KENTUCKY UNITED NATIONS ASSEMBLY
OFFICIAL PROPOSAL

Proposal #: 33 Assignment: G

Country: Liechtenstein School: Oldham Co. HS City: LaGrange

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Title: An act to reduce tariffs levied toward third-world countries by 1% for every 1% of their debt they can repay to the UN, WTO, or sovereign states.

BE IT HEREBY ENACTED BY THE GENERAL ASSEMBLY OF THE UNITED NATIONS

Justification Clause: As the global debt crisis reaches an all-time high and third world countries are caught in the web of crippling debt, both first and third world countries suffer. By adding incentives to bring down debt in developing countries, developed countries will be able to retract foreign aid; consequently, global debt will decrease as a whole.

Section I: The reduction of debt in third world countries will allow them to become less dependent on foreign aid and strengthen their national governments. The more they can repay, the easier it will become to settle debts as they will be able to expand trade with lower costs. Developed states will benefit by being able to spend the money saved on foreign aid on domestic affairs.

Section II: A first world country is defined as "A country characterized by political stability, democracy, rule of law, a capitalist economy, economic stability, and a high standard of living; as well as a healthy GDP, GND (gross national debt), and a high literacy rate." A third world country is defined as "A country characterized by a large divide between the upper and lower classes, a military regime or similar form of government, a weak economy and a high rate of unemployment; as well as a low standard of living, literacy rates and economic dependence on foreign aid."

Section III: This proposal will give a 1% discount on tariffs levied toward third world countries for every 1% of their GND they pay in respect to their GDP. For example, if a country's GND is 60% of its GDP, it will need to pay back 1% of that amount, making it 59%, to receive the 1% discount on the tariff rate. This will continue until they pay the entirety of their debt back and are essentially tariff-free.

Section IV: When enacted, this proposal will act as a way for countries to equally resolve debt to others while still interacting with the United Nations. The UN's role in this will be to monitor the effects of this agreement and regulate the fairness of the agreement between consenting nations.

Section V: Participation in this trade agreement will not be mandatory, but will be mutually beneficial to both first and third world countries in both debt consolidation and financial redirection. No punishment will administered for those countries who do not sign into this accord.

Section VI: This proposal will go into effect January 1st 2014.