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General Assembly Second Committee Background Guide 2024

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NATIONAL MODEL UNITED NATIONS

Dear Delegates,

Welcome to the 2024 National Model United Nations Conference in Washington, DC (NMUN•DC)! We are pleased to introduce you to our committee, the United Nations General Assembly Second Committee. This year's staff is: Director Luke Glasspool and Assistant Director Smrithi Upadhyayula. Luke has a Bachelor of Arts in History, Politics, and International Relations from Royal Holloway and a Master of Arts in Legal and Political Theory from University College London. Luke is currently a freelance writer for a sustainable development journal and is about to start a Master of Science in Global Development at the School of Oriental and African Studies in London. Smrithi has a Bachelor of Science in Cognitive Science from the University of Texas at Dallas and is now a medical student at the University of Texas Southwestern Medical Center.

The topics under discussion for the General Assembly Second Committee are:

1. The Preservation of Natural Resources for Economic Development
2. Promoting Investments from the Private and Public Sector for Sustainable Development

The United Nations General Assembly Second Committee is one of the six main committees of the United Nations General Assembly. It is also known as the Economic and Financial Committee and deals with global finance and economic matters. The work of the Second Committee covers eleven thematic clusters ranging from macroeconomic policy to sustainable development, to eradicating poverty. The Second Committee meets every year in October and all 193 Member States of the United Nations can attend, this year marks the 79th annual session.

This Background Guide serves as an introduction to the topics for this committee. However, it is not intended to replace individual research. We encourage you to conduct additional research, explore your Member State's policies in-depth, and examine the policies of other Member States to improve your ability to negotiate and reach consensus. In preparation for the conference, each delegation will use their research to draft and submit a [position paper](#). Guidelines are available in the [NMUN Position Paper Guide](#).

The [NMUN website](#) has many additional resources, including two that are essential both in preparation for the conference and as a resource during the conference. They are:

1. The [NMUN Delegate Preparation Guide](#), which explains each step in the delegate process, from pre-conference research to the committee debate and resolution drafting processes. Please take note of the information on plagiarism and the prohibition on pre-written working papers and resolutions. Delegates should not discuss the topics or agenda with other members of their committee until the first committee session.
2. The [NMUN Rules of Procedure](#), which include the long and short form of the rules as well as an explanatory narrative and example script of the flow of procedure.

In addition, please review the mandatory [NMUN Conduct Expectations](#) on the NMUN website. They include the conference dress code and other expectations of all attendees. We want to emphasize that any instances of sexual harassment or discrimination based on race, gender, sexual orientation, national origin, religion, age, or disability will not be tolerated. If you have any questions concerning your preparation for the committee or the conference itself, please contact the Under-Secretary-General Alliyah Edwards at usgalliyah.dc@nmun.org or Secretary-General Chris Duggan at secgen.dc@nmun.org.

We wish you all the best in your preparations and look forward to seeing you at the conference!

Sincerely,
Luke Glasspool, Director
Smrithi Upadhyayula, Assistant Director



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Committee Overview

Introduction

The General Assembly is the main deliberative and policy-making body in the United Nations system.¹ With its universal membership, the General Assembly makes policy recommendations to actors at all levels, including governments, regional bodies, and other United Nations bodies.² Its work is spread across six Main Committees, each of which discusses and negotiates on topics within its thematic area, adopting resolutions that are then considered by the broader General Assembly Plenary.³

The Second Committee, the Economic and Financial Committee, addresses issues in eleven topical clusters: macroeconomic policy; operational activities for development; financing for development; groups of countries in special situations; globalization and interdependence; eradication of poverty; sustainable development; information and communication technologies for development; agriculture development, food security, and nutrition; human settlements and sustainable urban development; sovereignty of the Palestinian people over their natural resources; and the issue of global partnership.⁴ Its powers and functions are derived from the broader mandate of the General Assembly, which was established by the *Charter of the United Nations* (1945).⁵

Mandate, Function, and Powers

Chapter IV of the Charter established the foundational composition and capabilities of the General Assembly.⁶ The mandate provided is broad, allowing for discussion on any questions or matters within the scope of the Charter.⁷ The General Assembly acts as a forum for dialogue and cooperation, providing general policy recommendations rather than carrying out operative tasks.⁸ Its policy recommendations are non-binding, and their implementation is conducted by Member States, the United Nations Secretariat, and other United Nations bodies, each of which independently aligns their work with General Assembly resolutions.⁹

Under this mandate, the General Assembly adopts resolutions, formal documents agreeing on the will of the international community.¹⁰ The vast majority of these resolutions are adopted by consensus, which means no Member States have objections to the content.¹¹ In line with the *Charter of the United Nations*, the mandate of the General Assembly can be summarized as:

- The General Assembly **will generally**: make recommendations to Member States, the Security Council, other United Nations bodies and organs, United Nations specialized agencies, and other international actors; initiate studies and advance efforts to promote international cooperation in the economic, social, cultural, educational, and health fields and in the realization of human rights and fundamental freedoms; consider or request reports from other United Nations bodies and specialized agencies; establish United

¹ United Nations, Department of Global Communications. *Main Bodies*. N.d.

² Permanent Mission of Switzerland to the United Nations. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017. pp. 1, 52.

³ United Nations, Dag Hammarskjöld Library. *UN General Assembly Documentation*. 2023.

⁴ Permanent Mission of Switzerland to the United Nations. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017. p. 71.

⁵ *Ibid.*

⁶ United Nations Conference on International Organization. *Charter of the United Nations*. 1945.

⁷ *Ibid.*

⁸ Permanent Mission of Switzerland to the UN. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017. p. 36.

⁹ *Ibid.* p. 52.

¹⁰ *Ibid.* p. 52; Council on Foreign Relations. *The Role of the UN General Assembly*. 2023.

¹¹ Permanent Mission of Switzerland to the United Nations. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. pp. 37, 52.



Nations observance days, create expert groups or commissions, formulate mechanisms for treaty negotiation, or refer an issue to the International Court of Justice.¹²

- The General Assembly **will not generally**: dictate the specific actions required for the implementation of policies it recommends, allowing Member States and other bodies to determine operational details and create new bodies, except for in those rare instances where ubiquitous international demand requires the consolidation of existing bodies or a concept and mandate have been fully developed, typically through years of negotiations; make recommendations on situations under consideration by the United Nations Security Council.¹³

Most debate, negotiation, and drafting of recommendations occurs within the General Assembly's Main Committees.¹⁴ The General Assembly's mandate is the basis for each of its subsidiary committee's mandate, though each has its own working methods, traditions, and practices.¹⁵ The Second Committee tends to make broad policy recommendations on the issues under its purview and adopts approximately 35-45 resolutions each year, primarily by consensus and without a recorded vote, after which they are sent to the General Assembly Plenary.¹⁶

Governance, Funding, and Structure

The General Assembly is comprised of all 193 United Nations Member States.¹⁷ It meets in regular annual sessions and may also convene special sessions on a particular topic at the request of the Secretary-General, Security Council, or a majority of Member States.¹⁸ Each Member State has one equal vote, and most decisions require a simple majority.¹⁹ The Second Committee's procedures are managed by its Secretariat and an elected Bureau.²⁰ The Bureau of the Committee assists with opening and closing each meeting, managing the discussions, pronouncing decisions, assisting with drafts and documents, and ensuring compliance with the rules of procedure.²¹ The United Nations Secretariat assists the Second Committee by delivering substantive and logistical support.²²

As a principal organ of the United Nations, the General Assembly is mainly self-governing, determining its own agenda, procedures, officer, president, and subsidiary bodies.²³ Its current subsidiary bodies include the Disarmament Commission, the Human Rights Council, the International Law Commission, the Joint

¹² Ibid. p. 36; United Nations Conference on International Organization. *Charter of the United Nations*. 1945; UNFOLD ZERO. *UN Bodies*. N.d.

¹³ United Nations, Dag Hammarskjöld Library. *Are UN resolutions binding? 2023*; United Nations, Office of the Secretary-General's Envoy on Youth. *UN Women: The United Nations Entity for Gender Equality and the Empowerment of Women*. N.d.; United Nations, Human Rights Council. *Welcome to the Human Rights Council*. 2023; United Nations Conference on International Organization. *Charter of the United Nations*. 1945.

¹⁴ Permanent Mission of Switzerland to the United Nations. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017. p. 68.

¹⁵ Ibid. p. 68.

¹⁶ Ibid. p. 72.

¹⁷ United Nations Conference on International Organization. *Charter of the United Nations*. 1945.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Permanent Mission of Switzerland to the UN. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017.

²¹ United Nations, General Assembly. *Rules of Procedure of the General Assembly (A/520/Rev.19)*. 2021. pp. 30-31.

²² Permanent Mission of Switzerland to the United Nations. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017.

²³ Ibid. pp. 13, 15, 44.



Inspection Unit, and an assortment of standing committees and ad-hoc bodies.²⁴ The General Assembly also jointly oversees the Peacebuilding Commission with the Security Council and the High-Level Political Forum on Sustainable Development with the Economic and Social Council (ECOSOC).²⁵ ECOSOC and the General Assembly also jointly receive reports from and provide oversight to the United Nations's funds and programs and various other United Nations entities.²⁶

The Second Committee considers explicitly reports from the United Nations Environment Assembly (UNEA), the United Nations Human Settlements Programme, and the Governing Councils for the *Convention on Biodiversity* (1992), the *United Nations Framework Convention on Climate Change* (UNFCCC) (1992), and the *Convention to Combat Desertification* (1994).²⁷ As with all General Assembly committees, its meetings and events are funded through the annual United Nations budget.²⁸

²⁴ United Nations Conference on International Organization. *Charter of the United Nations*. 1945.

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ Permanent Mission of Switzerland to the United Nations. *The GA Handbook: A Practical Guide to the United Nations General Assembly*. 2017. p. 72.

²⁸ New Zealand Ministry of Foreign Affairs and Trade. *United Nations Handbook 2023-24*. p. 412.



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1. The Preservation of Natural Resources for Economic Development

“We should not accept that meeting human needs must be resource intensive, and we must stop stimulating extraction-based economic success. With decisive action by politicians and the private sector, a decent life for all is possible without costing the earth.”²⁹

Introduction

1.2 billion people, most of whom live in low-income Member States, meet the United Nations Environment Programme (UNEP) definition of “nature-dependent”: depending directly on natural resources for their food, water, housing, or daily monetary needs.³⁰ UNEP defines resources broadly as any natural assets exploited by human economic activity and categorizes them into metals, non-metallic minerals, fossil fuels, biomass, water, and land.³¹ Renewable natural assets, such as land and ecosystems, amount to 23% of low-income Member States’ assets, leaving their economies vulnerable to the degradation of these resources by over-exploitation and climate change.³² Yet, two-thirds of the world’s biodiversity has been lost in the last 50 years, depriving humanity of plant species used in the production of energy, materials, and pharmaceuticals.³³ The annual global extraction of materials grew from 27 billion tons in 1970 to 92 billion tons in 2017, largely due to the rapid development of middle-income Member States.³⁴ These unsustainable patterns reveal a need for fundamental restructuring in the current methods of natural resource stewardship and measurement of economic growth.³⁵

The Organisation for Environmental Co-Operation and Development (OECD) argues that in the past, economic development has come at the cost of accelerated environmental degradation.³⁶ Thus, experts have called for “breaking the link between ‘economic goods’ and ‘environmental bads,’” a concept known as decoupling.³⁷ Economic health is measured by gross domestic product (GDP), which is the total value of goods and services produced by a Member State each year.³⁸ However, this measure does not include the value of a Member State’s natural resources, which is historically difficult to measure.³⁹ This poses a challenge to policymakers hoping to factor natural resource preservation into their decision-making.⁴⁰ Subsidies are financial incentives that a government provides to support activities deemed to be in the public interest.⁴¹ Yet, a 2022 study by The B Team, a coalition of leaders in business and civil society, revealed that governments around the world spend \$1.8 trillion on environmentally harmful subsidies each year.⁴² Most of this money supports the fossil fuel industry, with contributions also going to unsustainable agriculture, wastewater management, forestry, and construction practices.⁴³

²⁹ Andersen. United Nations Environment Programme. *Environment Under Review*. 2024.

³⁰ Fedele. Global Environment Change. *Nature-dependent people: Mapping human direct use of nature for basic needs across the tropics*. 2021.

³¹ United Nations Environment Program. *The use of natural resources in the economy*. 2021.

³² World Bank Group. *The Changing Wealth of Nations*. 2021. p. 5.

³³ World Wildlife Fund. Zoological Society of London. *Living Planet Report*. 2020. p. 6.

³⁴ Oberle. United Nations Environment Programme. *Global Resources Outlook*. 2019.

³⁵ Ibid.

³⁶ Ruffing. Organisation for Environmental Co-Operation and Development. *Indicators to Measure Decoupling of Environmental Pressure From Economic Growth*. 2024.

³⁷ Ibid.

³⁸ Callen. International Monetary Fund. *Gross Domestic Product: An Economy’s All*. N.d.

³⁹ United Nations Environment Programme. *Beyond GDP: Making nature count in the shift to sustainability*. 2022.

⁴⁰ Ibid.

⁴¹ United States Environmental Protection Agency. *Environmental Economics*. 2023.

⁴² Koplou. The B Team. *Protecting Nature by Reforming Environmentally Harmful Subsidies*. 2021.

⁴³ Ibid.



Globalization, which is the increasing interconnectedness of world cultures and economies through trade and technology, has increased inequality in the consumption of natural resources.⁴⁴ In 2017, high-income Member States were economically dependent on just under 10 tons of material imported from developing countries.⁴⁵ This imbalance has been increasing at a rate of 1.6% annually since the year 2000.⁴⁶ While upper-middle-income Member States have doubled their resource use in the past 50 years, largely due to the rapid increase in their average standard of living, low-income Member States' resource use has not changed significantly since 1995.⁴⁷ The United Nations continually discusses ways to support trade, consumption, and financing patterns that will close this gap.⁴⁸

International and Regional Framework

The United Nations has recognized the issues surrounding the use of natural resources since its founding.⁴⁹ The *Charter of the United Nations* (1945) affirms Member States' right to set their own policies on the use of natural resources within their borders as long as they respect the rights of other States.⁵⁰ The 1972 United Nations Conference on the Human Environment in Stockholm was the first United Nations conference to prioritize the environment and its impact on the world economy.⁵¹ In 1992, the United Nations Conference on Environment and Development produced *Agenda 21*, which defined the following as United Nations goals: increasing resource and materials efficiency in the industry through innovation, ensuring commodity prices reflect environmental and resource costs, and encouraging states to develop national land resource management.⁵² The 2002 *Johannesburg Plan of Implementation* (JPol), adopted at the World Summit on Sustainable Development, requested the formation of an international collaborative framework for the implementation of these goals.⁵³ JPol affirmed a need for a shift in global production and consumption of resources as well as the implementation and oversight of sustainability agreements.⁵⁴ The Monterrey Consensus on Financing for Development was also adopted in 2002, emphasizing international technical collaboration and triangular dialogue between developing Member States as crucial to building models for economically and environmentally sustainable development.⁵⁵ The 2009 Copenhagen Climate Change Conference encouraged economically strong Member States to commit to mobilizing \$100 billion a year by 2020 to support efficient resource management and capacity building in developing Member States.⁵⁶ Providing developing Member States with the technology and skills to use resources efficiently enabled them to protect their economic development while mitigating environmental impacts.⁵⁷ In the 2012 United Nations Conference on Sustainable Development, stakeholders directly emphasized the connection between environmental and economic health, acknowledging that poor communities are often culturally and economically dependent on ecosystems.⁵⁸

The *2030 Agenda for Sustainable Development* (2030 Agenda) (2015) addresses the preservation of natural resources in Sustainable Development Goal (SDG) 12 (responsible consumption and production),

⁴⁴ National Geographic. *Globalization*. 2024.

⁴⁵ Oberle. United Nations Environmental Programme. *Global Resources Outlook*. 2019.

⁴⁶ Ibid.

⁴⁷ Andersen. United Nations Environment Programme. *Environment Under Review*. 2024.

⁴⁸ Ibid.

⁴⁹ United Nations Conference on International Organization. *Charter of the United Nations*. 1945.

⁵⁰ Ibid.

⁵¹ United Nations Audiovisual Library of International Law. *Declaration of the United Nations Conference on the Human Environment*. 2012.

⁵² United Nations Conference on Environment and Development. *Agenda 21*. 1992.

⁵³ World Summit on Sustainable Development. *Plan of Implementation of the World Summit on Sustainable Development*. 2002.

⁵⁴ Ibid.

⁵⁵ International Conference on Financing for Development. *Monterrey Consensus on Financing for Development*. 2002.

⁵⁶ Center for Climate and Energy Solutions. *COP 15 Copenhagen*. 2009.

⁵⁷ Ibid.

⁵⁸ SDG Knowledge Platform. *United Nations Conference on Sustainable Development, Rio+20*. 2022.



SDG 14 (life below water), and SDG 15 (life on land).⁵⁹ While the COVID-19 pandemic has slowed progress toward the SDGs, the goals continue to provide visibility to natural resource issues.⁶⁰ The *Kunming-Montreal Global Biodiversity Framework*, adopted at the 2022 United Nations Biodiversity Conference of the Parties to the United Nations Convention on Biological Diversity (COP 15), set global biodiversity protection targets for 2030 and 2050, creating a public-facing campaign to raise awareness on the issue of biodiversity loss.⁶¹ Corporate sustainability reporting has tripled since the beginning of the SDG period, with 484 policy instruments promoting sustainable economic activity being reported between 2019 and 2022.⁶² Despite this, there is a regional imbalance in this progress, with more than half of these policy instruments originating in Europe and Central Asia.⁶³ According to the United Nations Department of Economic and Social Affairs (UN DESA), correcting this imbalance is imperative as climate effects are inherently global and the impacts of poor environmental policy are often felt far from their Member State of origin.⁶⁴

At the regional level, the African Union's (AU) African Convention on the Conservation of Nature and Natural Resources, adopted in 2013, encourages the integration of scientific best practices and local knowledge to effectively manage land, water, vegetation, and biodiversity resources.⁶⁵ Each adopting Member State is called upon to create a national authority responsible for implementing the provisions of the Convention.⁶⁶ Member States are called upon to include sustainability considerations in their local and national development plans, conduct research on the environmental impacts of their policies, and develop educational programs for natural resource conservation.⁶⁷ These programs may include the creation of conservation areas for the protection of key ecosystems and vulnerable species, as well as studying the effects of developmental programs to ensure that they are not harmful to the natural environment.⁶⁸ In the European Union (EU), the European Green Deal serves a similar function.⁶⁹ The European Green Deal established the EU's 2050 climate neutrality target.⁷⁰ The climate neutrality target prioritizes protecting ecosystems, reducing pollution, and improving the management of land and water resources.⁷¹ In March 2020, it was updated with the Circular Economy Action Plan (CEAP), which seeks to modify products and consumer behavior to prevent waste.⁷² The CEAP identifies industries with high potential for circularity, such as electronics, batteries, vehicles, packaging, and plastics, delineating 35 related "actions" to be implemented by the European Commission.⁷³ Its goal is a transition from a traditional "linear" economy, where goods are manufactured, used, and disposed of, to a more circular model, in which goods are made to be reused or recycled.⁷⁴

⁵⁹ United Nations, Department of Economic and Social Affairs. *The 17 Goals*. 2015.

⁶⁰ *Ibid.*

⁶¹ United Nations Environmental Programme. *Kunming-Montreal Global Biodiversity Framework*. 2022.

⁶² United Nations Department of Economic and Social Affairs. *The 17 Goals*. 2015.

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ African Union. *African Convention on the Conservation of Nature and Natural Resources*. 2003.

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ European Commission. *Protecting the environment and oceans with the Green Deal*. 2019.

⁷⁰ *Ibid.*

⁷¹ *Ibid.*

⁷² European Commission. *Changing how we produce and consume: New Circular Economy Action Plan*. N.d.

⁷³ *Ibid.*

⁷⁴ European Parliament. *Circular economy: definition, importance, and benefits*. 2023.



Role of the International System

The General Assembly Second Committee regularly discusses the preservation of natural resources as a necessary component of economic development.⁷⁵ Under agenda item 26b, the 76th session of the General Assembly acknowledged natural plant fibers as an important source of income for farmers and encouraged their sustainable production.⁷⁶ In its 78th session, the General Assembly Second Committee has recently prioritized the use of financial tools such as investment, inclusive finance in favor of sustainable development, as well as the development and dissemination of more resource-efficient technology, especially agricultural technology.⁷⁷ Under the “financing for development” portion of its mandate, the General Assembly Second Committee considers how grants and low-cost loans can be optimized to promote development activities that are environmentally sustainable.⁷⁸ The Secretary-General has convened an Inter-agency Task Force on Financing for Development that unites several United Nations agencies and regional commissions to promote funding for sustainable development.⁷⁹ The task force has seen several milestones, with global investments in renewable energy surpassing investments in the fossil fuel industry for the first time in 2022.⁸⁰ However, the task force also found that unequal investment between high-income and low-income Member States, and the severe debt burden faced by 40% of developing Member States both pose challenges to the world’s ability to fund sustainable development.⁸¹

The United Nations Development Programme (UNDP) supports capacity-building to help local communities sustainably manage their natural resources.⁸² UNDP works with governments, civil society, and private sector actors in Member States, such as Mongolia and Somalia, to raise awareness about unsustainable practices such as overgrazing, deforestation, and mining to develop policies to mitigate these harms.⁸³ UNEP currently focuses on accelerated, inefficient, natural resource use in the Asia-Pacific region, due to the rapid development of middle-income Member States.⁸⁴ In 2015, UNEP launched a regional database of indicators to better measure resource efficiency.⁸⁵ These indicators are designed to complement GDP as measures of Asian Member States’ economic growth.⁸⁶ They include measures of water quality, access, and ratios of material consumption to manufacturing productivity.⁸⁷ A particular concern in the Asia-Pacific region is the consumption of rare earth minerals for technology applications, which continues to increase with technological advancement.⁸⁸ One of UNEP’s goals is to build a green economy, which it defines as an economy that equitably promotes human well-being while preserving the environment.⁸⁹ A United Nations tool that supports a green economy is the SDG Compass, which provides a database of commonly used indicators to quantify businesses’ sustainable use of

⁷⁵ United Nations, General Assembly. *Agriculture development, food security, and nutrition: natural plant fibers and sustainable development*. 2022.

⁷⁶ Ibid.

⁷⁷ United Nations, Department of Global Communications. *Second Committee Approves 15 Resolutions*. N.d.

⁷⁸ United Nations, General Assembly. *Economic and Financial Committee (Second Committee)*. N.d.

⁷⁹ United Nations, Department of Economic and Social Affairs. *About the inter-agency task force on financing for development*. N.d.

⁸⁰ SDG Knowledge Hub. *Financing for sustainable development: follow up to the Addis Ababa Action Agenda*. 2016.

⁸¹ Ibid.

⁸² United Nations Development Programme. *Mongolia: Natural Resource Management and Biodiversity*. 2024.

⁸³ Ibid.

⁸⁴ United Nations Environment Programme. *Sustainable Natural Capital*. 2024.

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ United Nations Environment Programme. *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication*. 2018.



resources.⁹⁰ Developed in 2015 by the United Nations Global Compact and World Business Council for Sustainable Development (WBCSD), the SDG Compass guides businesses to incorporate sustainability into their strategy.⁹¹

The World Bank plays a key role in financing resource-efficient development, with its Environment and Natural Resources Global Practice connecting low and middle-income Member States with technical and monetary assistance to more effectively manage land, sea, and freshwater resources.⁹² Recent projects financed by the Practice include building more sustainable solid waste management practices in low-income Member States and increasing the share of renewables in the energy supply.⁹³ In 2020, the Food and Agriculture Organization of the United Nations (FAO) published the *State of the World's Forests* report, which noted that forests provide livelihoods and are essential for sustainable production, but 420 million hectares have been lost since 1990.⁹⁴ A study by the Boston Consulting Group estimated the world's forests to be worth \$150 trillion, twice as valuable as global stock markets.⁹⁵ Due to this, FAO calls for the creation of protected areas and respect for indigenous and rural peoples' knowledge of effective forest stewardship.⁹⁶

In Security Council resolution 1625 (2005), the Security Council described the lack of access to natural resources and the associated economic stagnation as a root cause of many post-world war conflicts.⁹⁷ Access to, and the ability to economically benefit from, natural resources is key to peace.⁹⁸ Civil society has seen the increased adoption of environmental, social, and governance (ESG) standards by governments, consumers, investors, and employees, holding corporations responsible for their behavior.⁹⁹ Defined as a set of investor considerations beyond financial factors to evaluate a company's social responsibility and commitment to long-term sustainability, ESG initiatives and its data allow individuals to financially support good resource stewardship by buying goods produced by companies that share their commitment to sustainability.¹⁰⁰ The United Nations promotes consistent, transparent corporate ESG reporting through its Sustainable Stock Exchanges Initiative, which encourages stock exchanges to publish ESG measures for trading companies.¹⁰¹

Financially Responsible Measures to Prevent Environmental Degradation

COP 15 ended with a landmark agreement on environmental protection.¹⁰² The *Kunming-Montreal Global Biodiversity Framework* includes a commitment to phase out or reform harmful subsidies by at least \$500 billion per year.¹⁰³ Numerous international organizations have identified environmentally harmful subsidies as an obstacle to the transition to a green economy as they incentivize unsustainable economic activity.¹⁰⁴ For example, the EU has identified a list of subsidies in its Member States deemed to be environmentally harmful and a toolkit for phasing them out.¹⁰⁵ However, it is not always immediately apparent whether a subsidy is harmful to the environment or not, as even a well-intentioned policy can have unintended

⁹⁰ SDG Compass. *Inventory of Business Tools*. 2015.

⁹¹ Ibid.

⁹² World Bank Group. *Environment and Natural Resources*. 2023.

⁹³ Ibid.

⁹⁴ Kappen. Boston Consulting Group. *The Staggering Value of Forests - and How To Save Them*. 2020.

⁹⁵ Ibid.

⁹⁶ World Bank Group. *Environment and Natural Resources*. 2023.

⁹⁷ United Nations, Security Council. *Resolution 1625 (S/RES/1625)*. 2005.

⁹⁸ Ibid.

⁹⁹ Napoletano. Forbes Advisor. *Environmental, Social, and Governance: What is ESG Investing?* 2024.

¹⁰⁰ Ibid.

¹⁰¹ United Nations Development Programme. *Rethinking the Governance of ESG*. N.d.

¹⁰² United Nations Environment Programme. *Kunming-Montreal Global Biodiversity Framework*. 2022.

¹⁰³ Ibid.

¹⁰⁴ European Commission. *Phasing out Environmentally Harmful Subsidies*. N.d.

¹⁰⁵ Ibid.



effects such as incentivizing resource extraction or poor stewardship.¹⁰⁶ To that end, the Organisation for Economic Co-operation and Development (OECD), an alliance of 37 Member States with market-based economies, published the report *Environmentally Harmful Subsidies: Challenges for Reform* (2005), which presents a checklist for identifying environmentally harmful subsidies, political factors that influence subsidy design, and politically feasible strategies for reforming harmful subsidies.¹⁰⁷

One of the challenges of encouraging resource conservation in the private sector is that it often comes with no monetary incentive.¹⁰⁸ A proposed solution to this problem in the context of forests is Reducing Emissions from Deforestation and Degradation (REDD).¹⁰⁹ Voluntary REDD programs, where companies are paid for sustainable forest use in “carbon credits,” exist on a global scale.¹¹⁰ Carbon credits attach a monetary value to emissions, measured in tons of carbon dioxide, and purchasing them allows consumers to offset harm from these emissions or fund green initiatives.¹¹¹ The goal of these programs is to make unsustainable forestry less profitable and implement sustainability in a way that is cheaper than carbon capture or renewable energy.¹¹² Opponents of REDD, such as the independent publication REDD-Monitor, argue that it may pose a threat to forest-dwelling people’s control over their land if implemented without proper follow-up on its effectiveness.¹¹³ REDD initiatives are evaluated to ensure they are free of leakage, which is seen as deforestation being moved elsewhere instead of being eliminated.¹¹⁴

The preservation of water resources and fertile land is also a matter of global concern, with drought described as an “unprecedented emergency” at the recent 2023 United Nations Climate Change Conference (COP 28) talks.¹¹⁵ In 2007, the AU launched the Great Green Wall initiative, aiming to restore 100 million hectares of currently degraded land through reforestation.¹¹⁶ The wall is being implemented across 22 Member States, some of which have been more successful than others, but significant results are already visible.¹¹⁷ Millions of seedlings have been planted and over 200,000 hectares reforested.¹¹⁸ Efforts are being made to include local communities in this project through micro-investment and regional-level dissemination of good practices on financing sustainable land management under the *United Nations Convention to Combat Desertification* (UNCCD).¹¹⁹ On a global level, UNCCD maintains a Capacity Building Marketplace (CBM), as it has identified a lack of capacity as a major barrier to the implementation of sustainable land use practices.¹²⁰ The CBM provides an international resource-sharing platform to ensure that all stakeholders are aware of updated best practices in land management.¹²¹

¹⁰⁶ Ibid.

¹⁰⁷ Organisation for Environmental Co-Operation and Development. *Environmentally Harmful Subsidies: Challenges for Reform*. 2005.

¹⁰⁸ Ibid.

¹⁰⁹ International Institute for Environment and Development. *REDD: protecting climate, forests and livelihoods*. 2009.

¹¹⁰ Ibid.

¹¹¹ United Nations Framework Convention on Climate Change. *United Nations Carbon Offset Platform*. N.d.

¹¹² International Institute for Environment and Development. *REDD: protecting climate, forests and livelihoods*. 2009.

¹¹³ Lang. REDD-Monitor. *About REDD-Monitor*. 2024.

¹¹⁴ International Institute for Environment and Development. *REDD: protecting climate, forests and livelihoods*. 2009.

¹¹⁵ United Nations Convention to Combat Desertification. *Drought data shows “an unprecedented emergency on a planetary scale”*. 2023.

¹¹⁶ National Geographic. *The Great Green Wall*. N.d.

¹¹⁷ Ibid.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

¹²⁰ United Nations Convention to Combat Desertification. *Capacity Building Marketplace*. N.d.

¹²¹ Ibid.



UNCCD partners with the European Commission to maintain the Economics of Land Degradation (ELD) initiative, established in 2011, which encourages sustainable land use by conducting studies on land use solutions, providing regional data on ecosystem value, and building multi-disciplinary partnerships toward its goal of a world where land degradation is net-neutral.¹²²

Measuring and Investing in Responsible Resource Stewardship

The economic value of natural resources has been historically difficult to measure, making it challenging for policymakers to consider in their fiscal decision-making.¹²³ The General Assembly Second Committee addresses this issue in resolution 72/207 (2017) on “Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development,” which encourages the integration of sustainability considerations into financial markets.¹²⁴ ESG metrics are a popular way of implementing the resolution, but according to UNEP, they are not well standardized, making comparisons across different metrics a challenge.¹²⁵ The United Nations has a working solution to this, the SDG Compass. By reporting quantitative metrics on companies’ sustainability, the Compass helps solidify the business case for sustainable and transparent resource use, whereby businesses that are viewed as resource efficient are coveted by young employees and customers and have an easier time staying ahead of government regulations.¹²⁶

The value of services that ecosystems provide for free such as clean air, freshwater, and carbon sequestration, is also poorly measured, which UNEP addresses through The Economics of Ecosystems and Biodiversity (TEEB).¹²⁷ This working group operates under the principle that decision-makers must be shown an ecosystem’s value in economic terms to account for the cost associated with degrading them.¹²⁸ Their System for Environmental and Economic Accounts (SEEA) provides an internationally agreed method for calculating the value of natural resources such as minerals, timber, and fisheries.¹²⁹ Critics of TEEB, including a study team for the Nature Index for Norway, argue that placing monetary value on nature will only increase its commodification.¹³⁰ TEEB believes that unless the value of natural resources is defined, businesses will continue to operate under the harmful assumption that their value is zero.¹³¹

Many initiatives to encourage responsible resource stewardship focus on involving local and indigenous communities in the management of their lands.¹³² A study published in the Proceedings of the National Academy of Sciences titled *Sustaining the Commons: Advancing Understanding of Common Pool Resource Management* (2021) demonstrated that community management of local resources decreases the overexploitation of “common pool” resources and increases the accountability of local leaders.¹³³ These findings were particularly notable in low and middle-income Member States, where remote communities cannot always depend on the central government for day-to-day leadership.¹³⁴ An EU-United Nations collaboration on preventing conflict over natural resources demonstrated that including local

¹²² The Economics of Land Degradation Initiative. *About ELD*. N.d.

¹²³ United Nations Environment Programme. *Beyond GDP: Making nature count in the shift to sustainability*. 2022.

¹²⁴ United Nations, General Assembly. *Promotion of international cooperation to combat illicit financial flows in order to foster sustainable development (A/RES/72/207)*. 2017.

¹²⁵ United Nations Development Programme. *Rethinking the Governance of ESG*. N.d.

¹²⁶ Whelan. Harvard Business Review. *The Comprehensive Business Case for Sustainability*. 2016.

¹²⁷ The Economics of Ecosystems and Biodiversity. *Approach*. N.d.

¹²⁸ Ibid.

¹²⁹ Ibid.

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Proceedings of the National Academy of Sciences. *Sustaining the Commons: Advancing Understanding of Common Pool Resource Management*. 2021.

¹³³ Ibid.

¹³⁴ Ibid.



voices in the management of extractive projects helps avoid unequal cost-benefit distribution which undermines sustainable development.¹³⁵ There are several community-based natural resource management (CBNRM) programs funded by non-profit organizations, United Nations agencies, and private companies.¹³⁶ These programs help communities gain rights over their land and resources, build institutions to sustainably manage them, and benefit economically from this management.¹³⁷ The World Neighbors CBNRM program is one such program that helps local communities organize from the ground up, monitor their natural resource base, and participate in shared decision-making with governments and other stakeholders.¹³⁸

Case Study: Mozambique Integrated Landscape Management Portfolio

The World Bank supported Mozambique Integrated Landscape Management (ILM) portfolio helps local farmers, a quarter of whom are women, build knowledge-sharing networks and gain access to technology and financing.¹³⁹ Mozambique is one of the least-developed Member States in the world with a rapidly growing population and rate of natural resource extraction.¹⁴⁰ 70% of Mozambique households rely on natural resources as their primary source of income, making it an ideal location for such a program.¹⁴¹ The ILM portfolio has helped farmers increase their income while learning to manage their land more sustainably by employing the CBNRM model.¹⁴² Farmers are supported through the process of gaining formal rights to their land and obtaining business loans.¹⁴³ Meanwhile, the World Bank helps the government build an institutional structure to support this model in the long term.¹⁴⁴ By hosting a variety of projects related to biodiversity, microfinance, REDD, and land management under its umbrella, the ILM portfolio can take advantage of pooled knowledge and experience for continuous improvement.¹⁴⁵ World Bank Natural Resources Management Specialist André Aquino applauded Mozambique's "leadership and strong commitment to conservation" as an example of how resource conservation and economic development do not have to be mutually exclusive.¹⁴⁶

Conclusion

The international community has recognized sovereignty over natural issues as a key issue since the inception of the United Nations.¹⁴⁷ It was not until the 1972 Stockholm Conference that conservation was prioritized as an issue that impacts people and economic development around the world.¹⁴⁸ Since then, numerous initiatives such as ESG and REDD have attempted to link natural resources to the economic value they create to help Member States, investors, and consumers make more sustainable financial decisions.¹⁴⁹ Yet, many of these metrics are still poorly standardized and vague when compared to more

¹³⁵ The European Union-United Nations Partnership on Land, Natural Resources, and Conflict Prevention. *Capacity building for NRM*. N.d.

¹³⁶ Pact. *Community-based natural resource management: A lynchpin in the fight against climate change and environmental degradation*. 2023.

¹³⁷ Ibid.

¹³⁸ World Neighbors. *Community-based Natural Resource Management*. 2022.

¹³⁹ World Bank Group. *Mozambique's Integrated Landscape Management Portfolio*. N.d.

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ Ibid.

¹⁴⁵ World Bank Group. *Mozambique's Integrated Landscape Management Portfolio*. N.d.

¹⁴⁶ World Bank Group. *Local Communities Win in Mozambique Climate-Smart Natural Resource Management*. 2019.

¹⁴⁷ United Nations Conference on International Organization. *Charter of the United Nations*. 1945.

¹⁴⁸ United Nations Audiovisual Library of International Law. *Declaration of the United Nations Conference on the Human Environment*. 2012.

¹⁴⁹ Howard-Grenville. Harvard Business Review. *ESG Impact Is Hard to Measure - But It's Not Impossible*. 2021.



established measures of wealth such as GDP.¹⁵⁰ The value of many of the earth's natural resources remains unacknowledged and Member States continue to subsidize environmentally harmful activity.¹⁵¹ The General Assembly Second Committee has already begun to foster dialogue on how environmental considerations can be integrated into macroeconomic policy.¹⁵²

Further Research

As delegates conduct further research and consider how to address this topic, they should consider: What are the most important natural resources in the Member State they are representing, and what has been done to protect them and/or measure their value? Does their Member State participate in any regional initiatives related to conservation? How can the international community help middle-income Member States stay on their trajectory of rapid economic growth while mitigating environmental consequences? What can be done to address the geographic asymmetry in resource extraction and consumption? How can data and metrics be used to further develop the business case for responsible resource stewardship?

¹⁵⁰ Ibid.

¹⁵¹ Koplou. The B Team. *Protecting Nature by Reforming Environmentally Harmful Subsidies*. 2021.

¹⁵² United Nations, General Assembly. *Economic and Financial Committee (Second Committee)*. N.d.



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2. Promoting Investments from the Private and Public Sector for Sustainable Development

“The financial system has enormous transformative power, and has the potential to serve as an engine for the global economy’s transition to sustainable development.”¹⁵³

Introduction

With the end of the *2030 Agenda for Sustainable Development* (2015) (2030 Agenda) being only six years away, the importance of investment for sustainable development is at a record high.¹⁵⁴ Since 1971, the United Nations has recognized least-developed Member States as a category of States that are deemed to be disadvantaged in their development process.¹⁵⁵ Investments in both the public and private sector to the least-developed Member States are crucial as the United Nations Trade and Development (UNCTAD) Secretary-General, Rebeca Grynspan, recognized that the success of the post-2015 development agenda is linked to the progress of the least-developed Member States and that time is running out to achieve the Sustainable Development Goals (SDGs).¹⁵⁶ Currently, there are 45 Member States that are considered least-developed Member States, the list of least-developed Member States is reviewed every three years by the United Nations Economic and Social Council (ECOSOC), based on the recommendations of the Committee for Development Policy (CDP).¹⁵⁷ The three criteria to be considered a least-developed Member State by the CDP include the gross national income, the human assets, and the economic and environmental vulnerability of a Member State.¹⁵⁸

The World Commission on Environment and Development published a report titled *Our Common Future* (1987), which provided the first definition of sustainable development, as development that meets the needs of the present without compromising the future generations’ ability to meet their own needs.¹⁵⁹ Climate adaptation is becoming increasingly expensive; the International Monetary Fund (IMF) identified that the true cost of climate change will be between \$140 billion to \$300 billion a year by 2030, rising to \$520 billion to \$1.75 trillion after 2050.¹⁶⁰ The estimated cost of climate change is 5 to 10 times greater than the current level of green finance.¹⁶¹

United Nations Secretary-General António Guterres, described the international financial system to be “short-sighted” and “crisis-prone”, meaning there is a lack of long-term solutions in place to make it more stable.¹⁶² The international financial system can be seen as short-sighted due to the current level of knowledge gaps that exist which act as barriers for the public and private sectors to invest in sustainable development.¹⁶³ The current financial system relies heavily on providing loans to least-developed Member

¹⁵³ United Nations Environment Programme. *How the Private Sector Can Contribute to a Sustainable Financial System*. 2024.

¹⁵⁴ United Nations, General Assembly. *Transforming Our World: the 2030 Agenda for Sustainable Development (A/RES/70/1)*. 2015.

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¹⁵⁷ United Nations Trade and Development. *UN Recognition of the Least Developed Countries*. 2024.

¹⁵⁸ Ibid.

¹⁵⁹ United Nations, Sustainable Development. *Report of the World Commission on Environment and Development: Our Common Future*. 1987.

¹⁶⁰ Ehlers et al. International Monetary Fund. *How to Scale Up Private Finance in Emerging Economies*. 2022.

¹⁶¹ United Nations, Department of Global Communications. *Finance and Justice*. 2024.

¹⁶² Ibid.

¹⁶³ International Finance Corporation. *Private Sector Perspectives From Emerging Markets*. 2023.



States, stopping them from adopting long-term policies to achieve sustainable development, as they are too busy paying back the interest from the loans.¹⁶⁴

International and Regional Framework

Five years after the publishing of *Our Common Future* marked the beginning of the United Nations tackling climate change.¹⁶⁵ The *United Nations Framework Convention on Climate Change* (UNFCCC) (1992) was the first United Nations document to recognize the need to direct green finance toward the least-developed Member States, as well as putting the responsibility on financially capable Member States to lead the investment levels.¹⁶⁶ UNFCCC created the framework for multilateral collaboration in achieving sustainable development, while the *Kyoto Protocol* (1997) operationalized the goals of UNFCCC through Annex B: creating binding emission reduction targets for Member States to achieve.¹⁶⁷ The emission targets were set after taking into account the needs of least-developed Member States, ranging from an 8% decrease for European Union (EU) members to a 10% increase in Iceland.¹⁶⁸ For Member States to achieve their emission reduction targets, the *Kyoto Protocol* established a monitoring, review, and verification system.¹⁶⁹ Registry systems were set up to record the transactions made by Member States and UNFCCC secretariat keeps an international transaction log to verify that transactions are consistent with the principles of the *Kyoto Protocol*.¹⁷⁰ Under the *Kyoto Protocol*, Member States also submitted annual reports on their progress in cutting emissions for six main greenhouse gasses: Carbon dioxide (CO₂); Methane (CH₄); Nitrous oxide (N₂O); Hydrofluorocarbons (HFCs); Perfluorocarbons (PFCs); and Sulphur hexafluoride (SF₆).¹⁷¹ For Member States to achieve their emission goals, they had to invest in projects that promoted sustainable development, which is why the *Kyoto Protocol* created an adaptation fund to help the least-developed Member States achieve their goals.¹⁷²

The *Cancun Agreements* (2010) introduced the Green Climate Fund (GCF) as one of the leading efforts to raise green finance under the UNFCCC.¹⁷³ A second objective behind the creation of the GCF was the call to mobilize Member States to contribute \$100 billion annually to the GCF in the name of increasing green finance.¹⁷⁴ A 2020 report, *Delivering on the \$100 Billion Climate Finance Commitment and Transforming Climate Finance*, conducted by the Independent Expert Group on Climate Finance found the \$100 billion goal was not reached within the years set out by the Cancun Agreements.¹⁷⁵ The *Paris Agreement* (2015) extended the \$100 billion target until the 2025 Conference of the Parties (COP) meeting and encouraged the private sector to contribute towards the goal.¹⁷⁶ According to IMF, the \$100 billion proposed by the Cancun Agreements is no longer sufficient for Member States to adapt to the consequences of climate change.¹⁷⁷

¹⁶⁴ Larson et al. World Resources Institute. *Adaptation Finance: 11 Key Questions, Asked*. 2022.

¹⁶⁵ United Nations Framework Convention on Climate Change. *What is the United Nations Framework Convention on Climate Change?*. N.d.

¹⁶⁶ Ibid.

¹⁶⁷ United Nations Framework Convention on Climate Change. *What is the Kyoto Protocol?*. N.d.

¹⁶⁸ United Nations Framework Convention on Climate Change. *Kyoto Protocol – Targets for the First Commitment Period*. N.d.

¹⁶⁹ United Nations Framework Convention on Climate Change. *Kyoto Protocol to the United Nations Framework Convention on Climate Change*. 1998.

¹⁷⁰ Ibid.

¹⁷¹ Ibid.

¹⁷² Ibid.

¹⁷³ United Nations Framework Convention on Climate Change. *Introduction to Climate Finance*. N.d.

¹⁷⁴ Ibid.

¹⁷⁵ Independent Expert Group on Climate Finance. *Delivering on the \$100 Billion Climate Finance Commitment and Transforming Climate Finance*. 2020.

¹⁷⁶ United Nations Framework Convention on Climate Change. *Introduction to Climate Finance*. N.d.

¹⁷⁷ Ehlers et al. International Monetary Fund. *How to Scale Up Private Finance in Emerging Economies*. 2022.



There have been five United Nations International Conferences on Financing for Development (FfD).¹⁷⁸ The outcome of the first conference was the 2002 Monterrey Consensus, the first United Nations-sponsored summit-level meeting that addressed how the international community makes the global economy more sustainable.¹⁷⁹ The Monterrey Consensus reflects a turning point in which financially strong Member States and least-developed Member States recognized their responsibilities regarding investment in sustainable development.¹⁸⁰ The follow-up conference resulted in the 2008 Doha Convention, which recognized the importance of mobilizing financial resources and the effective use of these resources in creating a global partnership for achieving sustainable development.¹⁸¹ The third conference in 2015, led to the adoption of the *Addis Ababa Action Agenda* (2015), which aligned the current economic policy surrounding sustainable development with social and environmental policies.¹⁸² The first chapter of the *Addis Ababa Action Agenda*, “A Global Framework for Financing Development post-2015”, supports the implementation of the Sustainable Development Goals by recognizing the role that the private sector can play in unlocking finance for least-developed Member States concerning green finance investments.¹⁸³ The fourth and fifth FfD conferences were High-Level Dialogues convened by the General Assembly in 2019 and 2023, focusing on the progress made since the *Addis Ababa Action Agenda*.¹⁸⁴

In 2015, the General Assembly adopted resolution 70/1, “Transforming our World: the 2030 Agenda for Sustainable Development”, the 17 SDGs provide Member States with a roadmap on how to achieve sustainable development by 2030.¹⁸⁵ Within SDG 17 (partnerships for the goals), SDG target 17.H encourages effective partnerships between the public and private sectors.¹⁸⁶ SDG target 10.9, encouraging development assistance and investment in least-developed Member States, calls for investment from the private and public sectors.¹⁸⁷ Successful cases of investment from the public and private sectors help address SDG 8 (decent work and economic growth), specifically, SDG target 8.1 sustainable economic growth.¹⁸⁸

Role of the International System

The Second Committee of the General Assembly meets annually to discuss topics ranging from financing for development, sustainable development, and the eradication of inequality.¹⁸⁹ 2023 marked the 78th session of the Second Committee, where the theme was “Building a sustainable recovery for all”.¹⁹⁰ The keynote address for the 78th session was by Professor Jayati Ghosh who highlighted the levels of debt distress felt by Member States around the world, specifically in least-developed Member States, where

¹⁷⁸ United Nations, Department of Economic and Social Affairs. *History of the FfD Process*. 2015.

¹⁷⁹ Ibid.

¹⁸⁰ Ibid.

¹⁸¹ Ibid.

¹⁸² United Nations, Department of Economic and Social Affairs. *Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa Action Agenda)*. 2015.

¹⁸³ Ibid.

¹⁸⁴ United Nations, Department of Economic and Social Affairs. *Financing the 2030 Agenda for Sustainable Development*. N.d.

¹⁸⁵ United Nations, Department of Economic and Social Affairs. *The 17 Goals*. 2024.

¹⁸⁶ United Nations, Department of Economic and Social Affairs. *Goal 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development*. 2024.

¹⁸⁷ United Nations, Department of Economic and Social Affairs. *Goal 10 Reduce inequality within and among countries*. 2024.

¹⁸⁸ United Nations, Department of Economic and Social Affairs. *SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*. 2024.

¹⁸⁹ United Nations, Department of Global Communications. *Economic and Financial Committee (Second Committee)*. N.d.

¹⁹⁰ Ibid.



the amount they owe surpasses their annual budget.¹⁹¹ In her address, Professor Ghosh proposed redefining green finance through regulating the types of investment that least-developed Member States are receiving, such as loans.¹⁹² The 78th session of the Second Committee passed a total of 41 resolutions, one of them being the General Assembly resolution 78/134 (2023) on “International Trade and Development”, which stressed the importance of mobilizing climate finance.¹⁹³

The United Nations Environment Programme (UNEP) and the World Bank produced a report entitled *The Roadmap for a Sustainable Financial System* (2017), which outlined the ways the public and private sectors can produce a more sustainable international economic system.¹⁹⁴ The report reviewed 21 of the least-developed Member States and identified investment opportunities globally, focusing on sustainable development, equalling \$22.6 trillion.¹⁹⁵ Since 1992, UNEP FI has brought together a collective of 500 banks, insurers, and private sector investors to deliver a more sustainable global economy by guiding how to develop unified market practices.¹⁹⁶ Due to its popularity, banks, insurers, and private sector investors apply to join UNEP FI on a voluntary basis, as they are able to benefit from the free tools and guidance on how to invest more sustainably by UNEP FI.¹⁹⁷ For example, the guidance provided by UNEP FI is the “Principles for Responsible Banking Framework” (PRB) released in 2019, containing six principles that banks follow to make their investments more in line with the SDGs.¹⁹⁸ The six principles of the PRB include alignment, impact and target setting, clients and customers, stakeholders, governance and culture, as well as transparency and accountability.¹⁹⁹ The SDGs that the principles primarily target are SDG 17 (partnership for the goals), SDG 10 (reduced inequality), and SDG 1 (no poverty).²⁰⁰ According to the latest progress report for the PRB, 98% of the 325 banks worldwide across 80 Member States, accounting for \$90 trillion in assets, have integrated sustainability oversight into their governance structure.²⁰¹ UNEP FI has an equivalent guideline for the insurance industry, called “Principles for Sustainable Insurance” (PSI), which has 153 signatories and 103 supporting institutions, representing \$15 trillion in assets.²⁰² The success of the PRB is reviewed by UNEP in biennial progress reports published on its website.²⁰³ The latest biennial progress report by UNEP entitled *Responsible Banking: Towards Real-World Impact*, published in 2023, reviewed the progress made by over 200 signatory banks who sent UNEP FI their data on implementing climate change mitigation into their strategies, transforming governance structures, and understanding their impact better.²⁰⁴

¹⁹¹ United Nations, Department of Global Communications. *Sustainable Development Goals Unreachable without Reformed Financial Architecture, Stronger Political Will, Speakers Say as Second Committee Opens General Debate*. 2023.

¹⁹² Ibid.

¹⁹³ United Nations, General Assembly. *International Trade and Development (A/RES/78/134)*. 2023.

¹⁹⁴ United Nations Environment Programme. *How the Private Sector Can Contribute to a Sustainable Financial System*. 2024.

¹⁹⁵ Ibid.

¹⁹⁶ United Nations Environment Programme Finance Initiative. *About Us*. N.d.

¹⁹⁷ United Nations Environment Programme Finance Initiative. *Join Us*. N.d.

¹⁹⁸ United Nations Environment Programme. *2023 in review: A growing membership continues ambitious action on sustainable finance*. 2023.

¹⁹⁹ United Nations Environment Programme. *About the Principles*. N.d.

²⁰⁰ United Nations Environment Programme. *2023 in review: A growing membership continues ambitious action on sustainable finance*. 2023.

²⁰¹ Ibid.

²⁰² United Nations Environment Programme. *2023 in review: A growing membership continues ambitious action on sustainable finance*. 2023.

²⁰³ United Nations Environment Programme. *About the Principles*. N.d.

²⁰⁴ United Nations Environment Programme Finance Initiative. *Principles for Responsible Banking – Second Biennial Progress Report*. 2023.



The International Finance Corporation (IFC), created by the World Bank Group in 1956, is the largest international financial institution that focuses exclusively on the private sector.²⁰⁵ The IFC offers the private sector advice on investment and asset management to encourage investment in the least-developed Member States.²⁰⁶ According to the United Nations Sustainable Development Group, the private sector is the part of the economy that is run by individuals or companies and is not state-controlled, encompassing all for-profit businesses that are not owned or operated by the government.²⁰⁷ The Amundi Green bond fund, created in 2020 and backed by the World Bank, is an example of mobilizing private sector investors, such as pension funds and insurance companies in areas of sustainable development.²⁰⁸ To date, the Amundi Green bond fund has raised over \$1.4 billion from the private sector, with \$250 million being invested by the IFC.²⁰⁹ UNEP indicates some areas of the private sector can improve their participation in investing in the SDGs, like Sovereign Wealth Funds (SWF), which are government-run investment funds that make investments in line with the particular Member State's economic objectives.²¹⁰ The first SWF was the Kuwait Investment Authority, established in 1953 by the government of Kuwait to invest its excess oil revenues.²¹¹ SWFs hold total assets under management worth \$7.5 billion, but only invest less than 1% of this figure towards sustainable development; the other 99% of investment from SWFs usually goes towards other private sector investors, government bonds, or other assets, such as real estate.²¹²

Providing Green Finance for a Greener Future

UNEP defines green finance as an increase in the level of financial flows, such as banking, micro-credit, insurance, and investment from the public, private, and non-profit sectors to sustainable development priorities.²¹³ The IFC identified a lack of knowledge sharing to be a major barrier to private sector investment in Green Finance.²¹⁴ In its *Private Sector Perspectives From Emerging Markets* report from 2023, the IFC surveyed 29 financial institutions consisting of investment banks, insurance companies, and banking associations with combined assets of over \$2.7 trillion.²¹⁵ The financial institutions from the IFC's survey state that they are less likely to invest in Green Finance towards least-developed Member States, due to a lack of knowledge surrounding how to incorporate climate-related financial risks, and how to implement international best practices.²¹⁶ The IFC identified that the lack of knowledge was caused by a lack of communication between the public and private sectors in addition to a lack of resources such as guidelines, tools, and data available to the private sector.²¹⁷

Chief Financial Officer (CFO) Coalition for the SDGs, created in 2021 as a replacement for the CFO Taskforce, is a global platform where CFOs from all over the world can collaborate and meet with United Nations Global Compact to share knowledge about investing in green finance.²¹⁸ The CFO Coalition for the SDGs has a membership of 71 CFOs from 27 different industries, spanning five continents (Asia,

²⁰⁵ International Finance Corporation. *Who We Are*. 2024.

²⁰⁶ Ibid.

²⁰⁷ United Nations, Sustainable Development Group. *UNSG Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships*. 2020.

²⁰⁸ Ehlers et al. International Monetary Fund. *How to Scale Up Private Finance in Emerging Economies*. 2022.

²⁰⁹ International Finance Corporation. *IFC, Amundi Successfully Closes World's Largest Green Bond Fund*. 2018.

²¹⁰ United Nations Environment Programme. *Facilitating Green Investment and Financing*. 2024.

²¹¹ Wilson. Investopedia. *Sovereign Wealth Funds: An Introduction*. 2023.

²¹² United Nations Environment Programme. *Facilitating Green Investment and Financing*. 2024.

²¹³ United Nations Environment Programme. *Green Finance*. 2024.

²¹⁴ International Finance Corporation. *Private Sector Perspectives From Emerging Markets*. 2023. p. 29.

²¹⁵ Ibid. p. 7.

²¹⁶ Ibid. pp. 28-29.

²¹⁷ Ibid.

²¹⁸ United Nations Global Compact. *Sustainable Finance*. 2022.



Africa, Europe, North America, and South America).²¹⁹ So far, the CFO Coalition for the SDGs has set up investment forums in Sao Paulo, Milan, Paris, Johannesburg, New York City, and Kuala Lumpur.²²⁰ The IFC concluded its report by stating that there are still more avenues of knowledge sharing to be explored if private investment in green finance is to be maximized, such as staff training sessions for the private sector.²²¹

General Assembly resolution 69/313 (2015) on “*Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa Action Agenda)*” recognized debt and debt sustainability to be barriers to public sector investment into green finance.²²² Currently, 52 Member States are suffering from severe debt problems, half of which are among the world’s most climate-vulnerable.²²³ The Agenda calls for Member States to devote 0.2% of their national income to the least-developed Member States which led to the EU to promise its Member States to do so by 2030.²²⁴ Until the EU’s goal is achieved, many Member States are faced with the choice of investing in green finance or improving essential public services.²²⁵ Even if indebted Member States want to invest in green finance, they find themselves unable to as they cannot afford to.²²⁶ United Nations Secretary-General António Guterres states that the current international financial system is to blame due to it being too reliant on loans for Member States who are in debt and therefore unable to invest in green finance.²²⁷ General Assembly resolution 78/141 (2023) on “*Promoting Investments for Sustainable Development*” called for a shift in lending priorities away from loans by Member States and multilateral development banks.²²⁸

The World Resources Institute (WRI) recognized that over 60% of adaptation finance involves loans instead of grants, which do not require the Member State to pay the source of investment back.²²⁹ By imposing loans on least-developed Member States, the money that the Member State could be spending on green finance instead goes to paying back the loan.²³⁰ The WRI identifies that this problem could be solved by giving grants instead of loans.²³¹ The Independent Expert Group on Climate Finance concluded in its 2020 report, *Delivering on the \$100 Billion Climate Finance Commitment and Transforming Climate Finance*, that grant finance should be doubled if Member States are to get out of debt and invest in green finance.²³² The *Financing for Sustainable Development Report 2023*, published by the Inter-Agency Task Force on Financing for Development, analyzes the progress made in implementing the Addis Agenda.²³³ Conducted by ECOSOC, the report draws on the data received by 60 United Nations agencies, programmes, and offices such as the World Bank and is recorded and published in the report by the

²¹⁹ United Nations Global Compact. *CFOs Respond to the Call for Greater Private Sector Investment in Climate Action at COP28*. N.d.

²²⁰ United Nations Global Compact Network UK. *Sustainable Finance*. 2024.

²²¹ International Finance Corporation. *Private Sector Perspectives From Emerging Markets*. 2023. p. 29.

²²² United Nations, General Assembly. *Addis Ababa Action Agenda of the Third International Conference on Financing for Development (Addis Ababa Action Agenda) (ARES/69/313)*. 2015.

²²³ United Nations, Indonesia. *Our Common Agenda Policy Brief 6 Reforms to the International Financial Architecture*. 2023.

²²⁴ United Nations, Department of Economic and Social Affairs. *Financing Sustainable Development and Developing Sustainable Finance*. 2015.

²²⁵ United Nations, Department of Global Communications. *Finance and Justice*. 2024.

²²⁶ Ibid.

²²⁷ Ibid.

²²⁸ United Nations, General Assembly. *Promoting Investments for Sustainable Development (A/RES/78/141)*. 2023.

²²⁹ Larson et al. World Resources Institute. *Adaptation Finance: 11 Key Questions, Asked*. 2022.

²³⁰ Ibid.

²³¹ Ibid.

²³² Independent Expert Group on Climate Finance. *Delivering on the \$100 Billion Climate Finance Commitment and Transforming Climate Finance*. 2020.

²³³ United Nations, Department of Economic and Social Affairs. *Financing for Sustainable Development Report 2023*. 2023.



United Nations Department of Economics and Social Affairs (UN DESA).²³⁴ The *Financing for Sustainable Development Report 2023* concluded there is still progress to be made in providing debt relief to Member States for the public sector to increase its investment in green finance.²³⁵ The 2023 report called for the scale of debt relief to be reduced, access to grants to increase, and the interest rates of loans to decrease when finding areas of improvement.²³⁶

Shifting Focus to Investing in Least Developed Member States

UNCTAD defines Foreign Direct Investment (FDI) as an investment from the public or private sector residing in one Member State in a company residing in a different Member State than it.²³⁷ Since 2021, FDI saw a global increase of 77%, however, only 19% of FDI went to least-developed Member States.²³⁸ According to UNCTAD *World Investment Report 2023*, FDI in least-developed Member States declined by 16%, to \$22 billion.²³⁹ The United Nations in Indonesia identified that the problem is not only that the least-developed Member States do not receive as much FDI as financially strong Member States, but they are also charged higher interest rates from the loans they receive.²⁴⁰ Member States find themselves at a double disadvantage in comparison with Member States who possess strong economies when it comes to achieving sustainable development, as they do not receive as much FDI and because it comes at a higher price.²⁴¹ According to the United Nations of Indonesia, least-developed Member States are charged up to 8% interest for loans given to them for sustainable development, whereas financially strong Member States are only charged 1% for the same loans.²⁴² General Assembly resolution 76/258 (2022) on “Doha Programme of Action for the Least Developed Countries” (DPoA) recognized the differences in FDI for sustainable development between less developed Member States and financially strong Member States such as the level of FDI least-developed Member States receive in comparison to financially strong Member States.²⁴³ In response, DPoA set a framework addressing the debt distress of least-developed Member States through urging creditors to re-evaluate their lending systems by 2025.²⁴⁴ The DPoA aims to be a step in the right direction for financially strong Member States shifting their focus to investing in least-developed Member States.²⁴⁵

General Assembly resolution 78/141 (2023) on “Promoting Investments for Sustainable Development” noted with concern that the least-developed Member States are being overlooked in receiving FDI that could be used for green finance.²⁴⁶ However, in a question and answer discussion with the International

²³⁴ Ibid.

²³⁵ Ibid.

²³⁶ Ibid.

²³⁷ United Nations Trade and Development. *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development*. 2007.

²³⁸ United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. *Debt, Affordable Finance, and a Future for the Least Developed Countries*. 2024.

²³⁹ United Nations Trade and Development. *Foreign Investment in Least Developed Countries Fell by 16% in 2022*. 2023.

²⁴⁰ United Nations, Indonesia. *Our Common Agenda Policy Brief 6 Reforms to the International Financial Architecture*. 2023.

²⁴¹ United Nations, Department of Global Communications. *Finance and Justice*. 2024.

²⁴² United Nations, Indonesia. *Our Common Agenda Policy Brief 6 Reforms to the International Financial Architecture*. 2023.

²⁴³ United Nations, General Assembly. *Doha Programme of Action for the Least Developed Countries (A/RES/76/258)*. 2022.

²⁴⁴ United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. *Debt, Affordable Finance, and a Future for the Least Developed Countries*. 2024.

²⁴⁵ Ibid.

²⁴⁶ United Nations, General Assembly. *Promoting Investments for Sustainable Development (A/RES/78/141)*. 2023.



Labour Organisation (ILO), the Unit Head of Multinational Enterprises and Enterprises Engagement, Githa Roelans, recognizes that FDI is not enough for least-developed Member States to achieve sustainable development.²⁴⁷ Ms. Roelans states that Member States must first be prepared to receive FDI by having a strong public sector commitment to the SDGs.²⁴⁸ The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration) (2022) aims to prepare the least-developed Member States to receive FDI by providing the private and the public sector with guidelines on how to maximize the impact of FDI, covering the areas of employment, training, and industrial relations.²⁴⁹ As part of its operational tools to promote its principles, the MNE Declaration proposes national focus points for Member States to follow, such as creating a dialogue between the private and public sectors discussing the barriers to investing in least-developed Member States.²⁵⁰ 12 Member States across Africa, Asia, and Europe have adopted the MNE Declaration.²⁵¹ Senegal was the first African Member State to adopt the MNE Declaration, entering a dialogue with over 200 national actors for Senegal to effectively use FDI to achieve sustainable development.²⁵² Through FDI sent by France, Senegal was able to train over 500 representatives from the government, employers, workers' organizations, and enterprises on the working conditions guidelines of the MNE Declaration.²⁵³ In the 6th edition of the MNE Declaration (2022), ILO calls upon Member States to become members of the MNE Declaration to grant more Member States access to its guidance on investment regarding closer communication between the private and public sectors.²⁵⁴

Conclusion

With the fourth FfD taking place next year, private and public sector investment in sustainable development is a priority within the international community.²⁵⁵ While the agencies and bodies of the United Nations continue to provide financial frameworks for the public sector to invest in green finance, it is ultimately the choice of the public sector to decide whether to invest in green finance.²⁵⁶ An increase in collaboration between the private and public sectors is vital to achieving the SDGs within the post-2015 development agenda.²⁵⁷ Promoting equal investment in less developed Member States and economically strong Member States remains a priority in addition to the types of finance that are available to least-developed Member States.²⁵⁸ If the SDGs are not met, the planet's temperature will rise to an irreversible level, endangering the well-being of everyone everywhere.²⁵⁹

²⁴⁷ International Labour Organization. *Investments in Least Developed Countries are key to sustainable development*. 2023.

²⁴⁸ Ibid.

²⁴⁹ International Labour Organization. *Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration)*. 2022.

²⁵⁰ International Labour Organization. *Promotion at the National Level/Promotion by Tripartite Appointed National Focal Points*. 2024.

²⁵¹ Ibid.

²⁵² International Labour Organization. *Appoints Four National Focal Points and Lays the Foundations of a National Promotion Strategy*. 2024.

²⁵³ International Labour Organization. *The ILO MNE Declaration at the Centre of a Transnational Dialogue within the Labour and Social Dialogue Council of the Western African Economic and Monetary Union*. 2024.

²⁵⁴ International Labour Organization. *Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration)*. 2022.

²⁵⁵ International Institute for Sustainable Development. *Fourth International Conference on Financing for Development (FfD4)*. 2024.

²⁵⁶ United Nations, Department of Global Communications. *Why Finance Climate Action?*. 2024.

²⁵⁷ Ibid.

²⁵⁸ International Finance Corporation. *Private Sector Perspectives From Emerging Markets*. 2023.

²⁵⁹ United Nations, Department of Global Communications. *Why Finance Climate Action?*. 2024.



Further Research

As delegates conduct further research and consider how to address this topic, they should consider: How can organizations both in the private and public sectors diversify not just the source of the investment, but also the type of the investment? How can these stakeholders provide a source of investment with a long-term focus in mind? Is there a way that potential stakeholders can better prepare the least-developed Member States to receive investment, whilst they still receive investments?



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