

GA-2: ECOFIN

ISTMUN'19

# AGENDA ITEMS

Agenda Items: a. Funding the efforts to resettle refugees b. Encouragement of agriculture in order to enhance its impact on international economy

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## Agenda Item A: Funding the efforts to resettle refugees

### Introduction

Of the world's 65.8 million displaced people, emerging market economy countries host 85%. Just three countries—South Sudan, Afghanistan, and Syria—supply 57% of the world's refugees. These numbers illustrate both the urgency and scale of the current refugee crisis. With so many people being forced to flee their homes, typically due to violence or fear of persecution, the United Nations (UN) and other international actors are left grappling with the challenge of refugee resettlement. The UN defines refugee resettlement as the transfer of refugees from an asylum country to another state that has agreed to admit and grant them permanent resettlement. Delegates will need to consider refugee resettlement in the broader context of resettling in new communities after displacement. Under this more general definition, refugee resettlement issues involve accommodations for internally displaced persons, refugee resettlement in the first host country they enter, resettlement through an asylum application to other countries, and refugees' eventual return to home countries when possible.

## History and Description of the Issue

## Adapting Refugee-Related Financing

Although the UNHCR has a sizeable budget for providing refugees with humanitarian assistance, it provides a relatively small portion of funding for implementing asylum processes. Instead, refugee resettlement worldwide is largely funded by national governments and private donations. As a result, conditions and support for resettled refugees in different countries can vary widely depending on the level of financing allocated for refugee resettlement by host governments. In recent years, a number of UNHCR initiatives have emerged to tackle this disparity. One example is the Regional Refugee and Resilience Plan for Syria (3RP), dedicated to alleviating the Syrian refugee burden in countries facing disproportionate amounts of refugee flow. The 3RP provides financing in sectors including protection, food security, education, and shelter, but it has consistently faced meager contributions. The 2018 plan called for a total budget of approximately 5.6 billion USD to address the refugee crisis in Egypt, Iraq, Lebanon, Turkey, and surrounding regions; however, projections showed the initiative was less than one-third fully funded for current projections as of 31 May 2018. Another important contributor, the EU, individually dedicated a 10.1 billion USD budget for 2015 and 2016, an increase of 5.5 billion USD from spending the previous years. The increase came from a growing need for refugee accommodations locally, but it also included 500 million USD for a trust fund for Syria, 1.8 billion USD for an EU emergency trust fund for Africa, and one billion USD for refugee facilities in Turkey.

A Center for Global Development (CGD) report on this funding noted that although the real value of global aid increased by 9% from 2011 to 2016 (adjusted for inflation), the crisis' upscaling offsets the rise in funding. The report argued that the growing refugee crisis necessitates significantly more funding; otherwise, world humanitarian aid budgets could risk being overwhelmed. One such example is Lebanon, which is hosting a number of refugees equal to nearly a quarter of its entire population. In 2015, refugees cost Lebanon approximately 18.5 billion USD, nearly 39% of Lebanon's 2016 gross domestic product (GDP), according to the World Bank

### Persistent Challenges and New Opportunities

Resettling refugees and families into new countries via formal procedures is not a common outcome. Only around 8% of refugees are resettled to other countries through the asylum process. Countries like Lebanon, Jordan, Pakistan, and Ethiopia host the majority of refugees worldwide because refugees most often flee across nearby borders as opposed to receiving formal resettlement through an asylum process. According to Amnesty

International, ten countries that collectively make up only 2.5% of the global GDP host over half of the world's refugees. Frequently, these countries accept mass inflows of refugees due to geographic proximity, and many are even powerless to control refugee movement across their borders without resorting to extreme methods. Turkey, for example, spent nearly eight billion USD hosting 2.2 billion refugees in 2015. Despite the European Union pledging six billion USD to Turkey during the 2016 refugee crisis, Human Rights Watch reported that guards along the Turkish border shot at incoming Syrian refugees and barred them from accessing the border.Lebanon did not take hostile measures, but in 2017, Prime Minister Saad Al-Hariri said that Lebanon was at a "breaking point" and requested a tenfold increase in international donations per refugee in Lebanon, up to USD 10,000 for every five years. What is clear is that the current global governance system is not enough to support refugee host countries. Paul Spiegel, a former senior official at the UNHCR, wrote that "the humanitarian system was made for a much simpler era, where conflicts and wars were shorter in nature and had an end. Its purpose was to bring much-needed money and care to people to address their immediate needs." Spiegel wrote that instead of placing and sustaining refugees and internally displaced people in camps, humanitarian aid should instead be put towards long-term assistance, like health care, education, and housing.46 One country that took such an approach was Iran, where refugees enrolled in school, had access to the nationalhealth insurance system, and were eligible to acquire work permits. Investing in long-term support for refugees also brings economic returns: an International Monetary Fund (IMF) analysis found that "investing one euro in welcoming refugees can yield nearly two euros in economic benefits within five years." Rethinking traditional ideas of financing refugee resettlement and exploring the global refugee crisis as an opportunity for investment, rather than a burden, will be critical to adapting the state of refugee finance. In doing so, those fleeing violence and persecution worldwide can be protected and supported. Delegates should consider that many current means of assisting refugee resettlement are not prudent investments, so promising new opportunities for investment will be instrumental for adapting to the crisis.

## Development Financing

Most refugees will arrive in neighboring host countries due to geography and limited opportunity for exit pathways. Refugees often find themselves in unfamiliar countries with limited capacity to properly resettle and integrate themselves into the economies, but development financing is utilized as the primary means of resettling and integrating refugees. Development financing refers to the efforts of institutions, organizations, communities, or individuals to bring about economic expansions and improve the long term health of a community. It is a multifaceted approach that considers opportunities for governments, local and international business, the workforce, industry, real estate, human capital, natural resources, and the local environment. The most important actors in this sector of refugee financing are individual countries, international institutions like the World Bank, national, regional, or local banks, and in some cases, private enterprise.

#### Traditional Role of the World Bank

The World Bank already plays a significant role in financing the development of resettled refugees, yet it has potential for greater involvement. The Bank's two main arms, the International Development Authority (IDA) and the International Bank for Reconstruction and Development (IBRD), finance projects directly and indirectly related to refugee resettlement. The IBRD, geared towards middle-income countries, functions as a general development finance institution but can target resettled refugee communities. One example came in May 2018 when it approved the Turkey Inclusive Access to Finance Project. The project approved a 400 million USD IBRD credit for improving access to longer-term finance for female-inclusive enterprises and enterprises areas affected by the influx of Syrians under temporary protection in Turkey.

The IDA—the World Bank's fund for the poorest countries—lends money on low-rate terms to the world's 75 poorest countries or countries with high debt collapse risks. It is instrumental for financing larger refugee

host countries' development, yet its role is limited. In the IDA's eighteenth replenishment period from July 2017 to June 2020, it committed two billion of its 75 billion USD total specifically towards a new sub-window for refugees and host communities. This new allocation addresses forced displacement through financing development efforts through a combination of grants and credits for lower debt risk countries. The IDA also has a specific fund, IDA's Crisis Response Window, which allocated 200 million USD to Jordan and Lebanon for the refugee crisis in 2017. Although it does dedicate finances towards developing resettled refugee and refugee-hosting communities, the overall scope of the IDA's financing is still relatively limited in regards to refugees.

## Employment and Cash Assistance Programs

An International Monetary Fund analysis states that investing one euro in welcoming refugees can yield nearly two euros in economic benefits within five years if they can legally work. This economic potential from refugee employment comes from the fact that refugees are more likely to work in dirty, difficult, dangerous, and dull jobs than native-born citizens. These jobs, referred to as "4D," compose the fastest growing employment sector in advancing economies. Highly skilled refugees can also complement labor markets and fill gaps with valuable human capital on a case-by-case basis, since those fleeing violence are often displaced indiscriminately by conflict.

In middle and low-income countries, analysis has shown different results in the labor market. A World Bank short-run analysis showed that the presence of Syrian refugees in Turkey displaced informal Turkish employment, but it increased formal employment of certain subgroups like native Turkish men without a high school education. The same analysis also found the overall refugee impact on native Turkish wages was a net positive trend, an average 5% wage increase. While officially admitted refugees in OECD countries have the right to work, those lacking full protection status do not enjoy such opportunities. Furthermore, refugees in middle- or low-income countries, especially those in close proximity to conflict zones, frequently lack official documentation and have to apply for work permits to participate in the workforce. Jordan shifted the previous paradigm of the refugee work process by liberalizing its refugee employment policy through waiving application fees for work permits, loosening administrative requirements, and opening up all sectors. Although Jordan recently liberalized its refugee work requirements, it was the first country in the Arab Region to do so, and most countries still have often restrictive work requirements for refugees.

Countries around the world have to accept refugees fleeing violence for both humanitarian and practical reasons and thus have little choice but to maximize the benefits that refugees can bring to their labor markets and economy. The contribution of refugees to their respective labor market does not depend on the skill level of the refugee, but on their skills are complementary to those of the local workforce. For example, high numbers of refugees performing low-skill jobs opens up higher-skill jobs to locals. The greatest challenge associated with utilizing refugee employment is matching careers to refugee skillsets.

### **Current Status**

#### Distributions of Financial Burden-Sharing

Refugees generally have a net positive impact on a country's economy in the long run, provided that refugees are reasonably well integrated and are able to contribute to the best of their abilities. Countries that resettle refugees within their borders, particularly large and uncontrolled refugee groups, inevitably require significant immediate investments to provide basic humanitarian assistance and to begin the process of economic integration needed to discover the potential benefits of resettled refugees. Turkey hosts the most refugees out of any country by a large margin, with 3,533,822 refugees residing within the country as of July 2018. However, when measures are adjusted for population, Lebanon hosts more than twice as many refugees

per person as the second highesthosting country, with 173 refugees per 1,000 inhabitants. A third important measure for financial burden calculations is the number of refugees in a country per one million USD of those countries' respective GDPs. According to this metric, a third country, South Sudan, faces the largest financial burden by hosting 100 refugees per one million USD of its total GDP.

## Case Study: Turkey

The Republic of Turkey hosts over 3.5 million refugees along with its 79.5 million population. It is unique because it is a middle-income country that adopted a multifaceted approach to refugee resettlement, is party to an agreement which finances its resettlement of refugees, hosts the largest number of refugees, and is very close to a significant conflict zone. Through analysis of these conditions, Turkey illustrates a number of successes and failures in financing refugee resettlement.

### Bloc Analysis

While most countries are willing to finance refugee resettlement, two significant points of division exist between countries. States can be sorted into blocs by whether they resettle refugees within their own borders and the size of their economies. Emerging Market Economy Hosting Countries typically have refugees enter through their borders, while Advanced Economy countries instead rely on asylum processes that attempt to integrate resettled refugees through the legal system. Emerging Market Economy Hosting countries typically host significantly more refugees but offer fewer resources to each individual refugee. Delegates will need to consider this dynamic and the tradeoffs when forming blocs to debate in committee.

## Emerging Market Economy Hosting Countries

Emerging Market Economy Countries, or developing countries like Chad, South Sudan, Pakistan, Turkey, and Lebanon, host the vast majority of the world's refugees and generally lack the available finance, infrastructure, and other services necessary to properly accommodate large refugee populations. Many important examples have already been discussed, such as Lebanon, Turkey, Jordan, and Pakistan, which collectively host nearly six million refugees, as well as Chad and South Sudan. These countries accept large influxes of refugees simply because of geographical proximity. Since they host a disproportionate number of refugees and typically have less financial flexibility than higher-income countries, their interests lie in sharing the financial burden between the international community. An important basis for their interest lies in the call for more equitable burden sharing as dictated by the 2016 New York Declaration for Refugees and Migrants. Some particularly relevant commitments include "supporting[ing] those countries rescuing, receiving, and hosting large numbers of refugees and migrants," "expand[ing] the opportunities for refugees to relocate to other countries," and "improv[inq] the delivery of humanitarian and development assistance to those countries most affected, including through innovative multilateral financial solutions." Prime Minister Saad Al-Hariri of Lebanon warned that the country was at a "breaking point" of being able to host refugees and requested massive increases in international donations; Ugandan officials have reportedly said that the sheer number of South Sudanese refugees is overwhelming the country. Delegates representing emerging market economy hosting countries will place a very strong emphasis on the commitments noted by the New York Declaration above, such as burden sharing and increasing commitments to development financing aimed at easing the financial burden of hosting large numbers of refugees.

### Advanced Economy Hosting Countries

Advanced economy hosting countries refers to developed countries like many OECD members which accept sizeable numbers of refugees, typically through the asylum process. These countries most notably include Germany, the US, France, the United Kingdom, Switzerland, Norway, and Russia. When compared to Turkey,

Germany has a more advanced economy country boasting the highest number of refugees of at 478,581. Similar countries tend to be far ther away from conflict zones, guard their borders on average more than their counterparts, and offer higher qualities of life for successfully integrated refugees by virtue of economy and social policies. Furthermore, countries in this bloc are likely to function as democracies, in which the nature of refugee resettlement is vulnerable to political forces of xenophobia or anger at perceived "freeriding."

For these reasons, these countries resettle significantly less refugees within their own borders. In debate, they would likely emphasize that their assistance comes in the form of quantitative amount of foreign aid and development financing for countries who host more refugees. Of the total 135.2 billion USD spent on foreign aid in 2015, twelve billion, approximately 9%, of all aid and development expenditures was dedicated towards the refugee crisis. Of this percentage, 5.4 billion USD of it was added from 2014's budget, representing a sweeping increase on OECD countries' commitments to financing refugee resettlement in high-hosting countries in recent years.

While both the advanced economy and emerging market economy hosting countries would likely favor "improv[ing] the delivery of humanitarian and development assistance to those countries most affected, including through innovative multilateral financial solutions," advanced economy countries have a history of tying development assistance and aid packages to countries accepting refugees, conveniently preventing the flow of refugees into their own borders. Advanced economy hosting countries have historically relied on small asylum networks and large disbursements of aid to emerging market economy hosting countries, instead of hosting large numbers of refugees within their own borders. In debate, these countries will propose advancing the state of the refugee finance network with innovative and promising new means of development finance and may also take an interest in new ways to maximize the benefit of resettling more skilled refugees into their own borders.

## Minimal or Non-Hosting Countries

A large number of countries host minimal numbers of refugees or host none altogether. In 2016, Albania hosted just 111 refugees; Azerbaijan hosted under 1,200; Belarus hosted just over 1,600; Brazil hosted 9,634; the Republic of Korea hosted 17,773; and Japan hosted only 2,512. A number of Gulf Region countries in close proximity to Syria, including Saudi Arabia, Oman, and the United Arab Emirates, collectively hosted just 1,340 refugees within their own borders in 2016. Minimal and non-hosting countries are difficult to group together, but generally they are low or middle-income countries which do not have a large asylum network and are not in close proximity to conflict zones or requiring dangerous and costly journeys. The previously mentioned Gulf States are an exception. Some notable groupings include much of the South American countries like Brazil, Argentina, Peru and also Eastern European countries like the Czech Republic, Poland, and Hungary. 206 Intense pressure is being applied on both of these subgroups to begin accepting more refugees and South American countries have proven historically willing to undertake such a venture.

While a high number of countries have taken in comparatively few or no refugees in recent years, a number of these countries do provide meaningful contributions to the resettlement of refugees through financial support. The Gulf States, which include Saudi Arabia, Oman, and others, have provided about 900 million USD to the Syrian Refugee crisis through charitable organizations and individual donations. This dynamic, where a number of countries seem responsible for shouldering the refugee burden, is largely recognized as a consequence of just 145 countries signing the 1951 Refugee Convention. Delegates representing countries in this bloc should consider their country's motivations for its current refugee policy and will likely advance solutions in the form of financial support, emphasizing the potential for current host countries to properly integrate refugees already within their borders with the help of development financing.

#### Committee Mission

When considering and formulating solutions, delegates will need to pay particular attention to ECOFIN's committee mandate of "deal[ing] with issues relating to economic growth and development, such as macroeconomic policy questions; financing for development; sustainable development; human settlements; globalization and interdependence; eradication of poverty; operational activities for development; agriculture development, food security and nutrition; information and communications technologies for development; and towards global partnerships."

The most important committee points for delegates to focus on are issues of economic growth and development, financing for development, sustainable development, eradication of poverty, and global partnerships. There is overlap between ECOFIN's mandate and the topic of financing refugee resettlement, as shown by various reports, case studies, and sources of analysis. A number of missions within ECOFIN's mandate also align with the UN's Sustainable Development Agenda, specifically SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities) and SDG 17 (Partnerships for the Goals). The most effective and well-designed solutions will take advantage of the cross-sectionality between financing refugee resettlement, the mandate of ECOFIN, and the UN SDGs.

Delegates will need to be careful to craft solutions under the specific mandate of ECOFIN's role in addressing economic and financial issues through fundamentally economic and financial solutions. Rather than proposing a model refugee assistance camp or introducing innovative technologies and methods aiming to provide aid for refugees, delegates need think critically about how to finance the process of well-integrated, sustainable refugee resettlements. Key issues for delegates to consider are reforming the traditional mission of refugee financing into a vehicle that can attract more donations or investment. Delegates should be planning deliberate, streamlined, and proper economic integration of refugees through labor and social policies. Delegates should also address ways to blur the lines between humanitarian and returnseeking financing as a means of capitalizing on the potential of the humanitarian and financial sectors.

# <u>Introduction</u>

Food, is an essential in every human's life which needs to be fulfilled as a need in in order to sustain the life of an individual. It's one of the basic needs and human rights to be provided in sufficient quantities and in enough nutritional balance to preserve the health of the body and mind. However due to several disqualifications or deficiency within the country or governing system which leads to 815 million undernourished people in the world according to the data from UN.

The 2nd UN Development Goal emphasizes the extreme poverty and aims to end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round by 2030. There comes the significancy of agriculture in human life and the vital role of it of ensuring the development of a country. A profound change of the global food and agriculture system is needed by means of providing the undernourished ones the essential food and increasing the welfare of the country which directly contributes to the economy of the country.

Agriculture is the art and science of cultivating the soil, growing crops and raising livestock. It includes the preparation of plant and animal products for people to use and their distribution to markets. Therefore it is obvious that the value of the agriculture sector rises with the increasing population of the world. Agriculture provides most of the world's food and fabrics. Cotton, wool, and leather are all agricultural products. Agriculture also provides wood for construction and paper products. Agriculture is the single largest employer in the world, providing livelihoods for 40 per cent of today's global population. It is the largest source of income and jobs for poor rural households.

Regardless of the cruciality of the agriculture upon the hunger, the developing and developed countries are also pressed by the production and the export- import rates depending on the agriculture. In particular 500 million small farms worldwide, most still rainfed, provide up to 80 percent of food consumed in a large part of the developing world. Therefore enhancing the agriculture productivity and small-scale farmer or gathering the small farmer under a specific cooperative implies tremendous importance for both the state's and international economy.

The attainment of the major investment, and growth of the both international economy and agricultural sector requires overcoming the fundamental concerns of the farmers and their access to customers in order to export their goods. Sustainability is indeed a major factor after the investment and international connections for the retainment of the quality.

# <u>Definition of Key Terms</u>

### Subvention:

An agricultural subsidy (also called an agricultural incentive), is a <u>government incentive</u> paid to <u>agribusinesses</u>, agricultural organizations and <u>farms</u> to supplement their income, manage the supply of agricultural <u>commodities</u>, and influence the cost and supply of such commodities. Examples of the agricultural commodities include products such wheat, feed grains ext.

## OECD:

The Organization for Economic Cooperation and Development (OECD) is a unique forum where the governments of <u>34 democracies</u> with market economies work with each other, as well as with more than 70 non-member economies to promote economic growth, prosperity, and sustainable development.

The Organization provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and coordinate domestic and international policies.



Harvest: the season for gathering in agricultural crops

## Agriculture cooperative:

An agricultural cooperative is a <u>cooperative</u> where <u>farmers</u> pool their resources in certain areas of activity. There are two primary types of agricultural service cooperatives, 'supply cooperative' and 'marketing cooperative'. Supply cooperatives supply their members with inputs for agricultural production, including <u>seeds</u>, <u>fertilizers</u>, <u>fuel</u>, and <u>machinery services</u>. Marketing cooperatives are established by farmers to undertake transportation, packaging, distribution, and <u>marketing</u> of farm products (both crop and livestock).

## Arable Land:

Land that is used in order to cultivate crops; it is therefore able to contribute to an increasing crop yield which is an important factor in ensuring food security hence being important to maximise the amount of arable land

(http://www.munish.nl/pages/downloader?code=spc201&comcode=spc2&year=2014)

# General Overview

Most countries have an economy that is dependent on agriculture – either in a small or big way. From employment generation to contribution to National Income, agriculture is important. In 2010, around 25 million persons were regularly engaged in agricultural work in the European Union.

Apart from the production and its difficulties, the produced goods during the year are not successfully released to the market which results in the insufficiency of the market. In the EU and US, agriculture is the most heavily subsidised industry. Nonetheless, it still fails to prevent the insufficiency of the market.

There are several reasons why the insufficiency of markets occurs, farmers are discouraged and the aggregate demand for the agriculture decreases. The reasons are generally examined in five subtopics which are:

- 1. Volatile Prices / volatile supply
- 2. Low and volatile income for farmers
- 3. Environmental costs of intensive farming
- 4. Monopsony power of food purchasers

#### Volatile Prices

Prices are far from being stable and in fact the prices changes for every harvest according to the amount of goods and crops which can be caused by climate change during the year. A sharp drop in price leads to a fall in revenue for farmers. Farmers could easily go out of business if there is a glut in supply because prices can plummet below cost. Moreover, prices can become stuck in a cycle of ever-increasing volatility. (this is called cobweb theory) Basically, if prices fall, many farmers will go out of business. Next year supply will fall. This causes price to increase in market. However, the higher price acts as an incentive for greater supply. Therefore, next year supply increases and prices plummet again!

## Low and volatile income for farmers

As similarly to the volatile prices item, farmers don't share the same benefits of economic growth. Farmers have a deficit of income and outcome throughout the years since the invested budget to harvest is not obtained at the end of the year with the low prices. Many developed economies

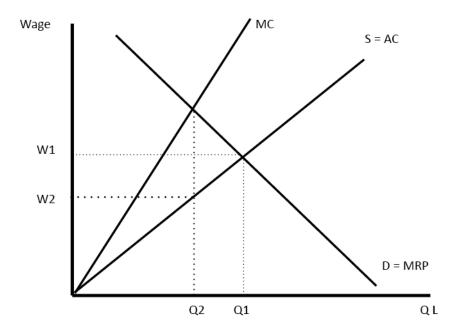
claims that it is necessary to subsidise farmers to protect their incomes which is providing the essential price to cultivation, seed, soil and such to relieve the economic pressure on farmers.

# Environmental costs of intensive farming

Modern technology has enabled increased crop yields. However, this often requires chemical fertilizers which cause pollution. As farming becomes more competitive, there is a greater pressure to produce more leading to increased use of chemicals. However, artificial fertilizers have diminishing returns, so it becomes more expensive and greater environmental cost for little benefit. Many farming methods have led to deforestation and cutting down trees. This can upset the ecobalance making regions more susceptible to flooding.

# Monopsony

Supermarkets can have monopsony buying power over local farmers. This means farmers may see their profit margins squeezed by the big supermarkets who have substantial buying power. If farmers don't sell to the big supermarkets they can't sell their products; this is why it puts them in a difficult position.



Although normally the price should be at the where W1 and Q1 intersect (Q1, W1), with monopsony the supermarkets buy it with the price where W2 and Q2 intersect (Q2, W2)

In spite of the market insufficiency maximizing the agricultural output is also crucial. The more output that is gained the more stable price and cooperative we obtain. Becoming a cooperative is utterly vital for the country's economy and its international economy since a efficient cooperative gathers small farmers into a community and it conducts agreements with banks which is financing the goods. Afterwards the cooperative promotes he products to the other world states and markets the products to the customers abroad which leads to a more sustainable qualified agriculture and developed international economy.



Maximising the agricultural output involves few ways to provide it such:sufficient arable land, irrigation and fertilization.

Present arable lands need to be protected from desertification. In addition, in instances land use may be very inefficient land planning may be poor or the nature of the agriculture may use large amount of land for small output. Therefore, improper land use should be specified and addressed. Thus, irrigation and fertilization can be included in the subvination that should be ensured by the government which can be supplied by the cooperative to the farmer in , fertilization time, a specific time.

# Major Parties Involved

International Fund for Agricultural Development (IFAD):

Created in 1977, the International Fund for Agricultural Development concerns itself with the development of agriculture in poor rural locations; this is achieved through the utilisation of low interest loans that allow farmers to safely begin agricultural practice. The importance of developing agriculture in rural areas can be viewed as twofold; it provides a source of income to improve standard of living and allow the economic capabilities to purchase food, and it also serves to bolster world food supplies in order to ensure that the supply is able to surpass the demand.

The International Finance Corporation's (IFC):

IFC has made agribusiness a priority because of its potential for broad development impact and role in poverty reduction. IFC combine investments and advisory services to help the sector address higher demand and escalating food prices in an environmentally sustainable and socially inclusive way. They work to help clients prefinance inventories, seeds, fertilizers, and chemicals for farmers, IFC offers working capital facilities. IFC helps clients to maintain competitiveness, upgrade sanitary and food safety standards, and expand market access.

## World Bank:

The World Bank Group works with countries, providing innovation, infrastructure and resources so that the food and agriculture sector. World Bank improves livelihoods and creates more and better jobs, including for women and youth and boosts agribusiness by building inclusive, efficient value chains working with IBRD/IDA.



## The Netherlands:

The Netherlands is one of the world's largest exporters of agricultural and food products, thanks to its innovative agrifood technology. The Netherlands is the world's second largest exporter of agricultural products, after the USA. Together with the USA and Spain, the Netherlands is one of the world's three leading producers of vegetables and fruit. It supplies a quarter of the vegetables that are exported from Europe.



# USA:

Agriculture is a major industry in the <u>United States</u>, which is a net exporter of food. The U.S. was a leader in seed improvement i.e. <u>hybridization</u> and in expanding uses for crops from the work of <u>George Washington Carver</u>. Modern agriculture in the U.S. ranges from the common <u>hobby farms</u>, small-scale producers to large <u>commercial farming</u> covering thousands of acres of cropland or rangeland. Agriculture in the United States is primarily governed by periodically renewed <u>U.S. farm bills</u>.



### Timeline of Events

1951- Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 is an International Labour Organization Convention. It was established in 1951, stating:creating or maintaining adequate machinery whereby minimum rates of wages can be fixed for workers employed in agricultural. As of July 2015, the convention had been ratified by 54 states. One ratifying state, the United Kingdom, has denounced the treaty.

(https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100\_INSTRUMENT\_ID:312244:NO)

1952- Holidays with Pay (Agriculture) Convention, 1952 is an International Labour Organization Convention. It was established in 1952, with the preamble stating: Having decided upon the

adoption of certain proposals with regard to holidays with pay in agriculture (<a href="https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\_INSTRUMENT\_LD:312246">https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\_INSTRUMENT\_LD:312246</a>)

1977- It was established as an international financial institution in 1977 through United Nations General Assembly Resolution 32/107 (15 December 1977) as one of the major outcomes of the 1974 World Food Conference. The International Fund for Agricultural Development is an international financial institution and a specialised agency of the United Nations dedicated to eradicating poverty and hunger in rural areas of developing countries.



# Possible Solutions

The best approach would be maximising the agricultural output in order to increase the amount of goods to be exported thus, to achieve a more developed national and international economy. Ensuring the essential conditions of cultivation ,keep in mind that industrialisation is also present in 21st century and machinery are included, and cultivation area is also crucial by means of qualified goods.

Government intervention is the backbone of agriculture sustainability and stability. Government has a major impact in order to set the minimum prices, implement subsidised food prices and increase the tariffs in order to increase the domestic price.

Regarding that we are in 21st century and the improved agricultural techniques modern agriculture can be encouraged in especially LEDCs with the cooperation of UN, UN sub-bodies and international funds in order to enhance the national economy without causing the LEDC countries

to depend on MEDS countries with the loans. Assuring grant-loan would further encourage the farmers and increase the demand for the job which could be given with providing the specific terms such as only using the grant-loan for seed, diesel fuel and such.

Becoming cooperative has a tremendous impact on national economy and the acces of international economy since it leads and connects the small farmers and provides the chance of the connection with international customers and proper financial-aid.

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