



**MUNDP 2020**  
COMMITMENT TO DEVELOPMENT

# **RESEARCH REPORT**

**UNITED NATIONS INDUSTRIAL DEVELOPMENT  
ORGANISATION (UNIDO)**

**UTILISING TECHNOLOGY AND INNOVATION TO  
ENSURE THE ACCORDANCE OF OIL SECTORS  
WITH THE SUSTAINABLE DEVELOPMENT  
GOALS**

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## Basic Overview of the Issue

In 2015, the United Nations General Assembly passed the UN (United Nations) Resolution 70/1, determining the UN 2030 agenda by introducing the SDGs (Sustainable Development Goals). The SDGs are seventeen independent yet intertwined goals which are to be achieved until 2030 by the United Nations. One common mission every single goal adheres to is “to achieve a better future for all”.

The SDGs are designed to challenge all Member States, and target specific customs which have proven themselves to be detrimental and therefore not a part of a sustainable future which the UN is trying to safeguard for future generations. In doing so, the SDGs promote sustainable energy usage, and asks Member States to take measures against climate change; some of the many areas of focus of the SDGs. Success in the aforementioned areas of focus of the SGD's can only be rewarding via the UN's cooperation and increased supervision of the petroleum companies.

The power petroleum companies hold both politically and financially is beyond comprehension. Reuters reports that the 2019 combined revenue of the five biggest petroleum companies in the world was 1.8 trillion US dollars. That means that the total revenue of these five companies combined exceeded two times the GDP (Gross Domestic Product) of the Republic of Turkey, a G20 member with more than 80 million citizens. Considering this reality, it is the mission of the United Nations Industrial Development Organisation (UNIDO) to strengthen cooperation with the oil sector while continuing to promote the UN SDGs, using technology and other methods effectively in the process to ensure that companies and Member States are in line with the goals.

## Explanation of Important Terms

### *Renewable Energy and Sustainable Energy*

All renewable energy sources are sustainable but not all sustainable energy sources are renewable. A distinction should be made between the two types of sources. A sustainable energy source is a source in which “energy can be naturally replenished”, which could be improved using technology, and which is available for the long term. Renewable energy resources, although fitting perfectly into the definition provided above, are additionally completely harmless to the environment. This can't be said for



all sustainable energy sources, which include nuclear reactors. Both energy sources have, however, been developed and regarded as alternatives to fossil fuels.

Sustainable energy sources can be technologically advanced to be more efficient.

This ability of sustainable energy sources should be noted and will be mentioned further in the report.

### *Inclusive and Sustainable Industrial Development (ISID)*

The Lima Declaration states that UNIDO's mission is "to promote and accelerate inclusive and sustainable industrial development (ISID)" in its Member States. The ISID approach is implemented with accordance to the SDGs, and UNIDO is therefore directly and indirectly related with every single SDG.

According to UNIDO, the ISID approach "allows for rapid and sustained increases in living standards for all people, and provides technological solutions to environmentally sound industrialization". It shows that UNIDO recognizes the significance of technology in achieving environmental objectives. The word "inclusive" indicates that UNIDO aims for the balanced and fair development of each of its Member States. ISID therefore refers to the united and equal sharing of benefits from industrial development among all Member States.

## **Detailed Background of the Issue**

UNIDO's 2030 agenda is greatly determined by the Sustainable Development Goals. UNIDO is involved in a majority of the SDG's, but is primarily involved in SDG 7 and SDG 9, which are also mainly related to the issue at hand. This section will do in-depth analysis of two of the SDGs the organisation is mostly related to.

### **SDG 7: Affordable and Clean Energy**

Sustainable Development Goal 7 aims to "ensure access to affordable, reliable, sustainable and modern energy for all" (SDG Compass). This SDG aims to extend the usage of sustainable energy sources in a world where the demand for fossil fuels will continue to rise with the rapidly increasing population. The UN believes that an environmentally-friendly, and well organised energy system will not only benefit the ecosystem but will support a range of different sectors such as infrastructure, agriculture, medicine and high-communications.



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This SDG calls are Member States to invest in the area of developing sustainable energy sources, and considers this effort vital in order to accomplish this SDG by 2030. UNIDO, as part of its efforts to accomplish this goal, helps Member States develop and implement low-carbon and low-emission growth paths. The UN calls businesses to lead this effort and innovate alternatives for the global energy system. This transition is an industrial opportunity which the UN calls all willing businesses to take advantage of.

## SDG 9: Industry, Innovation and Infrastructure

The transition to economies depending on sustainable energy sources is not easy. SDG 9 focuses on areas that develop with this transition: industry, innovation and infrastructure. SDG 9 takes into consideration the way people live, and the needs they have/will have in the future. The goal specifically aims to “provid[e] new jobs and promote energy efficiency” via utilising and promoting technology in different industries. This mission is directly related to the issue this chair report covers, and is the SDG UNIDO is mostly related to. That is because UNIDO aims for the sustainable and smooth transitions of industries in regard to our changing needs, some that we have brought upon ourselves. SDG 9 emphasizes the importance of innovation in technology, and acknowledges the excessive need of funding. This, they believe, is the only way to ensure “sustainable development”.

## Perspective of the Oil Sector

To answer this question, this research report will try to communicate the position of the International Petroleum Industry Environmental Conservation Association (IPIECA). Information about IPIECA has been provided in the “Major Parties Involved” section of this report. Please read that section before you continue to read.

The reason to solely cover IPIECA in this section is simply because it serves as a representative for many oil and gas companies, and because it is the primary channel of communication between the UN and the petroleum industry. IPIECA’s stance on SDG 7 and SDG 9 represents the stance of petroleum companies, a stance which should be taken into account as part of the solution to the issue at hand.

IPIECA has cooperated with UNDP to specifically identify how the oil and gas industry can contribute to accomplishing each single SDG by 2030. For SDG 7, IPIECA states it



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recognizes the challenge to establish a global energy system with net-zero greenhouse gas (GHG) emissions by 2050, and confines itself to saying that the oil and gas industry is committed to "help address this critical issue".

IPIECA also makes clear that it is committed and in accordance with SDG 9 as it says the oil and gas industry constantly invests in infrastructure to expand its operations. Although IPIECA presents this as a benefit for itself and the Member States, it also shows that the oil and gas companies have no intent to initiate the transition required by SDG 7 and supported by SDG 9. Their willingness to expand their operation is an indicator of their real motive.

It is impossible to find any statement by oil and gas companies that contradicts the position IPIECA stands at. It would, however, be naive to believe that the oil and gas industry would fully cooperate with the SDGs, some that support their eradication, some that are totally against their existence. UN' efforts will one day face pushback from the oil and gas industry, and the UN must prepare itself to ensure that its efforts do not collapse while under it.

## Major Parties Involved

### United States of America

The United States has long been present in the Middle East, and has major foreign interests in the region. Oil, and the energy dependence of the United States since the 1850s have been the driving factors of US foreign policy in the Middle East. The US, in 2017, announced that it had become totally energy independent, but this did not change its long-standing policy in the Middle East. For years the US has strengthened ties with oil producing countries in order to gain incentives, established dominance over these countries' oil sectors, and has either directly or indirectly toppled governments which have tried to nationalize their oil sector and therefore pose an obstacle against US foreign interests. The US currently has troops around the Middle East, and continues to support countries ideologically opposite to it.



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2019 saw the rise of tensions between the US and the Islamic Republic of Iran. Iran, in retaliation to increasing US dominance in the region, launched attacks on oil drilling fields owned by Saudi Aramco, the Saudi Arabian national petroleum and natural gas company. This has sparked reaction from the US, which has sent additional troops to the region in order to protect these drilling facilities. This specific example displays how US's foreign policy is driven by oil production.

All Member States of the UN, including the United States have ratified the Sustainable Development Goals. Actions taken under the Trump Administration have, however, made the validity of US' commitment to the SDGs questionable on the international stage. President Donald Trump announced in 2018 that the United States would withdraw from the Paris Climate Agreement, which was advocated and signed by former President Barack Obama. The withdrawal meant US' exclusion from the "first global agreement to combat man-made climate change". The Paris Climate Accord was recognized as a huge step forward in the direction of fulfilling the SDGs. President Trump's denial of climate change also led to his administration's loosening of regulations on the oil sector. This is dangerous, as the accordance of the oil sector with the SDGs can't be ensured.

### *United Nations Development Programme (UNDP)*

UNDP works with over 170 countries, and is the UN's development agency. It continues to have a principal role in the achievement of the Sustainable Development Goals. UNDP provides leadership, policymaking and institutional assistance to countries in order to ensure the continuity of development around the globe. UNDP, as part of its strategy, has determined signature solutions, some which are relevant to the issue. UNDP supports clean and affordable energy, and promotes nature-based solutions for development. These two key signature solutions will clarify its position on the issue.

### *Sustainable Development Solutions Network (SDSN)*

SDSN was established in 2012 following the efforts of former UN Secretary-General Ban Ki-moon. Its aim is to develop approaches to support the SDGs and the Paris Climate Accord through education, policy analysis, research and global cooperation. The network is



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in close cooperation with different agencies of the United Nations, as well as with private and public partners specialised in various areas.

### *International Petroleum Industry Environmental Conservation Association (IPIECA)*

IPIECA defines itself as the “global oil and gas industry association for advancing environmental and social performance”. It is led by a board consisting of members from different petroleum and gas companies around the world. Corporate members of IPIECA include BP (British Petrol), ExxonMobil, Total, Saudi Aramco, Shell and other companies dominating the oil sector. IPIECA aims to develop and share knowledge to increase its members’ environmental and social performance. The association also acts as the principal channel of communication between the United Nations and the industry. IPIECA’s involvement in efforts to solve the issue discussed in the report will be elaborated in the “Past Attempts to Resolve the Issue” section.

### **Chronology of Important Events**

Date	Description of Event
<b>November 22, 1965</b>	UNDP is established.
<b>March 13, 1974</b>	IPIECA is established upon the request of the United Nations Environmental Programme.
<b>February 16, 2005</b>	The Kyoto Protocol was put into effect.
<b>September 2015</b>	Sustainable Development Goals are ratified by all Member States and are put into effect.





**November 4, 2016**

The Paris Climate Accord is put into effect.

## Relevant International Documents

- Mapping the oil and gas industry to the SDGs: an Atlas, UNDP, 2017.  
<https://www.undp.org/content/undp/en/home/librarypage/poverty-reduction/mapping-the-oil-and-gas-industry-to-the-sdgs--an-atlas.html>
- Partnerships in the oil and gas industry, IPIECA, 2006.  
<http://www.ipieca.org/resources/good-practice/partnerships-in-the-oil-and-gas-industry/>
- World Energy Assessment: Energy and the Challenge of Sustainability, UNDP, 2015.  
[https://www.undp.org/content/undp/en/home/librarypage/environment-energy/sustainable\\_energy/world\\_energy\\_assessmentenergyandthechallengeofsustainability.html](https://www.undp.org/content/undp/en/home/librarypage/environment-energy/sustainable_energy/world_energy_assessmentenergyandthechallengeofsustainability.html)
- The Kyoto Protocol, December 11th, 1997
- Paris Climate Accord, UNFCCC, 2015.  
<https://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>
- IPCC Special Report on Carbon dioxide capture and storage, IPCC, 2005.

## Past Attempts to Resolve the Issue

Attempts to solve the issue have failed to have the intended impact. Discussions on regulation of the oil sectors have not yet reached comprehensive levels. Details such as the usage of innovative methods and technology have also not been discussed in their full extent. With the ratification of the Paris Climate Agreement, Member States committed to take all necessary action to keep the mean increase in global temperature below 2 degrees Celsius. The agreement pushed all parties to transition their economy into a more environmentally friendly one, or simply put, decarbonize it. IPIECA, the principal channel of communication between the UN and the oil sector, welcomes the Paris Climate Agreement, and annually attends the UNFCCC (United Nations Framework Convention on Climate Change) meetings to communicate the perspective of the oil industry. The most recent





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UNFCCC meeting, COP 25, was held in 2019. No significant or positive developments have occurred since the ratification of the Paris Climate Agreement. On the contrary, parties display lacking commitment to the Paris Climate Accord.

The UN and its Member States are yet to get into the action phase. Their handling of the issue has proven itself to be ineffective. Their only attempts to solve the issue, has been through discussing it. The importance of such discussions can't be disregarded, but the productivity of these discussions should be questioned.

## Solution Alternatives

Decarbonizing an economy is not easy, but it is also not impossible. The United Nations' focus on the issue has always been on what to do to solve the issue, and not how to solve it. In an effort to change this approach, the UN should support technological research in areas of sustainable energy sources. As previously mentioned, the efficiency of sustainable energy sources can be advanced via the usage of technology. UN should promote sustainable energy sources in order to attract investments in the area, and then use relevant UN programmes and specialized agencies to conventionalize their usage around the world.

Associations such as IPIECA, unofficially representing the oil sector in UN summits, hold too much influence and although they state that they welcome developments such as the Paris Climate Accord, it would be true to say that such developments are a disadvantage to them. The UN should limit the influence of such associations in discussions related to the issue, and assert its dominance over the discussions. Although there are numerous other solutions to this issue, it should be clear that all of the newly developed solutions should yield concrete results.

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