ECOSOC
United Nations

ECOSOC Background Paper

Committee: ECOSOC
Topic: How to finance sustainable development around the world without endangering the economy.
Written by: Moderator and Director
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Letter to delegates:
Hello dear delegates. It's a pleasure to have you in this SPIS MUN, I'm Carlos García and I'll be your Moderator in this SPIS MUN 2026. Let me introduce you to your director, José René González. Together, we'll be your chair for this SPIS MUN 2026 in the committee of ECOSOC.

As your Moderator and Director, we hope that you do your best effort for this debate and we also wish you the best of luck. We hope that you have a great time in this committee and that as your moderator and director we'll do our best for you delegates. Delegates, we want you to do your best to have a chance of winning awards.

As your chair, we expect that you delegates have the potential to participate a lot in this debate, making your best effort in this committee, so in the future you will be ready enough to be a moderator or director. To continue, we know it can be stressful and difficult if it's your first time in MUN, but in case of any questions, feel free to ask us and we will respond to every doubt you have. Thank you!

History of committee:
ECOSOC was established by the UN Charter in 1945, which was amended in 1965 and 1974 to increase the number of members from 18 to 54. ECOSOC membership is based on geographic representation, where 14 seats are allocated to Africa, 11 to Asia, 6 to Eastern Europe, 10 to Latin America and the Caribbean, and 13 to Western Europe and other areas. Members are elected for three-year terms by the General Assembly. Four of the five permanent members of the Security Council have been continuously reelected because they provide funding for most of ECOSOC's budget, which is the largest of any UN subsidiary body. Decisions are taken by simple majority vote. The presidency of ECOSOC changes annually.

The council was designed to be the UN's main venue for the discussion of international economic and social issues. ECOSOC conducts studies; formulates resolutions, recommendations, and conventions for consideration by the General Assembly; and coordinates the activities of various UN organizations. Most of ECOSOC's work is performed in functional commissions on topics such as human rights, narcotics, population, social development, statistics, the status of women, and science and technology; the council also oversees regional commissions for Europe, Asia and the Pacific, Western Asia, Latin America, and Africa.

The UN charter allows ECOSOC to grant consultative status to nongovernmental_organizations (NGOs). Beginning in the mid-1990s, measures were taken to increase the participation of such NGOs, and by the early 21st century more than 2,500 NGOs had been granted consultative status.

History Of the topic:
The UN member states meeting in Sevilla have a responsibility not only to their own citizens but to all of humanity. Member states must act together in partnership and good faith for the common good of humanity. No single member state of the UN can excuse itself of the responsibility to contribute fairly and adequately to the provision of global public goods and services. High income member states have a special responsibility, both as a matter of *distributive justice* that the rich not leave the poor behind and as a matter of *reparative justice* that those countries that contributed most to greenhouse gas emissions and other environmental harms in the past must do the most to curb their emissions in the future and to compensate the other countries for the damages their past actions have caused. No individual member state can shirk the demands of justice.

This paper examines the epistemic roots and historical milestones that have influenced the evolution of sustainable finance, both as a concept and as a benchmark for best practices in investment decisions. The year 1987 marked a turning point when the Brundtland Report introduced the definition of sustainable development as a paradigm integrating social, economic, and environmental dimensions. Sustainable finance has shifted from fringe practices to mainstream acceptance in an era in which global awareness of ecological issues has significantly increased, with estimates for sustainable finance project-related investment assets to hit between $30 and $50 trillion by 2030 timescale.

Through an extensive review of the existing literature, including academic journals, industry reports, and historical publications, this study identifies significant markers on the path to modern sustainable finance. It seeks to explain how past ideas and events have influenced contemporary financial practices and policy and make sense of the ongoing transition to a sustainable financial system.

Introduction to the topic
So for finance sustainable development around the world without endangering the economy, there is more good news for finance, economic development is a high-return activity. This means that properly designed financial markets will channel the world's saving not only to the high-income countries that are already prosperous, but even more to the world's poorer countries, which have the prospect of rapid catching up economic advancement. We note with satisfaction that today's emerging and developing economies (EMDEs) routinely achieve faster economic growth than the high-income countries, a process that economists call economic convergence. Indeed, the poorer the country today, the greater is the growth potential and the higher is the return on investment.

With properly functioning international financial markets, and with key institutional reforms within the emerging economies to reduce investment risks and direct investments to economic, social, and environmental priorities, the pool of annual world saving roughly $30 trillion per year will flow in a vast and rising current to meet the needs and fulfill the potential of the poorest countries. The most important practical challenge is to enable such investments even in impoverished places today where governments lack the current revenues to provide health services, nutritional supplementation, and quality schooling, for all children. We recall with alarm, sadness, and determination that some 250 million children are out of school because of the poverty of their societies, an estimated 733 million people struggle with chronic hunger, and roughly a third of humanity cannot afford a healthy diet.

Sound international finance could and would channel long-term grants and loans to the poorest nations, to enable governments to ensure all children the start in life that they need and thereby enable these children to earn high remuneration in the future, providing the very means to repay the international loans. For the millions of out-of-school poor children living in middle income countries, both domestic finance and accountable governance can ensure that the poor within middle-income societies are also afforded access to health, nutrition, and quality education.

Key players

Germany:

In 2024, Germany was the Development Assistance Committee's (DAC) second-largest development co-operation provider. Bilateral co-operation constitutes the bulk of Germany's official development assistance (ODA) under the overall lead of the Federal Ministry for Economic Cooperation and Development (BMZ). At the same time, the Federal Foreign Office oversees humanitarian aid, crisis prevention, stabilisation and peacebuilding. Germany's total ODA decreased in 2024 to USD 32.4 billion (preliminary data), representing 0.67% of gross national income (GNI).

Japan:

Japan was by far the largest provider of climate finance, according to this data, followed by Germany, France, the UK and the US. Together these five countries provided 70% of all donor finance recorded in the OECD's detailed figures. It shows, for example, that the Green Climate Fund (GCF), which was established with a mandate specifically to leverage climate finance towards the $100bn pledge, received an average $1.7bn per year in 2015 and 2016. Japan, the UK and the US contributed, but Japan was involved in most of that earnings.

France:

Only seven rich countries provided and mobilised their fair share in 2020 and pledged the full amount up to 2025: Sweden, France, Norway, Japan, the Netherlands, Germany and Denmark. However, France stands out for the relatively poor quality of their climate finance. A very high share of their resources are provided bilaterally and as loans, with only a small fraction going to climate change adaptation. The climate accords commit 'developed countries' to provide and mobilise climate finance but there is no legal definition of 'developed countries' within the UN climate convention. We therefore offer two possible criteria for determining which additional countries should now be contributing to climate finance: ability to pay and historical responsibility for climate change.

United States of America:

In 2009, the US committed to jointly mobilize $100 billion annually in climate finance by 2020 to support developing countries in reducing emissions and adapting to climate change. This long-standing commitment is key to the trust and solidarity of the US, rooted in the fact that developed nations are responsible for the majority of carbon emissions since industrialization began, and generally have greater capacity to offer support. The United States provided less than half their share of the financial effort in 2018, based on objective indicators such as the size of their economies and their greenhouse gas emissions.

Sweden:
The climate crisis is a global crisis. The Government plays a proactive role in international climate action, and Sweden wants to increase climate aid and make it more effective. The GCF is one of our most important channels. Sweden's contribution to the GCF makes us the largest donor per capita among the major donors and thus highlights the country's leading role in climate finance. Sweden wants the GCF to prioritise innovation, green transition through investments in fossil-free energy, energy efficiency and climate-smart infrastructure," says Minister for International Development Cooperation and Foreign Trade Benjamin Dousa.
With Sweden's contribution, the replenishment of the GCF now totals just over USD 13.5 billion for the years 2024–2027. Sweden is and will remain one of the world's most generous donors of international climate finance. With its substantial contribution in 2022, Sweden also played a significant role in achieving the goal of USD 100 billion per year in global climate finance. Sweden's contribution to international climate finance is at the core of its climate policy.

UN ACTIONS

Over the past decade, the United Nations has carried out several important initiatives to make financing for sustainable development fair, balanced, and safe for the global economy. A key milestone was the Addis Ababa Action Agenda of 2015, which became the main framework for coordinating all financial efforts from public, private, national, and international sources to support the goals of the 2030 Agenda. This agreement also created the ECOSOC Forum on Financing for Development and the Inter-Agency Task Force, both of which meet every year to evaluate countries' progress and identify gaps in sustainable financing.

The UN has also focused on mobilizing different sources of funding, including stronger domestic tax systems, improved public budgeting, and private sector participation. These efforts aim to help countries reduce dependency on external loans while still investing in long-term development. The UNDP has played a major role by helping governments design financial strategies, build stronger institutions, and create policies that support sustainable growth without damaging economic stability.

Current status

At present, the world is still far from closing the financing gap needed to achieve the SDGs. Only about one third of the SDG targets are currently on track, and the lack of funding continues to be one of the biggest obstacles slowing progress. The OECD's *Global Outlook on Financing for Sustainable Development 2025* shows that developing countries alone face a shortfall of around four trillion dollars each year, making it extremely difficult for them to meet their development needs. High debt levels in many nations mean that governments struggle to invest in sustainable projects without risking their economic stability or increasing financial pressure on their populations.

At the same time, global challenges such as climate change, inflation, and geopolitical tensions have slowed financial progress and made it harder for countries to access stable sources of funding. These issues have increased uncertainty and reduced the amount of money available for long-term development. However, there is some cautious optimism. More countries are now presenting

Voluntary National Reviews to evaluate their SDG progress and identify what financial strategies they need to improve. This growing commitment shows that nations are becoming more aware of the importance of sustainable financing and are taking gradual steps to strengthen their systems.

Questions

- How can countries strengthen domestic resource mobilization, such as taxation and budgeting, without creating inflation or excessive debt?
- What measures can help developing nations gain access to affordable, long-term financing that supports their sustainable development goals?
- How can private sector participation become more responsible and focused on long term social and economic impact rather than short term profits?
- What kinds of reforms in the global financial system would make capital flows more supportive of sustainable development?

Quorum

1. United States
2. Germany
3. United Kingdom
4. France
5. Japan
6. Canada
7. Australia
8. Sweden
9. Switzerland
10. China
11. India
12. Brazil
13. Mexico
14. Indonesia
15. Turkey
16. Saudi Arabia
17. Russia
18. Indonesia
19. Nepal
20. United Arab Emirates

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