



American Model United Nations  
**Second Committee**

GA 2nd/II/6

SUBJECT OF RESOLUTION: Role of Microcredit and Microfinance in the  
Eradication of Poverty

SUBMITTED TO: The Second Committee

SUBMITTED BY: Nepal, Azerbaijan, Georgia, Austria, Ukraine, The  
United States of America

*The Second Committee*

1           *Recognizing* that microfinance and microcredit programmes have successfully reduced  
2 poverty and promoted the economic stability of member-nations,  
3

4           *Acknowledging* the successes of existing microfinance and microcredit programmes and  
5 institutions with regard to improving the status of women, especially in developing nations,  
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7           *Reaffirming* that the United Nations General Assembly, through resolution 53/197,  
8 proclaimed the year 2005 c.e. the “Year of Microfinance,” and that the previously agreed upon  
9 Millennium Development Goals call for a fifty percent reduction of abject poverty by the year  
10 2015,  
11

12           *Seeking* the increased use of microfinance and microcredit by private and state lenders,  
13 as well as greater international cooperation in lending,  
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15           *Recognizing* that the use of public or private channels in the finance and distribution of  
16 microfinance is vital,  
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18           *Noting* that in many states microfinance and microcredit programmes provide access of  
19 small loans to people living in abject poverty and generate productive self-employment,  
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21           *Deeply concerned* that the eradication of poverty may stall without action, that economic  
22 instability denies the impoverished basic human necessities and rights, and that lenders may  
23 curtail microfinance and microcredit due to perceived or real threats of so-called “moral hazards”  
24 to impoverished states,  
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26           1. *Invites* all member-nations to strengthen and improve their already existing policy  
27 frameworks and to participate in microfinance and microcredit through increased lending and/or  
28 cooperation with Intergovernmental Organizations (IGOs), Nongovernmental Organizations  
29 (NGOs), and Multinational Corporations (MNCs);  
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31           2. *Strongly encourages* IGOs, NGOs, Microfinancial Institutions (MFIs), and other  
32 financial institutions to set up expansive programmes focusing on strengthening domestic  
33 economic infrastructure within developing countries while respecting the unique needs and

34 requirements of individual nations;

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36 3. *Requests* additional emphasis on microfinance and microcredit programmes  
37 throughout rural and other remote populations;

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39 4. *Calls upon* nations and organizations to provide training and skill acquisition  
40 programmes to financial institutions concerning market economics, macro-accounting, savings  
41 mobilization, investment and insurance to promote local self-sufficiency and long term  
42 sustainability;

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44 5. *Reaffirms* the importance of creating global awareness regarding the roles of  
45 microfinance and microcredit in private development, as well as advising member-nations on  
46 how to articulate policies, strategies, and mechanisms that would foster operational environments  
47 conducive to microfinance and microcredit institutions, their clients, and required financial  
48 intermediates;

49

50 6. *Recommends* that the World Bank's Consultative Group to Assist the Poor (CGAP)  
51 and other similar organizations to monitor loan transfers to ensure microfinance and microcredit  
52 effectiveness, stressing accountability and the reduction of corruption;

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54 7. *Further recommends* that member-nations, IGOs, and MNCs provide microfinance  
55 and microcredit loans to financial institutions within nations with economies deemed pre-  
56 banking or high risk, and also to nations who successfully appeal for microfinance and  
57 microcredit loan programmes;

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59 8. *Strongly encourages* NGOs, IGOs, institutions and programmes in existence to  
60 develop and strengthen current efforts devoted to implementing and promoting microfinance and  
61 microcredit within countries;

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63 9. *Emphasizing* the education of all people concerning skills-training to more effectively  
64 assist microfinance and microcredit participants, stressing long-term self sufficiency and  
65 sustainability, while increasing noting that all programmes should respect state sovereignty;

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67 10. *Congratulates* all member-nations and institutions engaging in microfinance and  
68 microcredit programmes, honouring contributions and allocations bestowed on impoverished  
69 states toward the eradication of poverty.

Passed, Yes: 46 / No: 28 / Abstain: 13