



Special Thanks to AMUN for Permission to Use their Documents

# General Assembly Second Committee (Economic and Financial)

The [General Assembly Second Committee](#) addresses the economic development of Member States and the stability and growth of international financial and trade networks. The Second Committee deals solely with the economic development of Member States and State-to-State assistance. It does not set or discuss the budget of the United Nations, which is addressed only by the Fifth Committee. The Second Committee also does not address social issues that affect development; such issues are considered by the Third Committee. The Second Committee also adheres to the purview guidelines of the [General Assembly](#) as a whole.

## Ensuring access to affordable, reliable, sustainable and modern energy for all

Access to energy is critical for economic growth and sustainable development. Despite significant progress made in recent years, [675 million people worldwide](#) still lacked access to electricity in 2021. Additionally, [2.3 billion people](#) relied on traditional biomasses—such as wood fuels, animal dung and agricultural byproducts—for cooking and heating. These biomasses [generate harmful household pollution](#) that disproportionately [affects the health of women and children](#). Expanding access to more reliable and less harmful energy sources would [support development](#) and create new economic opportunities for billions worldwide. At the same time, the international community is looking to shift the global energy supply to more sustainable energy sources in the wake of [fossil fuels' role](#) in [global climate change](#). While renewable energy sources make up an increasing share of global energy consumption, rising to [19.1 percent](#) of energy consumed in 2021, it is [not yet enough](#) to meaningfully combat the effects of less renewable energy sources in slowing climate change.

Actions to address sustainable energy development have been taken with increasing

### TOPICS

[Ensuring access to affordable, reliable, sustainable and modern energy for all](#)

- [Bibliography](#)
- [United Nations Documents](#)

[External debt sustainability and development](#)

- [Bibliography](#)
- [United Nations Documents](#)

frequency beginning at the end of the 20th century. 1992 saw the landmark [United Nations Conference on Environment and Development \(UNCED\)](#), also known as the Earth Summit or Rio Conference. The main outcome document of UNCED was [Agenda 21](#), which set the goal of global sustainable development by the year 2000. Agenda 21 contained energy-specific goals for development, including increasing energy production in developing States, using more renewables and improving energy efficiency. The General Assembly established the [Commission on Sustainable Development](#) to implement Agenda 21 and more broadly provide guidance and recommendations on sustainable development issues. Another key outcome of UNCED included the adoption of the [United Nations Framework Convention on Climate Change](#), which mentioned the importance of energy-related emissions in climate change with an eye towards moving towards more sustainable energy sources. This framework was built on by the 1997 [Kyoto Protocol](#), which asked developed economies to reduce reliance on greenhouse gasses and lead to an average emissions reduction of 5 percent by 2012 compared to emissions from 1990.

In 2000, the General Assembly adopted [the Millennium Declaration](#), including eight Millennium Development Goals (MDGs). None of the MDGs explicitly focused on energy; however, [multiple subsequent outcome reviews](#) pointed out the necessity of energy access to achieving the MDGs, with [a need for greater investment](#) in making energy affordable and sustainable. The United Nations System established multiple initiatives around energy accessibility, including [UN-Energy](#), an interagency coordination mechanism for energy-related issues in 2004; and the [Sustainable Energy for All initiative](#) in 2011, which aims to promote universal access to modern energy services, double the rate of improvement in energy efficiency and double the share of renewable energy in the global energy mix by 2030. In recognition of the importance of sustainable energy access to development, the General Assembly [declared 2014 to 2024](#) to be the United Nations Decade of Sustainable Energy for All.

The General Assembly adopted the [Agenda for Sustainable Development](#) in 2015, including the 17 Sustainable Development Goals (SDGs) it hopes to achieve by 2030. Unlike the MDGs, SDG 7 focused specifically on universal access to affordable, reliable, sustainable and modern energy. SDG 7 set [five specific targets and six indicators](#) to track progress in implementation and orient policy discussion. The landmark [Paris Climate Agreement](#), a successor to the Kyoto Protocol, was also adopted in 2015. The agreement sought both to limit the global temperature increase and to recognize the importance of affordable, reliable, sustainable, and modern energy as a critical component of the transition to a low-carbon economy. While SDG 7, the Paris Agreement and the Decade of Sustainable Energy for All resulted in [new commitments](#), the COVID-19 pandemic [substantially slowed progress](#) on renewable and sustainable energy development, due largely to supply chain issues and reallocation of resources. In September 2021, UN-Energy led a [High-Level Dialogue on Energy](#) in New York. Its outcome document, the [Global Roadmap for Accelerated SDG7 Action](#), calls for more decisive and equitable action to decarbonize the global energy supply in meeting both the SDGs and the Paris Agreement goals.

International attention and effort have led to admirable gains in access to affordable, reliable, sustainable and modern energy. Between 2010 and 2021, the number of people without access to electricity was [cut in half](#). At the same time, [massive global gains in solar and wind energy](#) are leading to historic shifts towards renewable energy sources. However, [a 2022 report](#) from the Secretary-General notes that progress on SDG 7 has been inconsistent, and that the international community will not meet its goals at current rates of attainment. Furthermore, progress in the achievement of each target is highly variable between regions. The Global South [continues to lag](#) in electrification and clean cooking fuels, with [wide disparities](#) between regions. At the same time, increases in clean energy development are [largely driven by developed nations](#) with the resources to shift their existing energy infrastructure.

The [2023 Energy Progress Report](#) also notes that funding for clean energy in developing countries continues to decline, a trend that began before the COVID-19 pandemic. Of this declining pool of funds, [just 19 countries](#) received 80 percent of committed financial flows in 2021. United Nations leaders have [uniformly called for](#) a substantial scaling-up of policy commitments and financial flows in order to have a chance of meeting climate and sustainable development goals. [Others have argued](#) for a need to build greater institutional capacity to allow less developed States to better utilize available funding.

Questions to consider from your country's perspective:

- What can the international community do to improve its chances of attaining the targets and indicators in Sustainable Development Goal 7?
- How can the United Nations ensure that sustainable energy initiatives are implemented equitably across regions and meet the needs of those with the least access?
- How can the United Nations help encourage growth in financial flows, including private-sector development and regional partnerships, to support sustainable energy initiatives?
- How can the United Nations better leverage existing programs and initiatives to support multilateral cooperation and capacity building around implementing sustainable energy initiatives?

## Bibliography

- [Basic Energy Access Lags Amid Renewable Opportunities, New Report Shows \(6 June 2023\)](#). *World Bank*.
- [Brew-Hammond, Abeeku \(1 January 2012\)](#). *Energy: The Missing Millennium Development Goal*.
- [Desperate Need for Clean Energy Surge in the Global South: IEA \(21 June 2023\)](#). *Al-Jazeera*.

- [Fossil Fuels](#). *Union of Concerned Scientists*.
- [Global Issues: Climate Change](#). *United Nations*.
- [International Energy Agency \(13 April 2023\)](#). Marking a new era of international energy co-operation.
- [International Energy Agency, et al. \(2023\)](#). Tracking SDG7: The Energy Progress Report 2023.
- [International Energy Agency, et al. \(2022\)](#). Tracking SDG7: The Energy Progress Report 2022.
- [How much do we know about the development impacts of energy infrastructure? Jack, Kelsey \(29 March 2022\)](#). *World Bank Blogs*.
- [Kyoto Protocol \(1998\)](#).
- [Modi, Vijay, et al. \(2005\)](#). *Energy Services for the Millennium Development Goals*.
- [Papathanasiou, Demetrios \(4 July 2022\)](#). [These developing countries are leading the way on renewable energy](#). *World Economic Forum*.
- [Paris Climate Agreement \(2015\)](#).
- [Rio Declaration on Environment and Development \(1992\)](#).
- [Report: Universal Access to Sustainable Energy Will Remain Elusive Without Addressing Inequalities \(7 June 2021\)](#). *World Bank*.
- [Renewable power on course to shatter more records as countries around the world speed up deployment \(1 June 2023\)](#). *International Energy Agency*.
- [Storrow, Benjamin \(14 November 2018\)](#). [Renewable Energy Is Surging, but Not Fast Enough to Stop Warming](#). *Scientific American*.
- [Studies Seek Paths to Clean Cooking Solutions \(6 August 2013\)](#). *World Bank*.
- [Sustainable Energy for All](#). [About us](#).
- [The Covid pandemic has slowed progress towards sustainable energy goals even as renewables continue to gain ground \(1 April 2022\)](#). *International Energy Agency*.
- [UN chief calls for renewable energy 'revolution' for a brighter global future \(14 January 2023\)](#). *UN News*.
- [UN-Energy](#). [About UN-Energy](#).
- [UN-Energy](#). [Energy Compacts](#).
- [United Nations \(24 September 2021\)](#). [Global Roadmap for Accelerated SDG7 Action in](#)

[Support of the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change.](#)

- United Nations. [High-Level Dialogue on Energy.](#)
- United Nations Conference on Environment and Development (14 June 1992). [Agenda 21.](#)
- United Nations Department of Economic and Social Affairs. [Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.](#)
- United Nations Environment Programme (9 November 2021). [State of the climate.](#)
- [United Nations Framework Convention on Climate Change \(1992\).](#)
- United Nations Sustainable Development Knowledge Platform. [Commission on Sustainable Development.](#)
- Weko, Silvia, and Andreas Goldthau (October 2022). [Bridging the low-carbon technology gap? Assessing energy initiatives for the Global South.](#) *Energy Policy.*
- Whiting, Kate (27 October 2021). [Cooking with Polluting Fuels Is a Silent Killer – here’s What Can Be Done.](#) *World Economic Forum.*
- [World Health Organization \(28 November 2022\).](#) Household Air Pollution..

## United Nations Documents

- United Nations, General Assembly (2022). [Ensuring access to affordable, reliable, sustainable and modern energy for all.](#) A/77/211.
- United Nations, General Assembly (2021). [Ensuring affordable, reliable, sustainable and modern energy for all.](#) A/RES/76/210.
- United Nations, General Assembly (2015). [Transforming our world: the 2023 Agenda for Sustainable Development.](#) A/RES/70/1.
- United Nations, General Assembly (2013). [Promotion of new and renewable sources of energy.](#) A/RES/67/215.
- United Nations, General Assembly (2010). [Keeping the promise: united to achieve the Millennium Development Goals.](#) A/RES/65/1.
- United Nations, General Assembly (2000). [United Nations Millennium Declaration.](#) A/RES/55/2.
- United Nations, General Assembly (1992). [Institutional arrangements to follow up the](#)



[United Nations Conference on Environment and Development](#). A/RES/47/191.

- United Nations, General Assembly (1992). [Report of the United Nations Conference on Environment and Development](#). A/CONF.151/26 (Vol. I)..

## External debt sustainability and development

External debt is the portion of a country's debt that is borrowed from foreign lenders including commercial banks, governments or international financial institutions. While debt has been instrumental in helping provide capital for investment and development, it is also a potentially high-risk financial asset subject to the vagaries of international financial markets, which are especially vulnerable to global economic crises (such as the global recession of 2007/08) or global pandemics (such as the COVID-19 pandemic). External debt crises can also be exacerbated by natural disasters or conflict, as these events further strain already stressed national economies. High debt burdens also impede growth and sustainable development. Debt defaults and debt restructuring have high costs for debtors and creditors, and when problems occur in systemically important countries, it has negative implications for global financial stability as well.

When governments are overly burdened by external debt and debt payments, they face tough choices on how to allocate annual budgets. In addition to broad development goals and international agreements, states must make significant capital infrastructure investments—such as electricity generation and distribution, roads, airports and ports. Significant debt loads limit the resources available for such capital investments required for development, frequently pushing governments to issue new debt to make infrastructure investments. This additional debt further limits future resources and investment. This cycle is especially problematic for Least Developed Countries (LDCs), which begin with more limited revenue. In the most extreme cases, the international financial system relies on a system of debt relief and bailouts to ensure a functioning global financial system; but these systems of relief also have consequences.

The first round of modern international debt crises came to a head in the 1990s when dozens of developing countries faced unsustainable debt levels. In response, the United Nations, the International Monetary Fund (IMF), the World Bank and other international financial institutions worked together to offer solutions. Initiatives such as the [Heavily Indebted Poor Countries \(HIPC\) Initiative](#), which offered eligible countries debt reduction in exchange for meeting certain benchmarks in setting sound financial policies and poverty reduction strategies and the [Multilateral Debt Relief Initiative \(MDRI\)](#), which grants full debt cancellation for countries that have met HIPC Initiatives, have been quite successful in reducing debt, setting in place financial safeguards and reducing poverty.

Coming out of the 2002 [Monterrey Consensus](#) and the 2008 [Doha Declaration on Financing](#)

for Development (FfD), external debt is one of the six chapters and has, since then, been at the center of the FfD process. The General Assembly reaffirmed the importance of FfD in 2015, with [Resolution 69/313](#) on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. Both the General Assembly and ECOSOC are involved in this work, and the General Assembly Second Committee examines the agenda topic as part of its work on “[Macroeconomic policy questions.](#)” Also in 2015, the General Assembly adopted the Sustainable Development Goals, of which [Goal 8](#) explicitly tracks sustained economic growth.

The years 2020–2023 are widely understood as [a period of poly-crisis](#), with global economies facing the COVID-19 pandemic and associated global recession, war in Ukraine and many other low-intensity conflicts, high inflation, and climate emergencies and natural disasters, all accelerating these trends. The United Nations Conference on Trade and Development (UNCTAD) [reports](#) that the growing threat of a debt crisis—and increasing resources spent keeping debt default at bay—threatened progress toward both the Sustainable Development Goals and the Paris Climate Agreement. ECOSOC’s 2023 [Financing for Development Forum summary draft](#) plainly states that both low and middle income countries faced a choice between fiscal stability and development. LDCs’ total external debt service reached \$31 billion in 2020, but for 2021 and 2022, this total is expected to increase to \$50 billion and \$43 billion respectively. That is an increase of more than \$20 billion compared to the pre-pandemic average. In response to the rapidly-emerging crisis, the G20 adopted the Debt Service Suspension Initiative (DSSI), and the G20 Common Framework for Debt Treatments, which were useful and timely, but insufficient to forestall the crisis.

Since 2002, the Secretary-General of the United Nations has been releasing annual (or nearly annual) reports on external debt and development. The last report was published in 2020 pursuant to [GA 72/204](#). The report summarizes the trend of increasing debt load (as debt to GDP ratio and debt to export ratio), increasing privatization of external debt, and other increasing financial vulnerabilities before the onset of the COVID-19 pandemic. The report then details the implications of the global pandemic on external debt sustainability, due to global financial disruptions, the inability of developing economies to rely on strong central banks, non-resident capital flight from developing countries, and reduced global demand for goods. The report ends with policy recommendations including large scale liquidity support; debt-cancellation, restructuring, or rescheduling; and working to find new ways to address structural challenges in debt sustainability.

Challenges remain in bringing private creditors on board to address the large-scale crisis of external debt sustainability; finding the balance between supporting global financial systems and broad development goals and national sovereignty, accounting for local conditions and responsibility for prudent financial management, and ensuring debt sustainability through sound fiscal policy. The poly-crisis period of the early 2020s also highlighted the need for external debt sustainability efforts to focus on a broader range of countries, not just the lowest income countries in the international system.

Questions to consider from your country's perspective:

- How can the United Nations encourage private creditors to engage in conversations and programs designed to promote external debt sustainability?
- How can the United Nations and other organizations balance short-term relief with medium- and long-term structural changes to better stabilize external debt sustainability?
- How can the United Nations promote both sustainable development and external debt sustainability? What is the relationship between global financial stability and sustainable development?

## Bibliography

- International Monetary Fund (2023). [Debt Relief Under The Heavily Indebted Poor Countries \(HIPC\) Initiative](#).
- International Monetary Fund (2017). [Multilateral Debt Relief Initiative – Questions and Answers](#).
- Kharas, Homi (13 April 2020). [What to do about the coming debt crisis in developing countries](#). *Brookings*.
- Torkington, Simon (13 January 2023). [We're on the brink of a 'polycrisis' – how worried should we be?](#) *World Economic Forum*.
- United Nations Conference on Trade and Development (2023). [Escalating debt challenges are inhibiting achievement of the SDGs](#).
- United Nations Conference on Trade and Development (2020). [Trade and Development Report 2020: From Global Pandemic to Prosperity for All, Avoiding another lost decade](#).
- United Nations Department of Economic and Social Affairs (2023). [Financing for Development Forum](#)
- United Nations Department of Economic and Social Affairs (2009). [Doha Declaration on Financing for Development: Outcome Document of the Follow-Up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus](#).
- United Nations Department of Economic and Social Affairs (2003). [Monterrey Consensus of the International Conference on Financing for Development](#).
- United Nations Department of Economic and Social Affairs, Statistics Division (2023). [Partnership for the Goals](#).



## United Nations Documents

- United Nations, General Assembly (2020). [External debt sustainability and development: Note by the Secretary-General](#). A/75/281.
- United Nations, General Assembly (2019). [External debt sustainability and development: Report of the Secretary-General](#). A/74/234.
- United Nations, General Assembly (2019). [External debt sustainability and development](#). A/RES/74/203.
- United Nations, General Assembly (2018). [Macroeconomic policy questions: external debt sustainability and development](#). A/73/536/Add.3
- United Nations, General Assembly (2018). [External debt sustainability and development](#). A/RES/73/221.
- United Nations, General Assembly (2017). [External debt sustainability and development](#). A/RES/72/204.
- United Nations, General Assembly (2015). [Basic Principles on Sovereign Debt Restructuring Process](#). A/RES/69/319.

