks, and
 - Subject to accountability in their application.

1.6.7. Declaration on Green Growth - C/MIN(2009)5/ADD1/FINAL

published on 25th June 2009

1. Through the use of market based instruments governments will push for a response from the private sector, seeking a low carbon society with intensive R+D investment
2. Elimination of fossil fuel subsidies and other national policies harmful to green growth
3. coordination of green growth measures with labour market and human capital formation policies. Aiming for green jobs to carry on green growth
4. Liberalisation of trade in environmental goods and services in green growth must match international trade obligations
5. Creates the horizontal Green Growth Strategy

1.6.8. Decision of the Council on International Investment Incentives and Disincentives - C(84)92

published 17 May 1984

1. Outdated
2. In the case the flow of investment of one country are affected by another flow from other country the Committee on International Investment and Multinational Enterprises should conduct consultations to examine the possibility of reducing the effect to a minimum.
3. the Business and Industry Advisory Committee to OECD (BIAC) and the Trade Union Advisory Committee to OECD (TUAC) will work in the consultations

1.6.9. Recommendation of the Council on Improving the Environmental Performance of Government - C(96)39/FINAL

published on 20 February 1996

1. Continuous enhancement of governmental environmental performance by integration into all aspects of the operations

2. Set goals for critical natural resources, day to day operations.
3. Waste minimization in building construction
4. Environmental management principles for government run facilities
5. Main target of evaluation
 - Major public investment projects
 - Incentive and disincentive instruments for improving efficiency; and,
 - Technologies to enhance environmental performance.
6. Best practice creation, dissemination and absorption.
7. Develop government official awareness
8. Establish effective consultation mechanisms for environmental policy integration and decision making

1.6.10. Recommendation of the Council on Integrated Pollution Prevention and Control - C(90)164/FINAL

published 31 January 1991

1. National legal framework for integrated pollution prevention and control, evaluating there are not possible setbacks or impediments, removing legal instruments that pose impediment and adoption of new laws if necessary.
2. Increased care of use of chemical and hazardous substances and enhancement of best practices in countries to prevent or mitigate environmental damage
3. Pollution prevention and control can be achieved by
 - a) Issuing single permits, covering all releases and processes;
 - b) Linking environmental instruments with land-use planning and natural resource management systems and the regulation of services such as transport and other communications;
 - c) Undertaking environmental impact assessments for policy proposals and projects;
 - d) Policy planning to develop strategies to achieve overall improvement of environmental quality;
 - e) Establishing integrated inspection and enforcement authorities;
 - f) Using economic instruments;
 - g) Encouraging and/or subsidizing development of cleaner technologies; and
 - h) Covering whole life cycle issues in the development of industry management plans.

4. Technical methods for integrated pollution prevention and control should also have an integrated character, such as:

The lifecycle of the product and its environmental lifecycle

Analysis of multiple pathways of exposure

Coupling inventory inputs to releases of environmental media to enable a *mass balance account*

Monitoring the condition of the environmental media and the life and culture they support

1.6.11. Recommendation of the Council on Regulatory Policy and Governance - C(2012)37

published on 22 March 2012

1. Highest political level of commitment to whole-of-government policy for regulatory quality. Clear objectives are a must.
2. Adhere to principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest
3. Institutions for oversight and support of regulatory policies
4. Regulatory Impact assessment into early stages of the policies for improvement
5. As appropriate apply risk assessment, risk management, and risk communication strategies to the design and implementation of regulations to ensure that regulation is targeted and effective
6. Where appropriate promote regulatory coherence through co-ordination mechanisms between the supranational, the national and sub-national levels of government. Identify cross-cutting regulatory issues at all levels of government, to promote coherence between regulatory approaches and avoid duplication or conflict of regulations
7. Adopt a continuous policy cycle for regulatory decision-making, from identifying policy objectives to regulatory design to evaluation
8. Consider the impacts of regulation on competitiveness and economic growth
9. A standing body charged with regulatory oversight should be established close to the centre of government, to ensure that regulation serves whole-of-government policy
10. *ex ante* assess everything, from alternative policies to cost, risk and results.

1.6.12. Recommendation of the Council on Resource Productivity - C(2008)40

published on 28 March 2008.

1. Improve the scientific knowledge concerning the environmental impacts and costs of resource use throughout the entire life cycle of materials and the products that embody them, from natural resource extraction and manufacturing to end of life management
2. Promote integrated life-cycle-oriented approaches, such as 3R policies (Reduce, Reuse, and Recycle), sustainable materials management and sustainable manufacturing as an input to decision-making and to increasing coherence among policies

1.6.13. Recommendation of the Council on the Use of Economic Instruments in Environmental Policy - C(90)177/FINAL

published on 31 January 1991 These recommendations apply to

1. Charges and Taxes
2. Marketable Permits
3. Deposit-Refund Systems
4. Financial Assistance

The choice is made against five criteria

1. Environmental Effectiveness
2. Economic efficiency
3. Equity
4. Administrative feasibility and cost
5. Acceptability

Guidelines for implementation

1. Clear Framework and Objectives
2. Well Defined Field of Operation
3. Simple Mode of Operation
4. Acceptability
5. Integration with Sectorial Policies
6. Assessment of Economic and Distributive Consequences
7. Conformity with General Principles of National and International Trade, Fiscal and Environmental Policy

1.7. Relevant Procedures

Budget Is made by contributions of member states, United States is number 1 followed by Japan. It is arranged bi-annually and organised on a result-based system. Independent external auditing of the Organisation's accounts and financial management is performed by a Supreme Audit Institution of an OECD member country, appointed by the Council. The OECD budget for 2013 is EUR 354 million.

1.8. Other Documents and information

Coop with non members In 2003, the OECD established a working group headed by Japan's Ambassador to the OECD Seiichiro Noboru to work out a strategy for the enlargement and co-operation with non-members. The working group proposed that the selection of candidate countries to be based on four criteria: "like-mindedness", "significant player", "mutual benefit" and "global considerations". As a result of this work, on 16 May 2007, the OECD Ministerial Council decided to open accession discussions with Chile, Estonia, Israel, Russia and Slovenia and to strengthen co-operation with Brazil, China, India, Indonesia and South Africa through a process of enhanced engagement. Chile, Slovenia, Israel and Estonia all became members in 2010.

Golden Years objectives The OECD has been active for more than 50 years, at this turning point they released four main areas of focus for the development in member countries

1. First and foremost, governments need to restore confidence in markets and the institutions and companies that make them function. That will require improved regulation and more effective governance at all levels of political and business life.
2. Secondly, governments must re-establish healthy public finances as a basis for future sustainable economic growth.
3. In parallel, we are looking for ways to foster and support new sources of growth through innovation, environmentally friendly 'green growth' strategies and the development of emerging economies.
4. Finally, to underpin innovation and growth, we need to ensure that people of all ages can develop the skills to work productively and satisfyingly in the jobs of tomorrow.

The OECD core values

1. Objective: Our analyses and recommendations are independent and evidence-based.
2. Open: We encourage debate and a shared understanding of critical global issues.
3. Bold: We dare to challenge conventional wisdom starting with our own.

4. Pioneering: We identify and address emerging and long term challenges.
5. Ethical: Our credibility is built on trust, integrity and transparency.

OECD Guiding Principles for Regulatory Quality and Performance

1. Adopt at the political level broad programmes of regulatory reform that establish clear objectives and frameworks for implementation.
2. Assess impacts and review regulations systematically to ensure that they meet their intended objectives efficiently and effectively in a changing and complex economic and social environment
3. Ensure that regulations, regulatory institutions charged with implementation, and regulatory processes are transparent and non-discriminatory
4. Review and strengthen where necessary the scope, effectiveness and enforcement of competition policy
5. Design economic regulations in all sectors to stimulate competition and efficiency, and eliminate them except where clear evidence demonstrates that they are the best way to serve broad public interests.
6. Eliminate unnecessary regulatory barriers to trade and investment through continued liberalisation and enhance the consideration and better integration of market openness throughout the regulatory process, thus strengthening economic efficiency and competitiveness
7. Identify important linkages with other policy objectives and develop policies to achieve those objectives in ways that support reform

Capítulo 2

Country - The State of Japan

2.1. Government Structure

Emperor The Emperor is the symbol of Japan and of the unity of the people, performs the following acts in matters of state, with the advice and approval of the Cabinet, such as the promulgation of amendments of the Constitution, laws, cabinet orders and treaties, the convocation of the Diet, the dissolution of the House of Representatives, the proclamation of general election of members of the Diet, the attestation of the appointment and dismissal of Ministers of State and other officials as provided by laws, and of full powers and credentials of Ambassadors and Ministers, the awarding of honors, the attestation of instruments of ratification and other diplomatic documents as provided by laws, receiving foreign Ambassadors and Ministers and the performance of ceremonial functions, while he has no powers related to government. He also appoints the Prime Minister and the Chief Justice of the Supreme Court as designated by the Diet and the Cabinet respectively. In this respect, the position of the Emperor in postwar Japan differs from that in prewar days when the Emperor was the source of sovereign power. The Imperial Throne is dynastic and succeeded from father to son. The government of Japan is a constitutional monarchy where the power of the Emperor is limited, relegated primarily to ceremonial duties. His role is defined by the 1947 constitution as "the symbol of the state and of the unity of the people". Power is held chiefly by the Prime Minister of Japan and other elected members of the Diet, while sovereignty is vested in the Japanese people. The Emperor effectively acts as the head of state on diplomatic occasions. Akihito is the current Emperor of Japan. Naruhito, Crown Prince of Japan, stands as next in line to the throne.

Diet The National Diet, composed of two houses - the House of Representatives and the House of Councilors, is the highest organ of state power and the sole law-making organ of the State. The House of Representatives is composed of 480 members, of whom 300 are elected from the single-seat constituencies and 180 by the proportional representation system in which the nation is divided into 11 electoral blocs which according to size return between 6 and 30

members. Their term of office is 4 years, but shall be terminated, before the full term is up, if the House is dissolved. The total membership of the House of Councilors is 242, of whom 96 are elected by the proportional representation system from a single nationwide electoral district and 146 from 47 prefectural constituencies, each returning 2 to 8 members. Their term of office is 6 years, and a half of the members being elected every 3 years. Both Houses have the same power with some exceptional cases in which the decision of the House of Representatives precedes that of the House of Councilors. The Diet begins its 150 day ordinary session from January each year, which may be extended only once by the Diet. The Cabinet may determine to convoke extraordinary sessions whenever necessary. Cabinet Executive power is vested in the Cabinet, which consists of the Prime Minister and not more than 17 Ministers of State (including Ministers without portfolio and the Chief Cabinet Secretary) and is collectively responsible to the Diet. The Cabinet has to resign en masse when the post of Prime Minister becomes vacant or when the first session of the Diet is convoked after a general election of members of the House of Representatives. If the House of Representatives passes a non-confidence resolution or rejects a confidence resolution the Cabinet shall resign en masse, unless the House of Representatives is dissolved within ten days. Prime Minister, who is designated from among the members of the Diet by a resolution of the Diet and appointed by the Emperor, must be a civilian. Prime Minister appoints the Ministers of States and may dismiss them as he chooses. The Prime Minister, representing the Cabinet, submits bills to the Diet, reports to the Diet on general national affairs and foreign relations, and exercises control and supervision over various administrative branches. The Cabinet has the Cabinet Office and 11 Ministries, which are established by the respective Establishment Laws and are enumerated in the National Government Organization Law, as well as the Cabinet Secretariat, Cabinet Legislation Bureau, National Personnel Authority, Security Council of Japan, and other Cabinet organs. There is the Board of Audit which is a constitutionally independent organization to audit the final accounts of the State and other public corporations and agencies.

Judiciary The whole judicial power is vested in the Supreme Court, and in such inferior courts as High Courts, District Courts, Family Courts and Summary Courts. No extraordinary court can be established, nor can any organ of the Executive have final judicial power. The Justices of the Supreme Court, except the Chief Justice who is appointed by the Emperor, are appointed by the Cabinet. The Judges of inferior courts are also appointed by the Cabinet but only from a list of persons nominated by the Supreme Court.

2.2. Main political groups and ruling party

The **Liberal Democratic Party of Japan**, frequently abbreviated to LDP, or Lib Dems, is a major conservative political party in Japan. It is one of the most consistently successful political parties in the world. The LDP has been in power since 1955, except for a brief 11 month period between 1993 and 1994, and from 2009 to 2012. In the 2012 election it regained control of government. It holds 295 seats in the lower house and 115 seats in the upper house. The Party Leader is Shinzo Abe. It is a conservative party and is made up of various

conservative, nationalist and centrist factions. Other political parties are:

Democratic Party of Japan (Leader: Banri Kaieda) : Social liberalism. The DPJ is Japans second largest political party. It was formed in the late 1990s as a result of the merger of several anti-LDP parties. Its membership covers a broad spectrum of political beliefs, but it is generally perceived as a center-left party.

Japan Restoration Party (Leader: Shintaro Ishihara and Toru Hashimoto) : Japanese nationalism, neoconservatism, economic liberalism and administrative reform; formed by former Tokyo governor Shintaro Ishiharas Sunrise Party and former Osaka governor Toru Hashimotos Osaka Restoration Association. It is considered more right wing than the Liberal Democratic Party.

New Komeito (Leader: Natsuo Yamaguchi) : The New Komeito Party was formerly known as the Clean Government Political Assembly and the Komeito. At its foundation, the party was center-left, but it has trended rightwards as a participant in the LDPs governing coalitions. It is supported by the Buddhist new religious movement Soka Gakkai. It was Japans third largest party in the House of Representatives of Japan until the formation of Peoples Life First in 2012.

Your Party (Leader: Yoshimi Watanabe) : conservative liberalism, neo-liberalism, economic liberalism, libertarianism, anti-nuclear.

Japanese Communist Party (Leader: Kazuo Shii) : The Japanese Communist Party is Japans oldest party. It was formed in 1922 as an underground organization in the Empire of Japan, but was legalized after World War II during the Occupation. It used to be a communist party, but the party has recently shifted to a socialist party.

Peoples Life Party (Leader: Ichiro Ozawa) : Life Party was founded by Ichiro Ozawa and 14 other diet members who were in the Tomorrow Party of Japan after a leadership dispute between Ozawa and Yukiko Kada.

Social Democratic Party (Leader: Mizuho Fukushima) : SDP is a social democratic party. It is a successor of Japan Socialist Party, which had been Japans largest opposition party in the 1955 System.

Green Wind (Leader: Kuniko Tanioka) : a House of Councillors parliamentary group founded in July 2012, temporarily registered as a party from November to December 2012, opposed to joining TPP, VAT increase, nuclear power. May merge with Tomorrow Party of Japan in the near future.

New Party Daichi - True Democrats Muneo Suzuki : founded in December 2013 by New Party Daichi and ex-Democrats, Hokkaido regionalism, opposed to joining TPP.

New Renaissance Party (Leader: Yoichi Masuzoe) : conservatism, neo-liberalism.

Okinawa Socialist Masses Party (Leader: Keiko Itokazu) : social democracy, Okinawa regionalism.

2.3. Historical Facts that define the country

Japan has a long history with the first humans arriving around 35,000 B.C.. The position of Japan relative to the Asian mainland had played a significant role in the country's development. Although the archipelago is situated near the mainland, there is still a considerable amount of open sea, which separates the two landmasses. Throughout most of Japan's history, it has been closed to the outside world refusing to open its borders to foreigners. The sakoku policy, literal translation «locked country», enacted in 1633 by the Tokugawa Shogunate prevented foreigners from entering Japan on penalty of death. The same policy also prevented Japanese from leaving Japan.

The first historical documents mentioning Japan date to around the 5th century. Japanese myth holds that Emperor Jimmu was the first emperor of an imperial line that is still in place today. However, archaeological evidence gathered by a number of researchers place the imperial rule starting later around the third to seventh centuries AD, during the Kofun period. The following Asuka regime during the mid 8th century is noted for a more centralized Japan in which Chinese culture significantly influenced Japanese traditions.

Nara was the first centralized capital of the nation established in the late 8th century. The layout of the capital city was influenced by Chang an, the capital of China during that time. The Nara period was the last time that political power was held by the emperor. The following Heian period was characterized by an affluent aristocracy with eccentric social customs, and the moving of the capital from Nara to Kyoto. The capital city of Kyoto became the residence of Japans emperors until the late 19th century. Toward the end of the Heian period, the aristocracy lost their power and the Kamakura period marked the beginning of military rule. Regional warlords became powerful and often rose to become Shogun, a position that sometimes wielded more power than the Emperor. During this period, a caste system developed with the Shogun at the top. The Shogun controlled large areas of land and would divide it up and delegate responsibility to a Daimyo, or regional warlord. The Daimyo ruled with an army of Samarai who protected the land and its people. Feudal Japan did not allow for social mobility and marrying outside ones own caste was prohibited. After a succession of powerful Shogun, Japan fell into a state of near-anarchy as provinces declared war upon one another during the 15th century. In 1600 during the Azuchi-Momoyama period, Tokugawa Ieyasu moved to reunify the country and successfully established the Tokugawa Shogunate. Under the Tokugawa Shogunate the feudal system was re-established. During his reign, Tokugawa ruled from Edo, the location of present day Tokyo. Under the Tokugawa Shogunate the Edo period was a time of stability for the Japanese people, but there was little or no development when compared to other nations in the rest of the world during the same period. From 1852-1854, Commodore Matthew Perry negotiated a trade agreement between Japan and the United States. The government

at Tokyo was forced to agree to the demands of the United States as they were intimidated by the technologically advanced and heavily armed fleet of steam frigates under the command of Commodore Perry. The ships in Perrys fleet are now known in Japan as the « Black Ships» and have come to symbolize the threat imposed by western technology.

In 1867, the Tokugawa Shogunate collapsed, and gave way to the Meiji Restoration. The imperial capital was moved from Kyoto to Tokyo, renamed from Edo to Tokyo (Eastern Capital). Japan then directed their efforts toward industrialization and modernization. During World War I the United States and Japan fought on the same side although relations were not favorable between the two nations due to policy disagreements over China and competition for power in the Pacific. After World War I Japan's economy began to decline and hit a low point during the Showa recession in 1926. The negative impact of the recession combined with domestic political turmoil (assassination attempts on the emperor, coups d'état attempts, terrorist violence) ultimately contributed to the increased militarism in Japan during the late 1920's and 1930's. Japanese imperialist policy aimed to dominate China to acquire its vast material reserves and natural resources. In the early 1930's there were many small-scale military engagements in so-called incidents"between the two sides. This culminated into a full-scale war in 1937. Western powers were reluctant to provide support to the Chinese who they thought would eventually lose the war. The United States entered the war in 1942 after the surprise attack on Pearl Harbor by Japanese forces. In 1945, atomic bombs were dropped on the Japanese cities of Hiroshima and Nagasaki and Japan surrendered soon afterward. After surrendering Japan was occupied by the Allied Forces marking the first time in the nation's history it had been occupied by a foreign power. After the occupation ended in 1951, Japan's government shifted from imperial and military rule to a parliamentary democracy.

Today, despite suffering massive losses during World War II and possessing very little natural resources, Japan has become an economic and technological powerhouse.

2.4. Basic Geographic and Demographic data

2.4.1. Geography.

1. Location: Eastern Asia, island chain between the North Pacific Ocean and the Sea of Japan, east of the Korean Peninsula
2. Total area: 377,915 sq km.
3. Area comparative: slightly smaller than California.
4. Climate: varies from tropical in south to cool temperate in north.
5. Natural resources: negligible mineral resources, fish. (note: with virtually no energy natural resources, Japan is the worlds largest importer of coal and liquefied natural gas, as well as the second largest importer of oil).
6. Environment (current issues): air pollution from power plant emissions results in acid rain; acidification of lakes and reservoirs degrading water

quality and threatening aquatic life; Japan is one of the largest consumers of fish and tropical timber, contributing to the depletion of these resources in Asia and elsewhere.

7. Environment (International Agreements): party to Antarctic-Environmental Protocol, Antarctic-Marine Living Resources, Antarctic Seals, Antarctic Treaty, Biodiversity, Climate Change, Climate Change-Kyoto Protocol, Desertification, Endangered Species, Environmental Modification, Hazardous Wastes, Law of the Sea, Marine Dumping, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, Tropical Timber 94, Wetlands, Whaling.

2.4.2. Demographic.

1. Nationality: Japanese.
2. Ethnic Groups: Japanese 98.5 %, Koreans 0.5 %, Chinese 0.4 %, other 0.6 %.
3. Language: Japanese.
4. Religions: Shintoism 83.9 %, Buddhism 71.4 %, Christianity 2 %, other 7.8 %.
5. Population: 127, 253,075 (July, 2013)
6. Urbanization: 91.3 % of total population is urban.

2.4.3. Economic

1. GDP \$
 - Purchasing Power parity 4.729 trillion
 - Official Exchange rate 5.007 trillion
 - Real Growth Rate 2 %
 - per Capita 37,100
 - composition by sector of origin: the main one is the Service Sector.
2. Gross national Savings 22,1 % of GDP
3. Inflation Rate 0.2 %
4. Public Debt 226.1 % of GDP
5. Exporters China 21.3 %, US 8.8 %, Australia 6.4 %, Saudi Arabia 6.2 %, UAE 5 %, South Korea 4.6 %, Qatar 4 % (2012)

2.5. Role in the Organization

Japan signed the Convention founding the Organization for Economic Co-Operation and Development on 28 April 1964, thereby pledged its full dedication to achieving the Organizations fundamental aims. Like all the member countries, the Japanese government maintains a permanent delegation to the OECD, composed of an ambassador and diplomats. As a member of the Council, Japans ambassador, in consultation with his peers, agrees the programme of work which is described in the annual report and establishes the volume of the annual budget, contributions being assessed according to the relative size of each countrys economy.

Members of the Japanese Delegation monitor the work of the OECDs various committees as well as the activities of the International Transport Forum (ITF), the International Energy Agency (IEA), the Nuclear Energy Agency (NEA) and the Sahel and West Africa Club (SWAC), of which Japan is a member.

Delegations thus play a vital communication role in providing liaison between the OECD Secretariat and national authorities. They represent their governments positions in multilateral negotiations, indicate areas in which their governments seek OECD expertise and endeavour to help disseminate OECD recommendations in their respective countries. In doing so, they ensure that there is a good fit between OECD work and the issues of concern in their country.

What are the benefits of OECD membership? The benefits for countries are many. Through its country surveys and comparable statistical and economic data, the OECD provides its member countries tools with which to analyse and monitor their economic, social and environmental policies. Countries can draw on the OECDs reservoir of expertise, including peer reviews, and they can access all of the research and analysis conducted by the Secretariat. Covering the full economic and social spectrum, this work could not be carried out by any one country alone.

In addition to its economic intelligence functions, the OECD is above all a forum within which countries can discuss and share national experience, identify best practices and find solutions to common problems. The OECD having working relationships with over 70 non-member economies, members benefit from dialogue and consultations with all players on the world scene, in a context of increased interdependence that demands Global Rules of the Game.

The OECD Tokyo Centre constitutes an additional advantage for Japan. As a regional contact point, the Centres role in communications is paramount, in that it can address targeted messages to all components of society, often in their own language.

2.6. Important Membership in other international organizations

1. APEC
2. G8
3. Asian Development Bank
4. Asia Productivity Organization
5. Association of Southeast nations (Observer) - ASEAN+3

- | | |
|--|--|
| 6. FAO | 16. OECD |
| 7. IAEA | 17. Paris Club |
| 8. International Bank for Reconstruction and Development and the International Development Association | 18. UNAFEI (United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders) |
| 9. International Finance Corporation | 19. United Nations Centre for Regional Development |
| 10. International Labour Organization | 20. UNDP |
| 11. IMF | 21. UNICEF |
| 12. International Development Organization | 22. UNIDO-ITPO (United Nations Industrial Development Organization-Investment and Technology Promotion) |
| 13. International Organization for Migration | 23. UNITAR |
| 14. International Tropical Timber Organization | 24. WFP |
| 15. Multilateral Investment Guarantee Agency | 25. WHO |
| | 26. WIPO |

2.7. Main Allies, Commercial and Political

1. USA
2. India
3. Canada
4. Mexico
5. France
6. UK
7. Germany

2.8. Resistance

1. South Korea
2. China
3. North Korea
4. Russia

2.9. Targets

1. Chile
2. Australia
3. New Zealand
4. South Korea
5. Peru
6. Colombia
7. Arab States

2.10. Interest, Statement and Policy

starting from the Three pillars of the Foreign Policy of Japan which are:

1. Japan-US Relations
2. Regional cooperation enhancement
3. Economic diplomacy as a national revitalizer

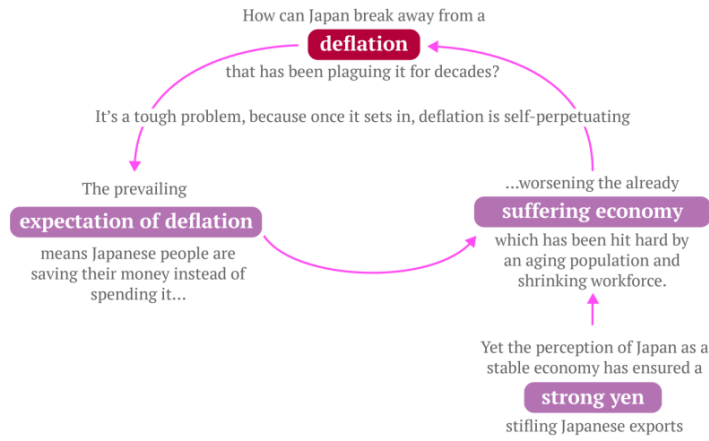
2.10.1. Abenomics

A general diagram explaining Abenomics is devised in figure 2.1 The purpose of the policy is to revitalize the economy, promote spending and break the deflation cycle.

Fiscal Stimulus Through short term government public work investment and increased government consumption the objective is to revive economic growth. This stimulus is going to embrace the reconstruction effort from the damages the last tsunami left meaning that the investment for reconstruction is not staying in special accounts, in consequence the amount bound to this end increases drastically. The goals of government investment are, reconstruction, renewable energy and disaster prevention. Downside: if this doesn't work the debt of Japan will increase gratly.

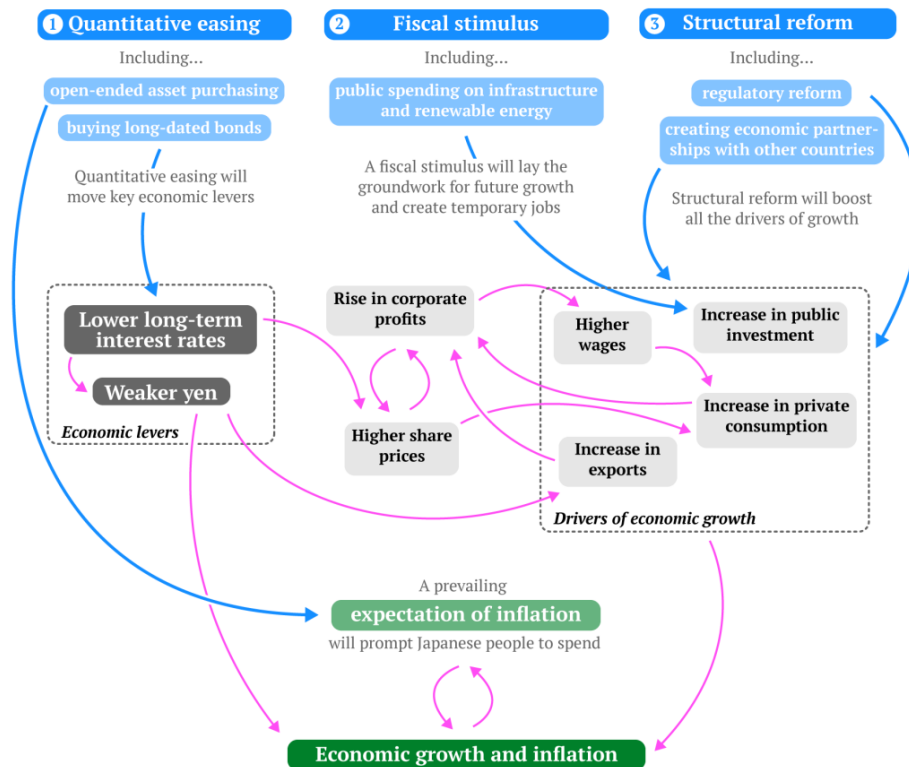
Monetary easing This is the main short term measure and its goal is the reduction of real interest rates and to stop the price downward spiral, with the weaking of the Yen (value decrease), there are rises on exports and an increase in corporate income. This fuels stock value, as it is easier to raise funds, thus making it easier to invest in business expansion. One of the goals of this policy is to reach 2% inflation. The idea of decreasing the real interest rate is to achieved by the open-end asset purchase through a zero-interest rate policy issued by the Central bank of Japan, afterwards the policy will turn into the purchasing of financial assets with no termination date.

The problem



Abenomics

Prime minister Shinzo Abe's approach to breaking out of the deflationary spiral involves three major policy pushes—the so-called **"three arrows."** Their effects are multi-faceted, but each is designed to ultimately spur economic growth.



Ritchie King | Quartz | qz.com

Chart inspired by the "Abenomics Handbook" by Nomura

Figura 2.1: Abenomics Diagram

Key themes proposed by the Headquarters for Japan's Economic Revitalization

Area	Specific policy direction
Promotion of regulatory reform	Key areas of focus for regulatory reform will be employment, energy/environment, and health/medical care. In particular, the government intends to make radical reforms in the medical field, with a view to enabling the global expansion of Japan's medical care industry.
Revamp of innovation/IT policies	Establishment of a society that attracts high-level personnel from all around the world
Promotion of economic partnerships	Promotion of economic partnership agreements to improve competitive landscape with other nations
Establishment of responsible energy policy	Overhaul of energy policies, including measures to ensure stable supply and lower energy costs
Review of measures aimed at combating global warming	Zero-based review by November of Japan's 25% greenhouse gas reduction target and creation of global warming strategy in which Japan contributes globally through technology
Promotion of industrial renewal	Establishment of an environment that encourages the emergence of new companies
Promotion of participation of young people and women	Adoption of comprehensive childcare support policy to encourage participation of women while promoting increased labor mobility through easing of regulations on terminating employment
Promotion of more proactive agricultural policies	Greater efforts to increase agricultural produce exports and consideration of policies to boost competitiveness in agricultural sector
Obtaining of resources, exporting of infrastructure	Promotion of packaged infrastructure exports to tap overseas infrastructure demand
Promotion of "cool Japan"	National strategy to promote Japanese content, fashion, etc., overseas

Figure 2.2: Themes to be addressed in the reforms

Structural Reforms Since fiscal spending is not enough and loose monetary policies cannot hold on for too long there is a need for a long-term solution. One of the main setbacks of the consequences of those reforms is that when the TPP(Transpacific Partnership) is eventually agreed agriculture will be affected by the low tariffs. The interests and ideas the reforms will pursue are stated in figure 2.2

There are several areas which will have their regulatory policies modified as specified in figure 2.3:

2.10.2. Basic Policy on Comprehensive Economic Partnerships

Environment surrounding Japan and promotion of high level economic partnerships Increase in AFTA areas and other economic partnerships,

Main areas of focus for regulatory reform panel

Category	Specific field
Health/ medical care	<ul style="list-style-type: none"> Expand scope for mixing public insurance and private payment for medical treatment Promotion of regenerative medicine Increasingly open up to private sector the reviewing of medical devices for marketing authorization Overhaul regulations relating to online sale of OTC drugs
Energy/ environment	<ul style="list-style-type: none"> Zoning for wind and geothermal power developments in national parks and hot spring regions Full liberalization of retail electric power market. Ensure neutrality of transmission/distribution businesses, etc Improve infrastructure to accelerate adoption of next-generation automobiles, etc Clarify environmental assessment criteria for construction of new coal-fired thermal power plants
Employment	<ul style="list-style-type: none"> Clarify regulations on terminating employment Allow more flexibility in rules for terminating employment Review prohibition of worker dispatch in construction sector Ease regulations relating to dispatched workers employed on ongoing basis Expand application of discretionary labor system
Creation of companies and industrial renewal	<ul style="list-style-type: none"> Ease plot ratio regulations Rationalize handling of extension/improvement plans for existing buildings that do not conform to usage regulations Simplify procedures for business reorganization within group companies Improve competitiveness of agriculture as an industry Expand eligibility for enrollment in defined-contribution pension schemes for individuals Remove domestic legal restrictions on external storage of medical information Streamline rules on company disclosure

Figura 2.3: Areas addressed by the structural reforms

increase of foreign investment. Promote Japan agricultural potential and find other partners overseas.

Concrete action to strengthen comprehensive economic partnerships

Conclude EPA negotiations with Peru and Australia, integration with China and South Korea, Pushing the TPP for agreement,

Integrated approach to EPA negotiations and domestic measures

Re-vitalization of Agriculture and imposing consumption tax on goods of that area. Employ foreign workers with specific skills that are to be absorbed in Japan and to serve as a platform for education.

2.10.3. Interests

1. Make Japan less reliant of the USA, mainly military speaking.
2. Counterweight China in the Region (AFTA vs TPP)
3. Increase exports and corporate income to counterbalance the deflation effect
4. Decrease Yen Value and increase investment
5. Global expansion of Japan's medical, technological and environmental industry
6. Promotion of economic-partnership
7. Deepen relations in the Region to bolster influence.
8. Integrate more economic partners to OECD
9. Energy innovation
10. Restriction removal on goods caused by the Earthquake
11. Increase of international importance and effects of gender empowerment in the economic area.

2.10.4. Topic A -

2.10.5. Topic B

Capítulo 3

Topic A - A New Global Partnership: Eradicating Poverty and Change through Sustainable Development

3.1. Terms

3.1.1. Poverty

it is the inability of getting choices and opportunities, it is also generally seen as living condition that is below the standard set for a region. It has many sources and causes but it understood that one of the principal or root causes is economic incapacity. However if poverty is an universal concept, each country develops its national poverty standard, this is a consequence that not all countries can address and live the same way. There is a argument that is important to note, the fact that a person it not living in absolute poverty, but is under the poverty line still places it as a poor person. When time passes people living in a poverty level are replaced by people from lower levels that rise to that new level, and statistically only 5% remain in the same level, the other 95% rises to a better level. The World Bank in its report *Voices of the Poor* issued a series of identifying factors of Poverty:

1. Abuse by those in power
2. Dis-empowering institutions
3. Excluded locations
4. Gender relationships
5. Lack of security

6. Limited capabilities
7. Physical limitations
8. Precarious livelihoods
9. Problems in social relationships
10. Weak community organizations

A consequence of living in deep poverty levels for too long is that poverty transform people and imposes over them a stereotype of aid recipient powerless people.

Poverty Cycle The effects of poverty can become its causes thus creating a self perpetuating cycle. The characteristics attributed to this cycle are

1. Health
2. Hunger
3. Education
4. Housing
5. Utility
6. Violence
7. Economic Freedoms

Absolute Poverty Is the condition when people a severely deprived of their basic needs and live under a double marginalization, first because they can't acquire goods and in second place because they don't have access to services, such as clean water, proper sewage, health care system. Regarding the incapability to obtain goods, the World Bank uses that capacity to measure absolute poverty with a fixed poverty line that represents an income of \$ 1.25 per day in 2005,

Relative Poverty - Economic Inequality This approach is used by the OECD and many international organization as the official measure for relative poverty. This aspects does not only covers the difference in the income per capita, it also involves the access and ownership of other assets that are introduced by the development phase of a country. Simon Kuznet said that development and growth of economy or in this case a Sector of it brings with it an increase inequality until finally the system stabilizes that the assets produced by the sector are guaranteed, by a decrease in their price or increase in their amount. Of the most important components that have an effect over relative poverty are Labor, Tax, Income, Education and State Intervention. The increase in the reduction of social inequality by welfare programs drives the economy into economic disparity thus globally affecting the Economy.

Poverty reduction It usually comprehends some main factors, that are the basis for poverty reduction and life standards increase and sustainability:

1. Increase in the supply of goods
2. Health Care and education
3. Removing Constraints on government services
4. Reversing brain drain
5. Controlling overpopulation
6. Increasing Personal Income

Freedom from Want - Right to an adequate standard of living this right is enshrined in article 25 of the UDHR and 11 of the International Covenant on Economic, Social and Cultural Rights.

3.1.2. Development

Pro-poor Growth It is the reduction of poverty that aims to reduce the inequalities and poverty characteristics of those below a certain poverty line. If it related to absolute poverty (1\$) it will reflect the reduction and effects of reducing overall poverty and increasing overall growth. In the other case, it will be adjusted to the standard of a certain population and it will combine the effects of overall growth and inequality reduction. It also requires policies and reforms to remove disincentives on productivity that will reduce the difficulty of rising the growth index. And as in peacebuilding it requires to be led by the affected. Donor countries cannot do more of the same they have to address the problems in other ways to increase effectiveness.

1. Rapid and sustained poverty reduction requires pro-poor growth, i.e. a pace and pattern of growth that enhances the ability of poor women and men to participate in, contribute to and benefit from growth.
2. In tackling poverty, perceptions of policy dichotomies have been misplaced. Policy trade-offs do exist but can be better managed.
3. For pro-poor growth policies to emerge, the poor need to be informed and empowered to participate in a policy making process that is accountable to their interests.
4. For donors, the pro-poor growth agenda is not business as usual and more of the same will not be sufficient

3.1.3. International Agreements

Millenium Declaration This document A/RES/55/2 specifies the strategy and north of the UN from 2000 to 2015. It is the embodiment and plan to achieve a series of objectives, the Millenium Development Goals:

1. **To eradicate extreme poverty and hunger**

2. To achieve universal primary education
3. To promote gender equality and empowering women
4. To reduce child mortality rates
5. To improve maternal health
6. To combat HIV/AIDS, malaria, and other diseases
7. To ensure environmental sustainability
8. **To develop a global partnership for development**

Note, there is a compromise here that looks important To adopt, preferably by the time of that Conference, a policy of duty- and quota-free access for essentially all exports from the least developed countries

Busan Partnership for Effective development Cooperation It establishes guidelines and compromises regarding aid and cooperation, understanding that South-South Coop guidelines don't precisely apply to North-South coop, but the world configuration and needs makes a necessity to overcome that issue. The principles that are to guide aid relationships are:

1. Ownership of development priorities by developing countries
2. Focus on results
3. Inclusive development partnerships
4. Transparency and accountability to each other

This partnership also highlights that by commitment success a new and inclusive Global Partnership for Effective Development Cooperation is to be formed.

It agrees over a series of complementary actions needed for achieving proper cooperation:

1. Inclusion of new actors on the basis of shared principles and differential commitments
2. Improving the quality and effectiveness of development co-operation

Interesting conclusions:

1. The efforts of Developing countries should be to manage rather than to avoid risk
2. There is a need for more untied aid.
3. Country approach comes first, there must a respect for country systems and if they cannot be used or are inappropriate for aid implementation, work to that end.
4. Increase the use of South-South, triangular and other forms of cooperation.
5. Private sector importance in development

The OECD and the UNDP are invited to work together to provide support for the effective functioning of the Global Partnership. The UNDP-OECD joint support team includes dedicated staff across the two organisations to provide day to day secretariat support for the steering committee and the ministerial-level meetings of the Global Partnership.

Economic Partnership Agreement They are a scheme for the creation of free trade zones that don't have the non-reciprocal characteristics of the preferential trade agreements. EPA's are key for the implementation of the Cotonou principles. They were supposed to take effect as of 2008 but negotiations are still pending. There are special issues regarding LDCs and the considerations for establishing EPAs.

Cotonou Principles part of the Cotonou Treaty between the EU and the ACPs. It establishes cooperation principles in the Eradication of Poverty

1. Equality of partners and ownership of development strategies
2. Participation
3. Dialogue and mutual obligations.
4. Differentiation and regionalisation

3.1.4. Indexes

Poverty Line An income level that is considered minimally sufficient to sustain a family in terms of food, housing, clothing, medical needs, and so on.

Poverty Gap Index The mean distance below the poverty line as a proportion of the poverty line where the mean is taken over the whole population, counting the non-poor as having zero poverty gap. That is the mean shortfall from the poverty line (counting the non poor as having zero shortfall), expressed as a percentage of the poverty line.

Human Poverty Index Is an index used by the UNDP in their Human Development Reports that measures deprivations in three (HPI-1 for lower income countries) or four (HPI-2 selected high income OECD countries) dimensions:

1. HPI-1: long and healthy life, knowledge and a decent standard of living
2. HPI-2: long and healthy life, knowledge and a decent standard of living and also capturing social exclusion.

Multidimensional Poverty Index It is an indicator to measure poverty beyond income, it considers the same 3 aspects as the HDI but the indicators are different. It emphasizes on deprivation.

3.2. General Report

Millenium Summit - 2000 The Fall of the Soviet Union and the different economical and financial crises of the 1990 increased social and economic problems worldwide, the new world that was starting to blossom had a difficult startup, mainly because of the GDP problems in Eastern Europe that the Disolution of the URSS left, the different crises in the financial markets and the unstability of Africa are some of the root causes for the declaration. That vows on International Security and Disarmament, Poverty Reduction and Social Inclusion and Enviromental Awareness. The main product of the Summit were the Millenium Development Goals.

2005 World Summit A follow up summit of the Millenium Summit, this Summit has been of the most important in recorded history for the number of political world leaders that gathered on the Summit. It had several effects in the UN system, and regarding our issue, it was important for the support the MDGs gathered specially in the fight against poverty.

The Fourth United Nations Conference on Least Developed Countries Istanbul, Turkey, in May 2011 The UN General Assembly summoned the conference with the purpose of addressing the conclusion and assesment of the Brussels Programme of Action and the new economic landscape. The configuration of the Conference was different from the previous ones because the stakeholders in the LDCs, the LDCs themselves, the emerging economies and the recently created G-20 leaders summit, that included countries from the Southern hemisphere contributed to an integrated approach in the development cooperation and aid effectiveness areas, this was caused by the several crises that world was going through. Focused attention was given to:

1. (a) strengthening productive capacities to build resilience and reduce LDCs vulnerability to external shocks;
2. (b) promoting agricultural development to reduce hunger and ensure food security;
3. (c) strengthening financial resource mobilization and targeting aid to productive sectors;
4. (d) improving access to export markets;
5. (e) developing infrastructure;
6. (f) managing climate change and ensuring a new green deal for LDCs;
7. (g) ensuring universal access to essential services and accelerating progress towards the MDGs

MDGs Progress According to UN MDG 2013 development report Relevant succesfully reached MDG targets:

1. The proportion of people living in extreme poverty has been halved at the global level

2. The proportion of slum dwellers in the cities and metropolises of the developing world is declining

Relevant Targets to be reached

1. Gender-based inequalities in decision-making power persist
2. There is less aid money overall, with the poorest countries most adversely affected
- 3.

Poverty - Goal one

Facts:

1. X Poverty rates have been halved, and about 700 million fewer people lived in conditions of extreme poverty in 2010 than in 1990.
2. X The economic and financial crisis has widened the global jobs gap by 67 million people.
3. X One in eight people still go to bed hungry, despite major progress.
4. X Globally, nearly one in six children under age five are underweight; one in four are stunted.
5. X An estimated 7 per cent of children under age five worldwide are now overweight, another aspect of malnutrition; one quarter of these children live in sub-Saharan Africa.

This goal has been met according to the 2013 MDG progress report. But still 1.2 billion live in poverty. Sub-Saharan Africa is still greatly affected by poverty cycles. **Poverty monitoring must improve** in order to sketch better policies. The slowing of economic growth spells **continued job losses**, with young people bearing the brunt of the crisis and over 60 per cent of workers in the developing world still live on less than \$4 a day.

Global Partnership - Goal 8 Facts:

1. Official development assistance stood at \$126 billion in 2012.
2. Eighty-three per cent of least developed country exports enter developed countries duty free.
3. The debt service of developing countries consumes only 3 per cent of their export revenues.
4. In the developing world, 31 per cent of the population use the Internet, compared to 77 per cent of the developed world.

Aid money is declining overall, and moving away from the poorest countries towards those that are emerging. The trade climate continues to improve for developing and least developed countries in terms of duty-free access. Debt service ratios are one quarter of their 2000 level, lightening the financial burden on developing countries. Reductions in export earnings have caused debt service ratios of some regions to rise. Broadband is becoming more widely available and affordable, but is still out of reach of many in developing countries

Post 2015 MDGs

3.2.1. Countries and interests involved

In these case we see blocks of countries involved. The following are some distributions on blocks

1. LDCs - Subsaharan, Landlocked and insular countries, central asia.
2. OECD countries
3. UN
4. Brics
5. G20

3.2.2. Worsening Factors

1. Different approaches to poverty reduction
2. Many of the reports are made by Income inequality. It may not be enough
3. Some economic problems in Donor countries make it difficult to increase aid
4. Cultural barriers on the application of some solutions.

3.2.3. Easening Factors

1. The economic capacity of the countries in the committee even with their economical problems of today
2. Strategies and organisms at our disposal

3.3. Proposals

1. International Work Force without boundaries - work force exchange
2. Poverty measuring and assesment periodically - the measuring should be mixed of income inequality, absolute proverty and social inequality
3. Poverty task force group.
4. Country - Region Based strategies and objectives
5. Pool aid projects developing countries can submit projects - troika based assesment
6. Untied Aid Bank Rights

Capítulo 4

Topic B Greening Development in Eastern Europe, Caucasus and Central Asia

4.1. Terms

Green Economy the United Nations Environmental Programme has developed a working definition of a green economy as one that results in improved human well being and social equity, while significantly reducing environmental risks and ecological scarcities. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive. Practically speaking, a green economy is one whose growth in income and employment is driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services.

Green Development green development practices are methods of building our communities in a manner that respects our natural environment. It recognizes that conventional development practices can negatively impact the natural ecosystems that we depend on but that by changing the way we develop our towns and cities we can lessen or eliminate ecosystem degradation and improve our quality of life.

Green Growth green growth is a term to describe a path of economic growth which uses natural resources in a sustainable manner. It is used globally to provide an alternative concept to standard economic growth. Green growth, as agreed at the fifth Ministerial Conference on Environment and Development in Asia and the Pacific, is a strategy for achieving sustainable development. It is focused on overhauling the economy in a way that synergizes economic growth and environmental protection, building a green economy in which investments in resource savings as well as sustainable management of natural capital are

drivers of growth. An economy which is in closer alignment with sustainable development objectives provides opportunities for using financial resources better to meet development needs and reducing the vulnerability of socioeconomic systems to environmental change and resource constraints.

Green growth strategies can help economies and societies become more resilient as they work to meet demands for food production, transport, housing, energy and water. Strategies can help mitigate the impacts of adverse shocks by reducing the intensity of resource consumption and environmental impacts, while alleviating pressure on commodity prices. Green growth also offers competitive advantages to those countries that commit to policy innovations. The global market for green goods and services is vast and growing fast, offering countries the dual benefit of prosperity and job creation.

4.2. Background and relevant facts

From the 1972 Stockholm Conference on the Human Environment to the major landmark of the United Nations Conference on Environment and Development in 1992, and now on the eve of the Rio+20 Conference, the United Nations has consistently called attention to the urgent need for global environmental action. It has also been a driving force in raising awareness that such environmental action cannot be isolated from social and economic development. We know now that all the countries of the world need sustainable development an awareness that has progressed faster than the real change towards this development path. Moving in such a direction is more than a green transition: it is a sustainable and inclusive transformation which demands a rethinking of economic, environmental and social policies and the way they relate to each other. This highly diverse region warrants attention. It gathers together high-income economies of Western Europe, middle income new European Union member States from Central Europe and lower middle-income countries of South-Eastern Europe, as well as the countries of Eastern Europe, the Caucasus and Central Asia, which themselves span a range from increasingly prosperous energy-exporting economies to landlocked developing countries. Furthermore, the Eastern part of the region has a very particular history, having undergone 20 years of fundamental socio-economic reforms, which provide the ground for further policy change. Despite progress in energy efficiency and the use of renewables, the pan European region, together with North America, still has the highest carbon emissions per capita in the world over five times the limit which would stabilize global warming by 2050. Some countries of Eastern Europe, the Caucasus and Central Asia remain among the most carbon-intensive economies in the world. Fossil fuel subsidies are still high throughout the region, and artificially low prices of electricity and heat result in a wasteful use of energy in some transition economies. Moreover, despite ambitious commitments to reverse the loss of biodiversity, ecosystems are still under threat. The record of the past decades is even weaker as regards poverty, which persists among vulnerable groups in many countries while social-protection systems have been eroded throughout the region. Inequalities have increased in all countries. In Eastern Europe the deterioration in income and access to social services was particularly marked during the 1990s and, while it may have improved with the overall high growth rates of the 2000s, it deteriorated again with the onset of the global economic

crisis. Today, the number of people living in or on the edge of poverty remains very high. All too often it is the poor who are most affected by environmental degradation and pollution, which further aggravate their income and welfare situation. Looking forward, policies designed to effect a green transformation will not automatically contribute to greater equity. On the contrary, inequities may even worsen. Some policies, such as the elimination of fossil fuel subsidies and the shift of production from brown to green sectors of activities can directly and disproportionately affect the poor. However, it is possible to design policies that lead to the mutual reinforcement of social equity, economic efficiency and environmental sustainability. We are not starting from scratch. The report details actions that already produce co-benefits as part of the overall transformation: green investment can increase competitiveness; sustainable transport means less air pollution and improved health; more energy-efficient technologies create savings; and a knowledge-based economy combined with active labour market policies can both increase income levels and reduce inequality.

FACTS

1. Sustainability issues are already at the forefront in Central Asian countries. The devastation of the Aral Sea is a visual reminder of the consequences of unsustainable practices. Discussions about United Nations-regulated, safe, transboundary transit of energy supplies and problems in water supply and agriculture have highlighted binding constraints. This region is thus a 'laboratory' where the main elements necessary for real-life solutions could emerge as an integral part of a regional green economic vision.
2. Finally, Eastern Europe can provide a good return on green investments: The region's relatively skilled labour force can be absorbed by a dynamic green economy, supported by an increasingly vibrant private sector to multiply the level and impact of green investment. There is thus a solid potential in this region to create decent jobs in green or newly greened activities, such as renewable energy, waste recycling or energy efficiency retrofits. Green market products could be a source of wealth creation which, combined with anti poverty measures, would result in improved quality of life for many people in underdeveloped areas and among vulnerable groups. If targeted well, the green economy could also mitigate the gender gap in employment and create opportunities for greater gender equity in this part of the region

4.3. Actual Situation

The pan-European region has seen huge progress both in social and economic development, reflected by the increase in its position on the Human Development Index. Since 1999, nearly 90 million of the 480 million people in Emerging Europe and Central Asia about 18 % of the population have moved out of poverty. Yet poverty is not yet a relic of the past: almost 30 % of the people living in the region are considered poor or vulnerable, and this is expected to increase by about 5 million people for every 1 % decline in GDP (World Bank, 2009). The recent financial crisis has set the region back considerably. Even in the EU countries poverty has been on the rise again in recent years. Attention

needs to be paid to the risk of further impoverishment resulting from unemployment, increased food prices, health expenditure and energy costs which affect in particular the low income households in Eastern Europe and Central Asia. Women have been particularly hard hit by the crisis not only because of increased unemployment and declining incomes, but also because of an increasing burden of unpaid work. The region has also taken important steps to reduce environmental degradation with impressive results: improved urban air quality; the phase-out of ozone-depleting substances; a larger use of renewable sources of energy; improved water management; and increased coverage of protected areas. Most Governments of the region are signatories or parties to the major global and regional environmental and climate change conventions and protocols. Overall, tangible progress has been made in reaching the Millennium Development Goal (MDG) 7 targets, 4 particularly in integrating the sustainable development dimension into policymaking in key sectors such as agriculture, transport and housing, reducing carbon dioxide (CO₂) emissions, increasing energy efficiency and strengthening the sustainable management of forests. However, Europe and Central Asia are still far from achieving sustainability. Growth in income has been associated with deterioration in key environmental indicators, so much so that the pan-European region has the highest ecological footprint 5 compared with the rest of the world. Indeed, most countries in the region are running on a biocapacity deficit, 6 i.e., they use more resources than they have in their territories. Depletion of natural resources is not only disastrous for the environment, it is a problem for the women and men of the pan-European region. It is often the poorest of the poor who are affected by environmental degradation, as they are heavily dependent on natural resources (almost three quarters of their income) and thus more vulnerable to environmental shocks. Particularly in Eastern Europe, many families depend on non-network energy such as solid fossil fuels for heating and cooking. This has drastic human consequences: in 2004, more than 14,000 people lost their lives due to reliance on these kinds of dangerous heating and cooking sources (WHO/EURO, 2010). Greenhouse gas emission trends: The pan-European region has historically been a large emitter of greenhouse gases (GHGs) that contribute to global warming it currently accounts for around half of global GHG emissions. According to the European Environment Agency (2010), annual emissions of GHG in the European Union in 2008 the year of the latest available data amounted to roughly 10 tons of CO₂-equivalent per capita, well above the sustainable per capita target of 2 tons that would limit a rise in global temperatures to 2Å° C by 2050 (see King et al, 2011). Despite progress, a number of countries in Eastern Europe, the Caucasus and Central Asia remain among the least energy efficient and most carbon intensive economies in the world Triggered by industrial restructuring, significant energy-efficiency improvements have taken hold in the formerly centrally planned, and resource-intensive, economies of the Soviet Union. Energy intensity of production declined on average by 40% between 1990 and 2007 in the transition economies and by more than 60% in the NMS. While initial improvements were due to the transition recession, in the second half of the 1990s, 'decoupling' started to occur whereby output levels increased while the energy use continued to decline. Since the early 2000s, energy use has grown at a slower pace than production, but this energy-saving tendency has been overwhelmed by robust output growth.

Biodiversity Trends: Natural capital, including biodiversity and ecosys-

tem services, is an important economic asset, especially for the livelihoods and security of poor people. In spite of the introduction of biodiversity legislation and nature directives across the region, biodiversity is being lost at an unparalleled pace.

The capacity of ecosystems to sustain the delivery of goods and services is being undermined. Further land-cover conversion and intensification of land use may negatively affect the regions biodiversity, directly through resource depletion and natural habitat destruction or fragmentation, and indirectly through pollution (for example eutrophication and acidification). One quarter of the world's forests are situated in the pan-European region, of which approximately four fifths are in the Russian Federation.

In the Caucasus and Central Asia, forest area has been expanding mainly due to major afforestation and reforestation programmes; however, forest cover remains low in most of these countries and must compete with other land uses. The overall area of protected forests is now about 40 million hectares, 17.5 million of which are in the Russian Federation. Forests provide watershed services such as storage, purification and release of water to surface water bodies and subsurface aquifers, while they also contribute to the slowing down of erosion and desertification phenomena. The regions' forest ecosystems are key to sustainable development, contributing to climate-change mitigation through carbon storage in trees, litter and soil and harvested wood products, and providing a renewable construction material and source of energy. While overall forest area is increasing in the region, forest fragmentation is also increasing and is having a detrimental effect on important European habitats.

Water Management Trend: The sustainable management of water resources is an important part of sustainable development: it can promote water efficiency and channel water resources where they create most value, as well as reduce the spread of disease. Improvements in water management can also contribute to climate-change mitigation (less energy is used to pump water, treat it and treat effluents), and adaptation (as competing demands for water are reduced). Further, wastewater can also be a source of energy (through heat and sludge). In most parts of Europe water quality has improved over the past 20 years, due to better regulations, enforcement and investments in wastewater treatment plants, mainly in Western Europe, including in the NMS. Throughout the region production has become cleaner, resulting in a decrease of pollution from industrial facilities. However, there are numerous remaining pressures from agriculture, untreated or insufficiently treated industrial and domestic wastewater, mining, old chemical burdens, unsafe landfills and unsafe tailing ponds, and further environmental pressures on water are expected due to increased economic activity, especially in the Eastern part of the region. And, while river hydromorphology and continuity have improved in many European basins through the reconnection of wetlands and flood-plains, hydromorphological alterations are still major challenges. Approximately a third of the region's population live in countries suffering from water stress. This percentage is expected to rise significantly due to climate change and other pressures on water resources. Such stress is particularly apparent with respect to freshwater resources in arid or semi arid areas. One of the most important hot spots for environmental stress is Central Asia (Siegfried et al, 2010).

4.3.1. Countries and interests involved

1. Armenia (ARM)
2. Republic of Moldova (MDA)
3. Azerbaijan
4. Russia
5. Belarus
6. Taïstan
7. Kazakhstan
8. Ukraine
9. Kyrgyzstan
10. Uzbekistan

4.3.2. Worsening Factors

Failure to take sufficient action: it will not only affect the environmental situation of the region, it can reduce human development as a whole. The United Nations Development Programme (UNDP) Human Development Report 2011 projects that by 2050 the global Human Development Index (HDI) would be 8 % lower than in the baseline in an 'environmental challenge' scenario that captures the adverse effects of global warming on agricultural production, on access to clean water and improved sanitation and on pollution. In an even more adverse 'environmental disaster' scenario, which envisions vast deforestation and land degradation, dramatic declines in biodiversity and accelerated extreme weather events, the global HDI would be some 15 % below the projected baseline.

The risks of delaying the transition towards sustainable development: they are considerable, given the irreversible nature of biodiversity loss, global warming and the increasing frequency of extreme weather events and other harmful effects of climate change. The ecosystem services that make a direct contribution to human wellbeing such as provision of freshwater, pollination and the regulation of meso climates are being degraded in most parts of the region. These services are economically invisible, with their contributions neither fully recognized nor valued in markets. Changes in the availability and quality of ecosystem services reduce resources for the poor and vulnerable, while also threatening ecological infrastructure that can protect the most vulnerable from natural disasters. Natural flood defenses once provided by forests and wetlands have been lost and this is a direct threat to the region's poorest women and men. Unlike the rich, the poor are unable to replace these services with flood control infrastructure.

Floods and heat waves: increase the likelihood of water-related diseases and other damaging impacts to human health.

The impacts of climate change: increasing the frequency of floods and droughts and giving rise to heat and cold waves, affect large areas of the entire region and can undermine economic growth and human development. Water scarcity is increasing and has a direct impact on large populations and many sectors of activities, particularly agriculture. Furthermore, the availability of cooling water is a particular concern for thermal and nuclear power plants, as plant cooling accounts for about a third of European water abstraction. Extreme weather events in the region in recent years have resulted in lower production and higher prices of food, as well as serious damage to transport infrastructure, all of which affects poor households most. The increasing frequency and unpredictability of such events thus pose considerable risks to economic activity in key sectors that are most exposed to climate change, notably agriculture and transport. Moreover, temperatures and more arid climatic conditions could further aggravate problems of desertification, land degradation and falling crop yields already experienced by parts of the region.

Changes in the sea level: they will affect the region's four basins (the Baltic Sea, the East Adriatic and Mediterranean coast of Turkey, the Black Sea and the Caspian Sea) and the Russian Arctic Ocean. By 2100, the Arctic is expected to warm by 3Å° C to 5Å° C over land and 7Å° C over the oceans, contributing to dramatic changes in its ecosystems. Predicted impacts include a more than 50 % decline in the extent of summer sea ice and the displacement of existing Arctic species and ecosystems (e.g., polar deserts and tundra) as southern species and ecosystems expand northward and all species distributions shift with unforeseen consequences.

The other imminent threats to Arctic biodiversity stem from alien species and the impact of hydrocarbon and hazardous material pollution. Along the Adriatic and the Mediterranean, storm surge and saltwater intrusion into aquifers threaten parts of South-Eastern European coasts. Sea-level rise has been highest in the Black Sea, where it is threatening numerous ports and towns along the Russian, Ukrainian, and Georgian coasts. In the Caspian Sea, water levels are projected to drop by approximately six metres by the end of the twenty first century, due to increased surface evaporation. This will imperil fish stocks and affect coastal infrastructure. Coastal landfills around the Black Sea, notably in Georgia, have been identified as pollution hot spots, and coastal erosion could increase the amount of pollutants flushed into the sea, threatening a fishing industry already struggling with the consequences of overfishing and excessive pollution.

Migration: In transition economies, the adverse impact of climate change on agriculture could cause farmers and their families to experience poverty. Decreased opportunities in rural areas would increase migration flows, both within and between countries. Rural-to-urban migration has been steadily growing in recent years. Urbanization caused by internal migration is already on rise in the region (see figure) and is likely to continue in coming decades. Climate change's potential impact is especially acute for Central Asian countries, where agriculture is an important sector of the economy, and where the proportion of the young population in need of jobs is relatively high.

Natural Disasters: The frequency and costs of natural disasters have risen dramatically in the region over the past two decades. During this period, there has also been a marked increase in drought conditions, even in the sub-regions experiencing increased mean annual precipitation. Over the past 30 years, natural disasters have cost the countries of Emerging Europe and Central Asia about \$70 billion in economic losses. Most of the damage has occurred in Armenia, Romania, Poland, the Russian Federation and Turkey. Meanwhile, climate-change scenarios project even more frequent weather extremes, including increased flooding, heat waves and drought, which will cause even greater losses and may displace people from their homes. In 2010, the most deadly year in two decades, this region saw the second highest number of natural disaster-related deaths in the world, with the heat wave in the Russian Federation accounting for nearly one fifth (56,000) of 2010's total fatalities. Other extreme climate events in Europe included Storm Xynthia in February 2010, floods in France in June 2010, and the extreme winter conditions all over Europe in December of the same year. As the climate is changing, special efforts will have to be made with respect to adaptation measures in water use, agriculture and climate-proofing in large investments. Modernized disaster risk reduction strategies are needed to protect the population against heightened volatility and extreme events in the weather and to ensure that vulnerable groups can recover as fast as possible.

4.3.3. Easening Factors

Education for Greening Development and Sustainable Development.

Education is one of the best weapons to fight poverty and inequality. Each year of additional schooling can increase individual earnings by 10 %. Education must foster the attitudes and behaviors necessary for a new culture of sustainability. It must be the channel for developing and transmitting new skills and knowledge. Technical and vocational education and training must provide the competences and tools necessary for green economies.

Education at all levels is key to encourage the region's populations towards greener economic decision-making. Shifting people's attitudes towards sustainable development will facilitate the region's transition to a green economy by raising awareness, increasing public participation in environmental public policy and influencing consumer and voter choices. On a more technical level, education creates a cadre of skilled professionals necessary for the transition to a sustainable development paradigm.

paragraphAccess to primary education in Emerging Europe and Central Asia:

In order for education to lay the foundation for sustainable choices, it needs to reach all children at a minimum at the primary level. While many countries in Eastern Europe and Central Asia have net enrolment rates higher than 90 %, about 1.5 million children of primary school age remained out of school in 2008 (UNESCO, 2011). This figure does not include out of school adolescents of lower and upper secondary education, which is estimated at about 12 million, and 1.1 million children with disabilities who remain unaccounted for and are likely to be out of school. Specific groups of children continue to be excluded from school, particularly children affected by conflict, children from ethnic and/or linguistic groups (especially the Roma in Central and South-Eastern Europe), children with disabilities and those from economically disadvantaged families.

This situation reflects serious equity issues and represents a challenge to social inclusion, economic development and social cohesion in a number of countries in Emerging Europe and Central Asia.

Building awareness for green policy priorities through the media :

Green jobs are not self-evident; they are the subject of intense political and policy contestation, requiring a constant flow of information and analyses, to facilitate dialogue and informed decision-making. There should be vigorous public debate to lay bare the underlying assumptions of all policy choices available. The media plays a major supporting role in making informed policy choices for green economies. Given the inherent behaviour-change factor, sustained public support is critical to moving forward on sustainable development. Actions to raise awareness are essential: people need to understand the dramatic consequences of 'doing business as usual', as well as the benefits resulting from speeding up the transition process including improving health, avoiding the emergence of new forms of vulnerability, higher employment, keeping fossil energy for a longer period, reducing resource dependence and increasing competitiveness in the medium and long term. Both formal education and information campaigns to promote climate-change awareness are critical for ensuring a shift in public opinion towards more sustainable choices. An educated public can exert effective pressure on politicians to look beyond short horizons a key stumbling block for sustainability to date.

Leveraging culture for sustainable development: As a repository of knowledge, meaning and value, culture is central to shaping the relationship between people and the natural environment. Moreover, it is an area offering large possibilities of developing sustainable activities. For instance, sustainable tourism, cultural as well as creative industries, and heritage-based urban revitalization are powerful economic subsectors that can generate green employment, stimulate local development and foster creativity. The culture sector, encompassing cultural heritage, creative and cultural industries, cultural tourism and cultural infrastructure, generates substantial socio-economic benefits, including green jobs and strategic outlets for creativity. Cultural industries represent one of the most rapidly expanding sectors in the global economy. Sustainable tourism, as well as culture and creative industries, are strategic outlets for income generation and poverty reduction. Culture is a powerful economic engine generating jobs and income with a value of US\$ 1.3 trillion in 2005 (globally). In Europe, arts, cultural heritage, film, music, publishing, design and new media are part of a growing industry which accounts for 2.6% of Europe's GDP, a high growth potential, and providing quality jobs to around 5 million people across EU-27 (European Commission, 2010). In the non-EU member States in Europe and Central Asia, it is estimated to be growing at even faster rates.

4.4. Expert Opinion

4.5. Proposals