Shenzhen College of International Education Model United Nations (SCIEMUN) Conference 2024

ECOSOC

Economic and Social Council

# Background Guide

**Topic: Accelerating Climate Finance for Developing Countries**

**Committee:** Economic and Social Council

**Topic:** Accelerating Climate Finance for Developing Countries

**Deputy Chair:** Mia Chen

# *Letter from the Chairs*

Dear delegates,

Welcome to the Economic and Social Council of SCIEMUN 2024.

My name is Mia Chen, a G11 student at BASIS International School Park Lane Harbour (BIPH). It is my honor to be the deputy chair of the ECOSOC with my chair, Micky Yang.

As members of the ECOSOC, you will be discussing the pressing issue regarding climate change, directly and indirectly affecting the lives of each and every one of us. Please be prepared for this conference by doing detailed research on the topic relating to your country's stance, past international efforts, and possible solutions.

If you have any questions regarding the topics or general MUN procedures, please do not hesitate to contact me through my email, miachenofficial@gmail.com.

Looking forward to seeing you in November.

Sincerely,

Mia Chen

## ***Committee Background and Mission Statement***

The Economic and Social Council (ECOSOC) is one of the committees of the United Nations (UN), responsible for promoting international cooperation on economic, social, and environmental issues. It fosters exchange of information and dialogue among member states regarding pressing issues. ECOSOC aims to advance sustainable development, address global inequalities, and improve the quality of life. It strives to promote economic growth, reduce poverty, and ensure environmental sustainability, contributing to the progress in the UN's Sustainable Development Goals (UNSDGs).

ECOSOC serves as a forum for international discussions regarding economic and social issues and formulates policy recommendations for its member states. The council consists of 54 member states elected by the UN General Assembly for three-year terms.

Annually, ECOSOC holds a four-week conference in its headquarter in New York, discussing pressing economic and social issues. Also, it conducts review on the international progress in achieving the established goals.

## ***Key terms***

| **Term** | **Definition** |
|---|---|
| Greenhouse Gases (GHG) | Greenhouse gases are atmospheric gases that trap heat, leading to the global warming effect. Examples of GHGs can be carbon dioxide, methane, and nitrous oxide. |
| Climate Finance | All financial flows addressing the cause and the effects of climate change. |
| Mitigation | Efforts to reduce the negative impact of climate change. |

| | |
|---|---|
| Adaptation | Efforts to adjust to the actual or expected impact of climate change. |
| Nationally Determined Contributions (NDCs) | Commitments made by individual countries according to the core value of the Paris Agreement. |

## Introduction

With the pressing issue of climate change, many countries have already started to enact policies and encourage the public to be more sustainable in their daily lives. The most significant instance of this is he Plastic Policy in the Hong Kong region, where single-use plastic, especially plastic utensils, is completely banned. Paper utensils quickly rose as a greener alternative to plastic ones. While this may be an extreme example in this matter, many countries still have enacted some policies restricting the use of plastic.


***Figure 1: Greenpeace suggests the ban of plastic tableware.***

Currently, the effects of climate change have become increasingly significant. Global warming is one of the most remarkable effects of climate change, violating the natural habitats of animals. Climate change also increases the instances and intensity of extreme weather events. Moreover, with the rising sea level because of climate change, many island countries now face the risk of being completely submerged.

Climate finance is regarded as the most promising response to climate change. Climate finance is essential in mitigating the effects of climate change as well as in adaptation to those changes. For instance, funding could be distributed to reduce carbon emissions and build resilient infrastructures to prevent escalation of the issue. As mentioned above, many island countries are very susceptible to the effects of climate change. With the collaboration between countries, climate finance can help these susceptible nations build adaptive capacity.

# ***History and Current Situation***

## History of This Matter

As early as 1992, countries started noticing the significance of climate change. As a result, the Earth Summit was held in Rio de Janeiro as a forum for countries to discuss the issues relating to sustainability. A huge part of this discussion was global collaboration in combating climate change. Consequently, the United Nations Framework Convention on Climate Change (UNFCC) was ratified, as one of the major achievements of the 1992 conference (United Nations, 1992). The 1997 Kyoto Protocol then operationalized the UNFCC by committing developed countries to reducing greenhouse gases (GHG) emissions in accordance with the goals set in the 1992 conference (UNFCCC, 2019). The Kyoto Protocol divided countries into two categories: Annex I and Non-Annex I. Annex I was made of developed countries that were required to reduce their greenhouse gas emission, as they were seen as those responsible for the historical emissions (Kim et al., 2020). Non-Annex I countries were mainly developing countries that were not bound by emission reduction targets considering their absence in historical emissions and need to develop. Recognizing this differentiation in roles of countries, some key countries like the United States did not ratify this protocol. Moreover, as major developing countries, India and China, were exempted from this protocol, the goal of emission reduction was far from being achieved. Moreover, without an effective way to enforce the protocol, the Kyoto Protocol eventually became a failure (Helm, 2012). Later, during the 2009 United Nations Climate Change Conference (COP15), the Copenhagen Accord was made.

Despite its failure, the Copenhagen Accord could be the most important step made to counter the influence of climate change. It acknowledges the increase in global temperature and urges “deep cuts in global emissions,” making the crucial step forward in regulating GHG (United Nations, 2009). A short-term achievement in this conference was the immediate commitment of $30 billion for a period of three years, aiming at helping vulnerable developing countries develop adaptive measures. It also proposed to help developing countries in their climate efforts, with a goal of mobilizing $100 billion annually by 2020.

The year 2010 witnessed the creation of the Green Climate Fund (GCF) under the United Nations Framework Convention on Climate Change (UNFCCC). It aims to accelerate transformative climate actions in developing countries by distributing financial resources (Green Climate Fund, 2023). However, this grand goal was not met by 2020, when countries only mobilized $83 billion.

In COP21, taking place in Paris in 2015, a new goal was set in the Paris Agreement: to mobilize $100 billion annually by 2025. In addition to the change in the $100 billion goal, several new points were made in the Paris Agreement. For instance, the goal to continually reduce the rise in global temperature was set. The agreement also aims to reach zero net GHG emissions in the second half of the $21^{st}$ century. To set more plausible goals for each individual country, the system of Nationally Determined Contributions (NDC) was established, allowing countries to tailor their commitments according to their specific needs and capacities. NDC added to the flexibility of individual countries, as they could determine their own goals in accordance with the internationally determined targets. It also made the network of climate action more inclusive as the needs for developing countries and least developed countries (LDCs) can be catered. An Enhanced Transparency Framework (ETF) was also established to oversee NDCs in countries, ensuring steady progress and access to information (UNFCCC, 2016). Yet, weaknesses in this system were also obvious. As countries set their own goals in climate action, they were not legally bound to commit their NDCs, leading to insufficient actions. Also, countries tend to make the targets vague and usually with inadequate ambition, undermining the overall goal set in the Paris Agreement (Pauw et al., 2019).

## The Current Situation

The year 2023 witnessed the largest amount of money, $125 billion, mobilized for climate finance (AIIB, 2023). Part of this achievement can be attributed to the involvement of private climate finance. Recognizing the potential and importance of private climate finance, governments worldwide has begun making incentives to catalyze private climate finance (Laia Barbarà et al., 2024).

The UN Climate Change Conference in Glasgow (COP26) in 2021 ended with the creation of the Glasgow Climate Pact. It asked countries to collaborate to bring the annual global temperature increase down to 1.5°C, and implored countries to enhance their emission reduction targets (Hill, 2021). It also put methane into the spotlight by requiring methane emission reduction in the Global Methane Pledge (Gov.UK, 2022). The commitment to reduce the use of coal was also expressed in this document.

However, COP26 failed to resolve the funding challenge, as the funding level was still inadequate. Moreover, the Global Methane Pledge is deemed as an ineffective policy as only 13% of emissions is covered in the policies (Olczak et al., 2023).

# Timeline

| Date | Event |
|---|---|
| 1992 | UN Conference on Environment and Development (The Earth Summit) |
| 1997 | Kyoto Protocol: Clean Development Mechanism |
| 2009 | The Copenhagen Accord: goal of mobilizing $100 billion annually to assist developing countries by 2020 |
| 2010 | The creation of the Green Climate Fund |
| 2015 | The Paris Agreement |
| 2021 | COP26 – Glasgow Climate Pact |
| 2025 | The $100 billion goal set in 2009 is extended to 2025 |

# Bloc Positions

### Australia

Australia has a complex stance in climate finance. Australia advocates for emission reduction and has committed to providing $1.4 billion in climate finance from 2020 to 2025 to aid the PICs in particular. However, Australia's measure in this matter has a nature of "letting it be" as it advocates mostly for adaptation projects rather than mitigation ones (Ryan, 2023).

### China

As a country still industrializing, China is a major emitter globally, thus facing criticisms from the developed countries. It is currently committed, though at a slow pace and with unsatisfactory results so far, to achieving carbon neutrality by 2060 (Escrig, 2023). It argues that developing countries should take the lead in helping developing countries in response to climate change, thus acting as a major investor in climate finance, especially in renewable energy (Liu et al., 2024).

### Countries in the European Union (EU)

The EU is committed to climate action, pledging to mobilize resources for developing countries. It advocates for a steady, robust international framework to ensure transparency, effectiveness, and a steady financial flow to the developing countries. Some countries, though made grand promises, fell short on their fair share obligations, like Italy (Caneurope, 2021).

### India

India emphasizes the need for developed countries to provide financial support in combating climate change and the associated impacts. India is also critical of the developed countries for their historical emissions during the Industrial Revolution. It stresses that its ability to meet the set NDC goals is contingent upon the financial resources supplied by the developed countries.

### Other Developed Countries

Developed countries are major players in climate finance, as they hold the historical guilt. However, developed countries do not have a fair share in their climate action, with only few of them meeting their goals (Colenbrander et al., 2022). They are also often criticized for their inadequate funding levels and commitments. With these minor conflicts in the role, developed countries should make cautious decisions in climate finance.

### Pacific Island Countries

Pacific Island Countries (PICs) face significant challenges due to climate change; many now face the risk of being completely submerged due to the rising sea level (UNFCCC, 2023). Fiji is now actively advocating for increased climate finance by highlighting the need of the PICs. As one of the countries most susceptible to the rising sea level, Tuvalu advocates for the immediate mobilization of financial resources, and stresses the need of international accountability in the pledge of delivering adequate resources (GGGi, 2023). The Pacific Island Forum is the platform where PICs discuss various topics, including climate change. The forum has taken a proactive stance in climate change, advocating for stronger international commitments and more international attention.

### Saudi Arabia

As the major oil-producing country, Saudi Arabia wants to pursue a greener world, yet also ensure economic progress. It acknowledges the need for climate actions, but stresses that oil-producing countries should not be disproportionally burdened by the effort to combat climate change (Climate Action Tracker, 2018).

### United States

Developed countries are usually the contributors in climate finance, who mobilize resources for the developing countries. Some also serve as the paradigm in climate actions. However, with the failure in achieving the $100 billion goal by 2020, developed countries are usually criticized. Most developed countries, especially the United States, emphasize the importance of private funds rather than financial resources mobilized by the nation as a whole. The US should thus promote the use of private funds in climate finance.

## Possible Solutions

### Enhanced Collaboration

The essence of the aforementioned conferences and documents is to promote international collaboration in countering the impact of climate change. These conferences serve as a platform for exchange of information and proposals. Delegates would want to make the targets more detailed and plausible. In an enhanced collaboration network, countries share their need and resources, which helps with the goal setting and achieving. A strong collaboration network also makes it possible for the international community to adjust and update its climate action targets flexibly in accordance with the conditions of each country. While this will be an effective solution, only enhancing collaboration is not enough, as Climate Change Conferences seldomly meet the expectation to raise funds and achieve goals.

## Promotion of Transparency

One of the reasons for the failure in the $100 billion goal was the lack of transparency in the progress of mobilizing resources. With more access to the progress, countries could understand the situation better and put more efforts accordingly. With a body to oversee the progress made on countering climate change, the goals can be achieved earlier. One of the critical weaknesses of NDCs is that each country would set vague goals without ever trying to meet them. A non-affiliated body could regularly check countries' commitment in their national goals, thus making countries more responsible in achieving NDCs.

## Mobilizing Private Investment

The private sector manages $210 trillion, but only a minor portion is used in climate finance. Seeing the potential of private funds, delegates can try to promote private funding for climate actions. Although by mobilizing private investment, the accountability of countries may be diluted, it should also be a feasible way to accelerate climate finance.

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