RESEARCH REPORT

University of Nottingham Champions Cup '21

ECOSOC

Chair's Introduction

Chair

Hi to all the delegates, welcome to Champions Cup 2021 hosted by UNMC and to ECOSOC. My name is Eiman Shah, a 2nd year biomedical engineering student studying at the Technische Hochschule Mittelhessen in Germany. Being part of MUN for the past 4 years, I have had the opportunity to partake in many conferences and also had the opportunity to meet so many new people. MUN to me is a platform for us to improve ourselves in a fun but controlled environment where everyone is encouraged to participate regardless of experience.

I am also excited to be working with Jesse in this council and provide all of you a great 5 days of debating and fun! Although we are a relatively inexperienced chairing team, we are committed to do our best and I am excited to share this amazing opportunity with you guys!

The topics we will have for our council are extremely interesting and would provide a whole lot of room for ideas and discussion. For those who are new to MUN, I would highly encourage you to simply speak free and try to join in the debate. If you guys are unsure of what to do, or simply need tips, feel free to reach out to me during the conference itself. I would love to provide feedback and help you guys out in your MUN skills, as I feel that you guys are the future of MUN, and hope that you guys can turn out to be wonderful delegates! Research up and drop me a DM if you need any help with research. I look forward to seeing you guys at the conference!

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Co-Chair

Greetings delegates! A good day to you and I hope you are staying safe and healthy. I am Yee Jie Si (but do address me as Jesse!). I am truly privileged to be your co-chair for ECOSOC in Champions Cup 2021 held by UNM. I am currently a year 1 International Business Management student at University of Nottingham (Malaysia). This is my first time chairing and pretty new to this; and I'm sure some of you are, so there's no need to be shy!

I am glad to work with Eiman and bring a fruitful event to all of you! I sincerely hope that fellow delegates can engage in debates, in order to make this more productive. To new delegates, I applaud you for taking that brave step of joining this MUN. MUN has shaped me to who I am today, not only given me immense exposure as to worldly affairs, but also showed me the importance of speaking up. Please, don't be afraid to speak up and make mistakes. We made a lot of mistakes throughout the MUN journey, but soon, you will rise above and make a difference.

My personal aim for this conference is to be able to encourage and inspire passionate and constructive debate considering the topics at hand. I firmly believe that it is crucial for delegates to deliver an impact to the council and learn something valuable. Regardless of your proficiency and experience in MUN, I hope you approach this session as a learning experience with an open heart. I look forward to speaking with you guys (virtually) during the Champions Cup! If you have any doubts, do reach me out on Instagram or email! I'm always open for help and engagements. I look forward to witnessing the show you put on for us. Stay safe and have fun!

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Topic A: Regulating the usage of cryptocurrency

Introduction

Cryptocurrency is a recent phenomenon that is receiving significant attention. On the one hand it is based on a fundamentally new technology, the potential of which is not fully understood. On the other hand, at least in the current form, it fulfils similar functions as other, more traditional assets. The rapid rise of cryptocurrencies over the past few years has regulators scratching their heads. By definition, cryptocurrency is decentralized digital money, based on block chain technology (Schaupp & Festa, 2018). Nobody can accurately predict the development of cryptocurrencies. If their staggering growth continues, cryptocurrencies could eventually become a viable competition for national currencies, affecting the deposits and balance sheets in commercial and central banks. This could ultimately lead to the end of the monetary system as we know it today (United Nations, 2017).

To define Cryptocurrency as a currency is very complicated. Decentralized cryptocurrencies are a new type of technology that can be used in several applications, such as transferring money, recording data, and investing (Hughes, 2017). For simplicity, a cryptocurrency is defined as a digital or virtual medium of exchange which uses cryptography – the study and practice of techniques to make messages intelligible for third parties, thus ensuring secure communication – to conduct financial transactions and verify the transfer of assets. Cryptocurrencies in general use decentralized control, which inhibits regulation by central authorities. Decentralization is based on distributed ledger technology (DLT), frequently a blockchain, which is essentially an organizational method for ensuring the encryption and integrity of data. Decentralized and autonomous, cryptocurrencies are governed by the users' consensus over a set of rules. They are independent from political influence and actions of monetary authorities. This entails that, in the event of cryptocurrency breaking a country's laws or regulations, there will be no institution to hold accountable (United Nations, 2017).

Given that cryptocurrencies defy national borders, this discrepancy presents a challenge for the international community. How to find a reasonable compromise, which would balance the advantages and disadvantages?

Background/Current Situation

The first one to envision ledgers verified by users was the sci-fi writer H. G. Wells in the 1930s. As the Internet started developing in the late twentieth century, the idea was popularized among the online community. Eventually, in 2008 someone under the pseudonym Sakashi Nakamoto published a paper outlining the blockchain technology (Campbell-Verduyn, 2018). It was proposed as a means to solve the problem of high transaction costs and the need for anonymity connected to trading on the Internet. Although it is not clear who Sakashi Nakamoto is or was, the paper started circulating and in 2009, Bitcoin was created based on this idea. To this day, Bitcoin largely remains the most popular cryptocurrency and it is this paper's main focus, except where otherwise provided.

Cryptocurrency has expanded on the promise of decentralized, transparent and direct monetary transactions. As mentioned previously, in order to achieve authority-free exchanges cryptocurrencies use DLTs such as blockchain. A blockchain is usually managed by a peer-to-peer network (P2P), which allows direct transmission of information between interconnected users. Therefore, cryptocurrencies can be transferred directly between two parties in a simple manner. These transfers are carried out via public and private keys and allow users to avoid the transaction fees charged by traditional monetary institutions.

The growth of cryptocurrency is also attributed to the confidentiality maintained throughout a transaction. Whereas under a cash system a person's transaction history may be examined by the bank in question, cryptocurrency guarantees that each transaction is a unique exchange between parties, the terms of which can vary in every case. This safeguards the users' privacy and protects them from the threat of identity theft, which can be present in traditional systems.

Cryptocurrencies also facilitate international trade, as they aren't subject to interest rates, transaction fees or exchange rates of any specific country. Using the P2P mechanism of blockchain, international transactions are free from currency exchange fluctuations and other economic phenomena inherent in the traditional system. In terms of security, the strong encryption techniques used throughout DLTs and transaction processes prevent fraud and account tampering, whilst also ensuring user privacy (Delgado-Segura et al., 2018).

Cryptocurrencies however have no physical grounding and their price is determined largely by the demand. In other words, they're worth what users are willing to pay for them at a given moment, making cryptocurrencies incredibly volatile and highly susceptible to sudden price variations. For example, in November 2017, bitcoin posted a sudden dip of 29%, losing $38 billion in a matter of days. Certainly not an investment for the faint of heart. The volatility associated with these currencies makes them unpredictable, and their regulation can protect citizens from uninformed investments that could cost them a lot of money (United Nations, 2017).

In economic terms, a speculative bubble refers to a situation in which asset prices seem to be based on inconsistent or overconfident views of its intrinsic value. In the case of cryptocurrencies, a variety of renowned economists, bankers, and investors have predicted a cryptocurrency bubble. This is supported by the 2018 cryptocurrency crash, in which most cryptocurrencies were sold off. In this time period, the price of Bitcoin dropped 65% from January to February, and in November of the same year its price showed an 80% decline in comparison to January 2017.

Governments may decide to regulate cryptocurrencies in hopes of shielding the economy from a burst bubble. The anonymity provided by cryptocurrencies also has its downfall, as they have been used in various instances for money laundering, tax evasion and for dodging international sanctions. Cryptocurrencies provide these criminals with semi-anonymous platforms to conduct their illegal businesses. Governments wishing to prevent these practices must expand to monitor and regulate digital currencies as well as physical currencies. Cryptocurrencies also present issues with cybersecurity. As with digital technology, transactions carried out through this method of payment can be subject to hacking or cybersecurity breaches. There is evidence of this, for example in the case of 'Coincheck', which was hacked in January 2018, a hack that resulted in the loss of $532 million in NEM tokens.

ECOSOC / UN Past Actions

In order to regulate cryptocurrencies, a variety of measures have been implemented. Some states have opted for the direct illegalization of cryptocurrencies, not recognizing them as legitimate or manageable currency, including: Algeria, Argentina, Egypt, Morocco, Bolivia, Ecuador, United Arab Emirates, Nepal, and Pakistan. These countries cite the deregulation of these currencies as reason for the legal ban. Indonesia and Vietnam have chosen an alternative approach: allowing citizens to trade and hold cryptocurrencies but illegalizing their use as a payment tool, thus clearly diminishing their usefulness.

Another group of countries has decided on a different route, it being the maintenance of the legal status of cryptocurrencies but forbidding financial institutions from protecting, managing or brokering said currencies. These countries are: Bangladesh, Cambodia, Canada, China, Colombia, India, Iran, Jordan, Saudi Arabia and Taiwan. Contrarily, most of the remaining countries accept cryptocurrency as a full-fledged method of payment, suggesting measures to regulate it instead. Each state holds a different perspective on the topic, and in turn presents different measures according to its unique socioeconomic context (Viens, 2019).
In terms of IGOs, the EU has drafted an action plan to tackle the different aspects of the multilayered issue that is the regulation of cryptocurrencies (Houben and Snyers, 2018). Initiatives have been proposed such as the Investigation of Transactions in Underground Markets, or "TITANIUM" project, which aims to "research, develop, deploy, and validate novel data-driven techniques and solutions designed to support law enforcement agencies charged with investigating criminal or terrorist activities involving virtual currencies and/or underground markets in the darknet" (TITANIUM, 2020).

Notwithstanding, the EU also recognizes the potential of cryptocurrencies and blockchain, and as such has established the EUBlockchain observatory and forum, which is tasked with the following duties:

- Monitoring blockchain initiatives in Europe
- Producing a comprehensive source of blockchain
- Creating an attractive and transparent forum for sharing information and opinion
- Making recommendations on the role the EU could play in blockchain

The World Bank has elaborated a series of detailed reports, examining general guidelines for dealing with cryptocurrencies in the following years, national analyses on the applicability of this technology to different state structures and proposing new ideas involving blockchain, such as leveraging it to achieve more sustainable and inclusive supply chains internationally. The IMF has also postulated a range of comprehensive measures encompassed within extensive reports, including the implementation of customer due diligence (CDD) – transaction monitoring and record keeping – or extending regulations to cryptocurrency participants such as wallet service providers and payment processors, which operate within the system, to enhance overall monitoring.

The UN gives great importance to this issue, as evidenced by its presence in the Secretary General's Address to the General Assembly on September 25, 2018, in which the potential of blockchain and cryptocurrencies to help progress towards the Sustainable Development Goals was highlighted. The UN addresses this issue from a multidisciplinary angle. While ECOSOC tackles the economic side of cryptocurrencies, the United Nations Office on Drugs and Crime (UNODC) maintains a different scope and focuses on prevention and law enforcement response to the risks of money laundering and drug trafficking conjoined with virtual currencies. An example of this is the "Thirteenth Meeting of Heads of National Drug Law Enforcement Agencies (HONLEA), Europe" (2019), which encourages cooperation between legal and financial structures to fight illegal drug trade using cryptocurrencies both nationally and internationally and emphasizes on the importance of training for law enforcement officers in programs such as the UNODC Cryptocurrency Training.

Another prominent body in this matter is the Financial Action Task Force (FATF), of the G8. The FATF set the standards for regulations on money laundering and terrorist financing. The FATF identifies the largest risks in regards to these areas to be concentrated in the intersections between virtual currencies and the regulated traditional system, and has therefore proposed the regulation of cryptocurrency exchanges which operate as "gatekeepers", a term coined by the task force. These include currency exchanges as well as the central authority within a traditional system if "it performs currency exchange functions". They would be regarded as "covered entities" and would be obligated to implement preventive measures and report dubious transactions.

Other relevant bodies in the issue include the Committee on Payments and Market Infrastructures (CPMI), the OECD, the European Banking Authority (EBA), and the Commonwealth Secretariat.

Key Points

The lack of regulation of cryptocurrencies poses multiple risks to countries, some apparent and some not. One of the purely theoretical risks at this point is the threat that cryptocurrencies present to the financial stability and monetary policy of the state. If cryptocurrencies become more popular, they could start to compete with the traditional banking system, threatening with the loss of control over money supply and the lender-of-last-resort capability. Again, the volume of cryptocurrency transactions so far is nowhere near the level where it could present a systemic threat.

A more imminent problem often mentioned in relation to cryptocurrencies is the funding of illegal activity. Although it is true that all transactions are recorded, Bitcoin wallets, through which transactions are made, can be created without the supervision of any financial institution. Thus, users are able to create their own financial products which makes any supervision or tracing quite complicated. This limits the ability of state authorities to prevent funding illegal activities such as drug trafficking or organized crime, creating also a transboundary problem. This risk is not hypothetical. As mentioned earlier, Bitcoin was chosen for its anonymity as a preferred means of payment on the dark web server, Silk Road. Estimates from early 2018 say that a quarter of Bitcoin users and a half of all Bitcoin transactions are related to illegal activities. Another challenge is that cryptocurrencies can be used to circumvent international economic instruments such as sanctions or capital controls. By bypassing the traditional payment system, people were able to purchase Bitcoins and then obtain otherwise heavily regulated or unavailable foreign exchange online. Such cases were reported in China, Venezuela, Cyprus and Greece.

Cryptocurrencies are also problematic when it comes to taxation. Transactions taking place across borders and without the need to reveal one's identity involve the temptation not to be reported and the states lack effective means of enforcement of tax evasion rules (He et al., 2016). Some say that cryptocurrencies should be taxed just like investment into other financial assets.

Possible Solutions

To address the issue, the first step would be to solve the definitional problem. Is Bitcoin a currency or an asset? Clarifying this is important for subjecting cryptocurrencies to the right regulatory framework. The approaches that individual countries take differ significantly. While the French Central Bank considers cryptocurrencies rather as an asset, Japan created a special new legislative category and the Financial Action Task Force uses the phrase "virtual currencies/crypto-assets".

Another challenge is asserting jurisdiction over a particular transaction or a wallet owner. Given that the transactions cross borders within a split second, it might get complicated. Even when jurisdiction is determined, a barrier of receiving information from abroad might have to be dealt with.

Once these challenges are solved, it is worth considering what part of the system should be regulated. Looking at Bitcoin, in theory, there are three options: the Bitcoin system, the uses of Bitcoin and the participants. The Bitcoin system itself is difficult to regulate as there is no institution to address the regulation to. Instead, there are miners and developers, mostly of unknown identity. The possibilities of the state are therefore mostly limited to monitoring the system and providing warnings of potential problems with the blockchain technology.

Getting back to the "51% attack", it seems that the Bitcoin community is trying to build up its own resilience to problems and it is hard to imagine the role of the state or intergovernmental institution in this environment.

The state could be more active when it comes to the uses of Bitcoin. This relates back to funding of illicit activities. So far, one of the most active entities in standard-setting in this area was the Financial Action Task Force (FATF). This intergovernmental organization is tasked with developing recommendations to combat money laundering and terrorism funding (FATF, 2018a). Their recommendations relating to cryptocurrencies mostly consist of the regulation of "gatekeepers", namely entities providing the exchange services from traditional-to crypto-currencies. The FATF recommends that they should be covered by the same anti-money laundering rules and that the "gatekeepers" should be responsible for preventive measures and reporting suspicious money flows (He et al., 2016). The list of recommendations also includes customer due diligence (verifying customers) when entering into business and exchanging larger amounts of cryptocurrencies. The FATF recommends tracking IPs' or national identity number, always in accordance with national privacy standards (FATF, 2015). At the same time, the FATF did not advise for regulating the users and the transactions serving for purchase of goods and services (He et al., 2016). The problem with that is that if cryptocurrencies gain more popularity, the need to exchange money will lower and for the regulation to remain effective it will need to target participants entirely within the system, such as wallet providers.

The European Banking Authority (EBA) has also been quite active in issuing recommendations. To face the immediate risk, the EBA recommended for countries to discourage its financial institutions from buying or holding cryptocurrencies. In addition, it recommended for the EU Anti Money Laundering Directive to also cover cryptocurrency transactions (He et al., 2016). Some of these recommendations were included in the 5th Anti-Money Laundering Directive which passed through the European Parliament. It now subjects two types of actors to regulation: cryptocurrency exchanges and wallet providers (Houben and Snyers, 2018).

The last option is to regulate the participants in the system. Such regulation could relate to customer protection with rules such as a disclosure of irreversibility of transactions, even in case of an error or theft, thereby making sure that the participants are aware of the risks. Some countries are also experimenting with licensing cryptocurrency exchange platforms in order to improve customer protection. Either they are subjecting them to existing licensing standards for financial service providers or creating new licensing regimes specific for cryptocurrencies.

What is certain is that cryptocurrencies are an issue worth addressing on the ECOSOC forum, as it provides an opportunity to coordinate activities among states. This leads to a more effective approach whether in harnessing the benefits of cryptocurrencies for the benefit of humanity or combating the risks in order to protect it.

Questions a Resolution Must Answer (QARMAs)

As delegates begin their own research, these are some of the questions to be answered in a resolution:

- Should the cryptocurrencies be treated as a monetary tool, a currency, or should they have a special category?
- What is the consensus on the existence and severity of risks connected to cryptocurrencies?
- What should be the common standards of use of cryptocurrencies and what is the best way to address the potential risks?

Further/Recommended Readings

UN Secretary General speech:

- https://www.forbes.com/sites/michaeldelcastillo/2019/12/28/secretary-general-says-united-nations-must-embrace-blockchain/?sh=4b1ed0bd1379

- https://www.un.org/sg/en/content/sg/speeches/2018-09-25/address-73rd-general-assembly

UN on cryptocurrencies:

- https://www.un.org/development/desa/dpad/tag/cryptocurrency/

World Bank Documents:

- http://documents.worldbank.org/curated/en/293821525702130886/pdf/Cryptocurrencies-and-blockchain.pdf

- https://documents1.worldbank.org/curated/en/260121548673898731/pdf/134063-WP-121278-2nd-edition-IFC-EMCompass-Blockchain-Report-PUBLIC.pdf

FATF guidance and recommendations, including the policies of selected states:

- https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-RBA-Virtual-Currencies.pdf

EU Analysis on the opportunities and risks of cryptocurrencies:

- https://www.europarl.europa.eu/cmsdata/149900/CASE_FINAL%20publication.pdf

EU Report on detailed study of cryptocurrencies and blockchain:

- https://www.europarl.europa.eu/cmsdata/150761/TAX3%20Study%20on%20cryptocurrencies%20and%20blockchain.pdf

Bitcoin Energy Consumption Index:

- https://digiconomist.net/bitcoin-energy-consumption

International regulations on cryptocurrencies:

- https://www.loc.gov/law/help/cryptocurrency/regulation-of-cryptocurrency.pdf
- https://www.visualcapitalist.com/mapped-cryptocurrency-regulations-around-the-world/

IMF Reports:

- https://www.imf.org/external/pubs/ft/sdn/2016/sdn1603.pdf

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Viens, A., 2019. *Mapped: Cryptocurrency Regulations Around the World*. [online] Visual Capitalist. Available at: <https://www.visualcapitalist.com/mapped-cryptocurrency-regulations-around-the-world/>.

Topic B: Financing and Development of Sustainable Energy Sources to Developing Countries

Introduction

Sustainable energy is fundamental to the United Nations's (UN) agenda and the Economic and Social Council's (ECOSOC) integration and streamlining of development initiatives. Investing in sustainable energy connects "economic growth, social equity, and [the UN's] efforts to combat climate change." The UN's Brundtland Commission defines sustainable energy as efforts to meet current energy needs without hindering the ability of future generations to meet their own. Having access to sustainable energy can help provide energy security that has no or limited impact on human health, unlike non-renewable energy sources.

While there is no universal definition of a developing country, they can be generally defined as countries with a less developed industrial base and a low Human Development Index (HDI) relative to other countries. The World Bank does have a classification for low-income countries however in 2015 is planning to phase out the term as it is deemed as being less relevant, with instead more emphasis in presenting the actual data.

Other ways of defining developing countries are by their characteristics. Some characteristics are common often due to their histories or geographies. For example, with regards to health risks, they commonly have: low levels of access to safe drinking water, sanitation and hygiene; energy poverty; high levels of pollution (e.g. air pollution, indoor air pollution, water pollution); high proportion of people with tropical and infectious diseases (neglected tropical diseases); a high number of road traffic accidents; and generally poor infrastructure. There is often widespread poverty, high crime rates, low education levels, insufficient access to family planning services, a large number of informal settlements, corruption at all levels of government, and political instability.

Renewable energy is defined as energy collected from renewable sources, generated at a rate that is faster than the rate at which it is being depleted. All renewable energy produces no greenhouse gases, meaning they don't contribute to climate change. The four most widely used renewable energy sources are wind, solar, hydropower, and biomass.

It is critical to invest in sustainable energy to improve the living standards of developing countries, as well as the economic capabilities of their populations, in order to advance the quality of life; achieving a standard of living that supports health and well-being. Increasing sustainable energy investment through strategic integration can aid in poverty reduction and, as a result, promote economic growth.

The coordination of UN entities, civil society, and the private sector by ECOSOC has contributed to the development of a comprehensive development strategy that includes the three dimensions of sustainable development: economic, social, and environmental. Sustainable energy is an issue that is not only important economically, but also has the potential to affect other aspects.

Background/Current Situation

Currently, 1.3 billion people lack access to energy and modern energy services such as electricity while 2.9 billion people rely on traditional biomass fuels for cooking and heating. As a result of this, there are 4.3 million premature deaths due to indoor air pollution. Not only does this have implications for health, but lack of access to sustainable energy sources also has an effect on education and productivity. The post-2015 development agenda emphasizes the importance of investing in sustainable energy with Sustainable Development Goal (SDG) 7, which aims to ensure access to affordable, reliable, sustainable, and modern energy for all.

Energy is also emphasized as imperative to social and economic development in the Declaration on the Right to Development (1986). Renewable technology has been rapidly developing throughout the past decades. Researchers have sought to make them not only more efficient, but more accessible as well. The innovation of renewable energy will play an important part in transitioning LEDCs away from oil-based or unsustainable forms of energy. Currently, clean energy is as accessible as it's ever been for developing countries. However, that does not mean the situation isn’t complicated. The prices for renewable technologies are often out of reach for LEDCs to purchase a sufficient quantity to generate enough energy needed by the population. A framework needs to be implemented to produce clean and affordable energy, tailored to the needs of the country and its environment. The investment in renewable energy needs to be done as efficiently as possible, especially for developing countries, by ensuring that the limited funds are used in the best way possible.

The efficiency of a type renewable energy can depend on:

- The climate of the region
- The energy needs of a country
- The efficiency of the technology itself

Technological efficiency is especially important because there has been insufficient development in the field of sustainable energy, implying that some renewable energy sources are more efficient than others. The most efficient forms of renewable energy are geothermal, solar, wind, hydroelectricity, and biomass.

Despite the rising alternatives and possibilities for LEDCs to begin adopting renewable energy, significant policy, capacity, and financial barriers to energy access in developing nations persist. Permit bureaucracy and import tariffs, for example, establish unfavorable policies and legal frameworks for energy access. Furthermore, a country's energy development capacity is hampered by a lack of technology, vocational training, and data on energy access. These constraints not only obstruct energy availability, but they also stifle educational, health, and productivity progress. Without modern energy services, education is hindered in both households and schools. Women and children "typically bear the burden of inadequate energy access."

Instead of pursuing an education, they must devote hours to overcoming the difficulties associated with cooking and lighting their households. Women and children can spend up to eight hours a day collecting firewood. Furthermore, children from non-electricity households are unable to study at night, limiting their educational opportunities. Schools, universities, and vocational training opportunities also require electricity in order to expand their operations beyond daylight hours and utilize Information and Communication Technologies (ICTs).

A lack of sustainable energy has a negative impact on health. Residents must rely on solid biomass fuels such as wood, crop residue, and animal dung in the absence of modern heating and cooking solutions. Inhaling fumes from solid biomass is one of the leading causes of poor health and death among low-income people. Inadequate energy access also has an impact on health care systems, which are critical to overall development. Without lighting, refrigeration, and sterilization equipment, hospitals cannot provide adequate care or perform emergency procedures.

Improving access to sustainable energy can help alleviate some of the issues caused by a lack of energy. A lack of sustainable energy access also leads to lower productivity rates and the perpetuation of poverty. Improving agricultural productivity through energy technologies can help to promote overall development by reducing the time and workload associated with traditional agro-processing methods used by rural households. Furthermore, small businesses frequently benefit significantly from electricity, mechanical power, and ICTs. For example, fishermen in Mkwiro, Kenya, can use refrigeration to preserve the fish they catch to be sold and therefore increase their sales. It is critical to increase investments in sustainable energy in developing countries in order to accelerate development and help raise living standards through education, health, and productivity levels.

ECOSOC/ UN Past Actions

The UN committed to addressing the financial challenges of development by mobilizing financial resources and promoting the national and economic conditions for sustainable development, including access to basic energy services and clean and sustainable energy, in the Monterrey Consensus on Financing for Development (2002) and the Doha Declaration on Financing for Development (2008). In 2015, alongside the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development was tasked with following up on the Monterrey Consensus and Doha Declaration, strengthening sustainable development financing and the post-2015 development agenda implementation, and strengthening the Financing for Development follow-up process of commitments.

ECOSOC has also addressed the needs of LDCs, LLDCs, SIDs, and middle-income countries (MICs) by improving energy access through development activities. ECOSOC holds the Development Cooperation Forum every two years to "assess global trends in development cooperation and related commitments, and consider ways to accelerate progress." The High-level Political Forum on Sustainable Development (HLPF), convened under the auspices of the Council and lead by the President of ECOSOC, is the primary monitoring platform of the 2030 Agenda and the SDGs, including the discussion of the sustainable development needs of LDCs, LLDCs, SIDS, and MICs. Here, ECOSOC is responsible for political leadership, guidance, and recommendations, review, and follow-up of commitments and integration of the three dimensions of sustainable development. Additionally, ECOSOC oversees the follow-up process of the Monterrey Consensus, including the continued commitments of the Doha Declaration and Addis Ababa Action Agenda, which places the Council at the heart of coordinating finance for development and investment in sustainable energy for rural areas.

ECOSOC is also in charge of hosting the Financing for Development (FfD) forum, which focuses on implementing the Addis Ababa Action Agenda, as well as submitting the forum's findings and recommendations to the HLPF. Despite the fact that sustainable energy is linked to many different UN bodies, the UN has two entities dedicated to this issue: UN-Energy and SE4All.

UN-Energy was established in 2004 as the UN's inter-agency collaboration mechanism in the field of energy. Its membership comprises many of ECOSOC's specialized agencies, programs, funds, and other bodies of the UN system. In 2011, Secretary-General Ban Ki-moon launched the Sustainable Energy for All (SE4All) Initiative as the "vehicle" to bring stakeholders in governments, ECOSOC agencies, businesses, civil society, and other multilateral organizations together to meet its three global objectives by 2030.

The three UN-Energy thematic clusters correspond to the three SE4All Initiative objectives: energy access, renewable energy, and energy efficiency. Because the targets of SDG 7 are so closely aligned with the objectives of SE4All, the initiative, along with ECOSOC, takes the lead in coordinating the goal's achievement. The International Renewable Energy Agency (IRENA) serves as the SDG 7 and SE4All Energy Hub, promoting the use of renewable energy as a critical tool for expanding energy access. In 2014, IRENA, the Asian Development Bank, and the Alliance for Rural Electrification (ARE), a business association promoting off-grid solutions, created the International Off-Grid Renewable Energy Conference. Civil society organizations (CSOs) also contribute to sustainable energy through research, advocacy, training, education, and service delivery. CSOs can serve as accountability mechanisms and platforms for rural populations' voices.

Key Points

Renewable energy can lead to more resilient electricity grids, increased energy access in developing countries, lower overall energy costs, less maintenance, and economic benefits in rural areas. Renewable energy, however, is not without flaws. Rapidly evolving renewable technology may result in rapid obsolescence, and relatively limited demand makes it difficult to scale production up and reduce production costs. Furthermore, unpredictability in the weather has an impact on energy production. Finally, and perhaps most importantly, renewable energy production is currently less efficient than non-renewable energy production. Today's most popular renewable energy sources include:

- *Solar*

Sunlight is a significant source of energy, so much so that the amount of solar energy that hits the earth's surface in an hour is enough to meet the world's energy needs for an entire year. Solar energy, on the other hand, can only be generated during the day and is more efficient depending on the season and geographic location.

Solar energy can be harnessed in three ways: photovoltaics, solar heating and cooling, and concentrating solar power. Solar panels can be installed on top of roofs or in solar farms, where large panels occupy large areas of land that would otherwise be empty.

- *Wind*

Wind farms are becoming more common in developed countries, owing to falling wind turbine prices; it is now one of the least-expensive energy sources. Wind energy, on the other hand, is dependent on the weather to generate electricity, making it unreliable. They also have an impact on local wildlife, as birds have been killed after flying into turbines. Finally, they contribute to noise and visual pollution (although this issue can be minimized by building wind farms in remote areas).

- *Hydroelectric*

Dams are used to control water flow and generate electricity in hydro energy. It is often more reliable than solar and wind energy because it can be stored until demand peaks. The energy's drawbacks include the disruption of river ecosystems and nearby communities, as well as the harming of wildlife and forcing citizens to relocate. Because hydroelectric power is generated by rainfall, a lack of rain will impede electricity production. Furthermore, such infrastructures have exacerbated broader geopolitical tensions, such as the Nile dispute between Egypt and Ethiopia.

- *Tidal*

Tidal energy generates electricity by utilizing twice-daily tidal currents. Although not a constant source of energy, tidal energy is predictable. However, it generates a small amount of energy, which is insufficient on its own.

- *Geothermal*

Geo means "pertaining to the earth," and thermal simply means "heat." As a result, geothermal energy is defined as energy generated by the earth's internal heat. Because geothermal energy is not affected by weather, it is more reliable than solar and wind energy. It also has a large capacity, which means it is always available. In countries such as El Salvador, New Zealand, Kenya, and the Philippines, geothermal energy is a significant source of energy. It is also the primary source of heating in Iceland, accounting for more than 90% of total heating demand. This type of energy, however, can only be harnessed in countries with volcanic activity.

- *Biomass*

Biomass energy is created by converting agricultural, industrial, and domestic waste into fuel, and it produces power at a much lower economic and environmental cost. Although biomass can be used to fuel vehicles, heat buildings, and generate electricity, it also emits pollutants such as greenhouse gases.

Understanding which renewable energy sources are applicable to the region is critical for making the best use of the limited funding available and for proper technology adoption. Not every country has equal access to renewable energy sources. The technology used, as well as the cost of maintenance and adoption, must be considered.

Financing remains one of the most significant barriers to increasing sustainable energy access. To meet all three of the 2030 targets, the current $400 billion annual investment in SE4All would have to be tripled on a global scale. The $9 billion spent on energy access is a pittance compared to the required $49.9 billion per year. While countries are primarily responsible for their own social and economic development, they must be aided by a favorable economic environment. Renewable energy projects can be funded through a variety of investment and ownership structures, including private, public, and mixed ownership. While international aid, national funding, and CSOs all play important roles, the private sector, as the "global engine of growth and the primary source of new investments," will need to provide more than 75% of the required annual energy investments. However, political and economic stability, as well as transparency, are required for investors to trust the institutions of developing countries.

Financing sources are always important in international development projects; however, a larger issue is coordinating the required capital for energy and the financing that is available. The UN Department of Economic and Social Affairs (DESA) and the China Energy Fund Committee, a non-governmental organization (NGO) with ECOSOC consultative status, are currently working together to support sustainable energy promotion in developing countries through the Powering the Future We Want grant program. The role of ECOSOC in capacity-building and knowledge and technology transfer is critical for developing countries to adopt sustainable energy solutions. Sustainability in financing, operations, maintenance, and management is critical for the overall success of renewable energy adoption.

Access to funding and financial schemes is required on three levels to prevent undesirable outcomes: end user (consumers to use product), business (small enterprises to deliver and operate energy systems), and project (capital investment). Off-grid programs, on the other hand, face difficulties in obtaining financing from private banks and investors due to their perceived higher risks. The SE4All Financing Committee observes that many developing countries' existing economic infrastructures impede investment delivery and require improved governance and management. Market fragmentation, insufficient regulation, and a lack of business models all prevent their adoption and subsequent foreign investment. As a result, leveraging the public sector will be critical in attracting investment, particularly from the private sector.

Possible Solutions

Energy is intertwined with sustainable development as the "golden thread that connects economic growth, increased social equity, and an environment that allows the world to thrive." ECOSOC must continue to ensure conference and summit coordination, dialogue, and follow-up in order to fuel investment in sustainable energy for rural development.

This issue has a wide range of potential solutions, all of which can play an important role in assisting LEDCs in their transition to renewable energy sources. However, it is critical to note that no single solution will be able to completely solve the problem because there are so many different aspects to the problem that a solution can only address so much. As they attempt to mobilize resources for large-scale investments, an increasing number of developing countries are implementing policies to promote the use of renewable energy in their countries. Collaboration and consultation with organizations such as the LDC REEEI and the IIED to determine the most effective renewable energy source for individual LEDCs based on their environment, GDP, overall technology efficiency, and energy needs is one aspect. These organizations will help to strengthen their economies' long-term growth potential and will assist in coordinating investments that will provide the necessary funding to invest in renewable energy.

Another possible solution is to encourage the formation of an ecosystem of small businesses that work on improving existing renewable energy technologies and innovating new ones. This ecosystem, which is financially supported through investments or grants, can aid in the development of more financially viable solutions that not only benefit the economy but are also long-term sustainable. Establishing renewable energy monopolies has benefits in terms of funding and short-term efficacy, but it may have long-term negative consequences. A group of small businesses encourages competition and may benefit more rural areas.

QARMAs

As delegates begin their own research, they should consider the following questions:

- What role does renewable energy play in the overall development process?
- Is there an overlap within the UN development system concerning renewable energy development?
- How can ECOSOC fill in information gaps between specialized agencies, funds, and programs?
- How can ECOSOC utilize sustainable energy for development in education and productivity?
- How can ECOSOC support ongoing international, regional, and private sector efforts to finance sustainable energy for development?

- What kind of policy support and guidance can ECOSOC provide to build confidence for investing in sustainable energy?
- How can investing in sustainable energy sources be further streamlined in the UN's agenda?

List of Additional/Useful Readings

Financing Development ECOSOC

- http://www.un.org/development/desa/financing/events/2021-ecosoc-forum-financing-development
- https://www.oecd.org/fr/dev/developing-countries-and-the-renewable-energy-revolution.htm

Stockholm Environment Institute (SEI) Renewable Energy for Development RED

- https://www.sei.org/projects-and-tools/projects/renewable-energy-development-red/

SDG Goal 7: Affordable and Clean Energy

- https://sdgcompass.org/sdgs/sdg-7/

SE4All Data and Progress

- https://www.seforall.org/fr/node/1711

Making clean renewable energy happen

- https://www.eea.europa.eu/signals/signals-2017/articles/making-clean-renewable-energy-happen

Renewable energy: potential and benefits for developing countries

- https://www.kas.de/c/document_library/get_file?uuid=165ba899-b4c3-abc9-ae6b-038b643c5962&groupId=252038

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Position Papers Guidelines

Champions' Cup 2021 will be conducted using HMUN Rules of Procedure. As such, **position papers are mandatory for this council, and will be required for awards consideration.**

Position papers should include the following:

- Your country's stance on the topic
- Justifying your country's reason for its particular stance on the matter
- The actions your country has taken regarding the matter
- The recommendations your country would make regarding the matter

Position paper format requirements:

- Arial, Font size 12,
- Justified alignment with 1.15 spacing, and page numbering
- You are allowed to **bold**, underline, and use *italics*,
- Maximum 3 pages for content,
- Please cite your position paper (APA 6th Edition, no need for in-text citation),
- Please include a Bibliography for your position paper, which is an additional page after your 3 page content,
- Your PP should not exceed a total of 4 pages with the content and Bibliography,
- Should your Bibliography exceed 1 page, then your PP should NOT exceed a total of 5 pages with the content and Bibliography,
- Please do not include your personal name, a country flag, a country's emblem or equivalent, and personal information,
- Please include the name of your country and your council name (follow this example: "ITALY - ECOSOC") in the Header section of the document,
- When sending the PDF version of your PP, please name the PDF document accordingly (follow this example: "ITALY_ECOSOC_PP"),
- Please write the PP in English and no other language should be used in the writing of your position paper,
- If any of the above standards are not followed, it will result in a deduction of marks from your PP. Additionally, **if your PP is not in PDF format, it will be rejected**,
- Email the position papers to BOTH chairs (namierazma@gmail.com) and (jesseyee0204@gmail.com).

Position papers are due on **11:59 PM (MYT), 19th June 2021.** Requests for extensions with valid reasons can be made by contacting the chairs. Any other queries can be made through e-mail or Instagram DM. With that, have fun researching and see y'all in council!