

OGMUN - SHSID

Model United Nations Conference

牛津大学-上海中学国际部国际模拟联合国大会

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Economic and Financial Committee (ECOFIN)



#BACKGROUND GUIDE

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Letter to Delegates

Dear Delegates,

We are very much looking forward to meeting you all at the conference. The Economic and Financial Committee is one of the most dynamic committees for those interested in economics, development, and global financial governance. Our task in ECOFIN is not only to consider the best theoretical solutions to the issues before us, but to reach outcomes that are effective and acceptable to a majority of delegates - just as in the real United Nations.

We encourage you to immerse yourself fully, to research thoroughly, and to challenge yourself. If you do, we are certain you will find this experience both rewarding and inspiring.

ECOFIN, as the Second Committee of the General Assembly, examines matters of global economic growth, financial stability, trade, debt sustainability, and development financing. Although its resolutions are not legally binding, its work plays a crucial role in shaping the international agenda and guiding the decisions of bodies such as ECOSOC, the World Bank, the IMF, and the WTO. In short, ECOFIN is where economics meets diplomacy, and where delegates are called on to bridge the gap between theory and practice in pursuit of multilateral solutions.

This year, we will debate a timely issue: the role of development aid in promoting growth or dependency. This raises urgent questions of economics and governance, and we look forward to seeing how you approach it with creativity and diplomacy.

We are very much looking forward to hearing your ideas and discussion on these two topics, and hope that in doing so we will be able to contribute constructively to the global discussion of these issues. We hope that everyone will engage in the debates, especially if this is your first time attending MUN!

Sincerely,

SHSID OGMUN team

Introduction to the Committee

The Economic and Financial Committee (Second Committee) of the United Nations General Assembly – commonly known as ECOFIN – is one of the six main committees of the UN General Assembly. All 193 UN Member States are members of ECOFIN, which meets annually in New York during the General Assembly session. ECOFIN's mandate covers a broad range of global economic and financial issues, reflecting its role in international economic policy coordination. The committee addresses topics such as macroeconomic policy questions (including international trade, finance, and debt issues), financing for development, sustainable development, globalisation and interdependence, poverty eradication, and other related development challenges. In essence, ECOFIN serves as a forum for nations to discuss and build consensus on policies for global economic growth and stability, aligning with the UN's development goals.

ECOFIN operates by debating and negotiating draft resolutions, which are then adopted by the committee and later by the General Assembly. While its resolutions are not legally binding (unlike those of the Security Council), they carry significant weight as expressions of the international community's priorities and recommendations on economic and financial matters. The committee works closely with international financial institutions and UN specialised agencies; for example, it considers reports and inputs from bodies like the International Monetary Fund (IMF), World Bank, United Nations Conference on Trade and Development (UNCTAD), and regional development banks on issues within its purview.

ECOFIN is a committee of the whole General Assembly, meaning every Member State has an equal voice and vote. It convenes in formal sessions and informal negotiations (often called informal consultations) during the UNGA, typically from early October to late November each year. Decisions in ECOFIN are generally made by consensus or, if necessary, by voting (usually requiring a majority).

The Pros and Cons of Development Aid

Background of the Problem

What is Development Aid?

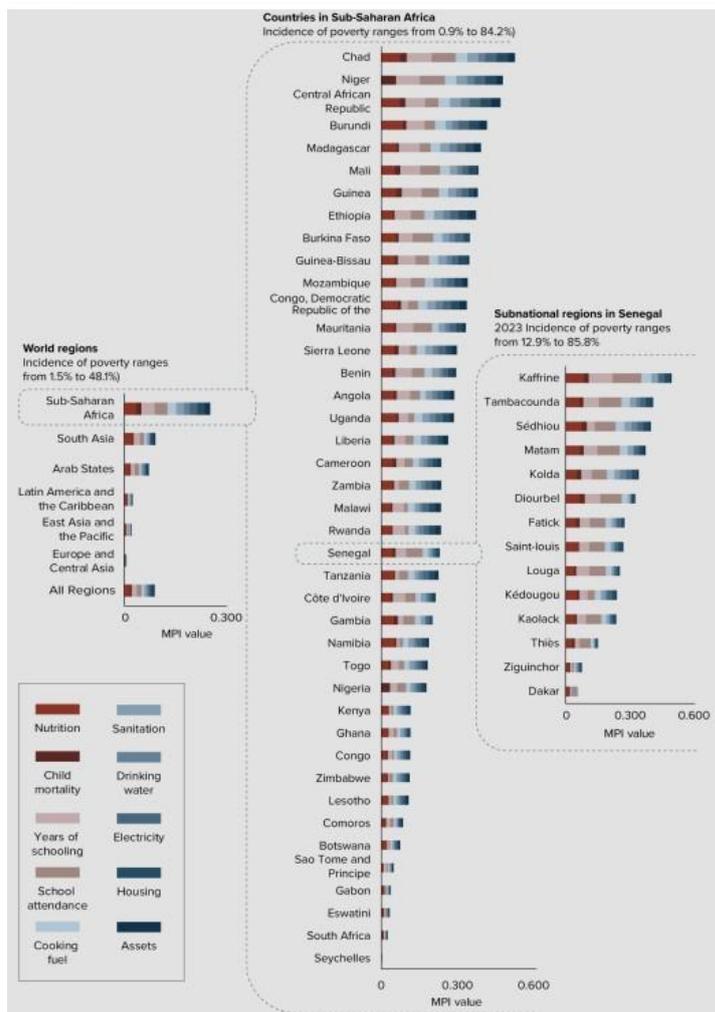
Development aid, referred to as Official Development Assistance (ODA), is defined as “government aid that promotes and specifically targets the economic development and welfare of developing countries”.²⁷ In simpler terms, development aid refers to a financial and/or technical package usually provided by developed economies in the hope of promoting the comprehensive advancement of developing countries by funding their most critical sectors accordingly. Development aid is not merely the flow of funds, but also the transmission of knowledge, technology, and hope from the developed to the developing. It represents the collective pursuit of fairness and justice by the international community and reflects the unity and wisdom of humanity as a whole when facing common challenges, a core principle applauded by the United Nations. Since industrialisation, humanity has been unable to separate its future by national boundaries. The prosperity of a country is highly correlated with the development of the world, and no one or regime can remain aloof. For international aid, it is a concrete manifestation of cooperation among countries and also represents that in the globalised international environment, the whole world unites and works together.

Why Development Aid Matters

The importance of delivering development aid needs to be understood before analysing its pros and cons. Delegates who are able to attend this conference are lucky as people in some regions still need assistance to pull them out of their survival predicament. In 2022, nearly 1 billion people were not sure whether they would be able to get enough food.¹³ It counts around one eighth of the global population in 2022, and this number is still significantly high, with several regional conflicts going on, consequently leading to the starvation of countless people. The

inequality of the globe further explains the necessity of official development assistance.

Figure 2 Multidimensional poverty varies widely by world regions, countries and subnational regions



Source: Table 1; Alkire and others 2025b.

The graph is part of the report written by UNDP and Oxford Poverty & Human Development Initiative in 2025. Multidimensional Poverty Index (MPI) refers to an annual international measure of acute multidimensional poverty covering over 100 developing countries, covering three dimensions of poverty index: health, education and living standards.²⁸ The higher the index, the poorer this country is, and different colours of the chart represent different sectors leading to their poverty. It helps the developed countries acutely target the disadvantaged segment of the underprivileged nations and deliver development aid in need. The poverty index in Africa, South Asia and Arab countries is very high, while Europe and Central Asia hardly face similar problems, but the average poverty index remains at a high level. It is no longer possible, if it ever was, for a country to

determine its future alone,¹³ and tackling the extreme poverty issue is not only the obstacle these developing regions need to be faced with but the responsibility of the global community that needs to be shouldered.

Without the official development assistance, countries listed with a high MPI index will not have the impetus or the ability to continue developing their economies, and the effect is transnational. Refugees who cannot survive poverty will flee to other countries for help, and persistent poverty will also deprive the land beneath their feet of vitality and what it should have developed if a certain amount of money is given. It is the development aid that helps them find a way out of poverty and avoid future issues caused by extreme poverty. It is a measure that is both immediate and preventive and can achieve certain effects both in the short term and the long term. That explains the necessity of having development aid in our international community.

Double-Sided Sword: Root of the Topic

As the global development assistance framework matures, especially under the framework of the Sustainable Development Goals (SDGs), issues regarding the practical effectiveness and long-term impact of assistance have become increasingly prominent and sparked discussions. Supporters believe that aid has made significant contributions to human development by improving health conditions, expanding educational opportunities, and promoting infrastructure development. Furthermore, during times of crisis, whether it is natural disasters, armed conflicts or epidemics, development assistance is an indispensable lifeline for vulnerable groups. On the other hand, critics argue that aid would foster dependence, distort the local economy, and deeply root corrupt or inefficient governance structures.¹² It is of concern that despite the large amount of aid distributed each year, many recipient countries still struggle to achieve sustainable development results. This tension between commitment and practice has sparked extensive and often controversial debates among scholars, policymakers and so forth. The core of this series of arguments leads to a crucial question: Under what conditions can development aid succeed or fail to achieve

its expected goals of making the globe a better place?

To answer this question, we shall admit the feature of development aid as a double-edged sword. In essence, a pack of money given to a developing region, the development aids require a transparent and efficient administrative system fully utilising the money as planned, which many governments of developing countries do not have the ability to do. If development aid is not properly utilised, it will lead to financial waste, bureaucratic corruption, and addiction to development aid. Development aid can not only bring out benefits to economies but also have detrimental effects.

Historical Solutions

Looking back at the history of development aid, an institutionalised form of development assistance can be traced back to the end of World War II. President Roosevelt, the U.S. President during that time, said that “there can be no middle ground here. We shall have to take responsibility for world collaboration, or we shall have to take responsibility for another world conflict”.⁴³ It marked an official starting point for the U.S. in providing resources to help construct the international community based on its dominant political and economic position following its victory in World War II.

In 1948, the United States launched the Marshall Plan (officially known as the European Recovery Program), a well-known development aid program initiated that year. The United States extended approximately \$12 billion to help rebuild Western European economies devastated by the war, also in the strategic interest of combating the Soviet Union.³³ As the developed economies recovered from the post-war downturns, the focus of sending development aid shifted to the Global South and developing economies, which required economic welfare to support their national development.

The two main groups devoted to delivering development aid were the DAC (affiliated with the OECD) and USAID. The OECD (Organisation for Economic Co-

operation and Development) was transformed from the OECC (Organisation for European Economic Co-operation), an aid under the Marshall Plan, and its establishment was signed in 1960 and went into force in 1961. The organisation views development aid as the gold standard for foreign aid, with the long-term goal of helping developing countries build resilient and inclusive economies.²⁷

The Development Assistance Committee is a forum consisting of some of the largest aid providers. It targets the promotion of development cooperation and ultimately has all nations not rely on aid to prosper. The U.S. Agency for International Development (USAID) is a more strategic-oriented aid that has served as the crucial global humanitarian and development arm of the U.S. government. It was established to assist countries identified as strategically important, thereby leading the United States' efforts to alleviate poverty and humanitarian needs overseas.²⁰ The offer for help under USAID is, therefore, conditional.

Despite this fact, the organisation significantly helped the field of development aid to thrive, and in the year 2024, it gave out aid to about 130 countries and shouldered the obligation of 35.4 billion dollars for funding developing regions.²

This demonstrates the significant role played by Western developed countries led by the United States in the history of development aid. With their assistance, development aid was delivered to developing economies in need and also provided the basis for the scale and coverage of broader development aid later on. The United States was the first country to make providing aid a formal part of its diplomatic relations, as a tool to achieve its broad economic and international goals as well as the narrow goal of containing Communism.⁴³ Their biggest enemy during that period, the Soviet Union, made similar attempts in building up their own development system but failed to compete with the U.S. and never had a specialised agency taking charge of the development aid issue like the USAID.

Current Situation

Regarding the current situation, the globe is facing both opportunities and challenges. A severe obstacle stemming from anti-globalisation trends and scepticism from some developed countries regarding the necessity of providing development aid arises alongside the continuous efforts made by major powers, such as China's Belt and Road Initiatives, in sending development aid to developing states. The ongoing wars across the world also increase the uncertainty of its future. The amount of Official Development Assistance (ODA) given out in 2024 dropped for the first time in six consecutive years. The 7.1% decrease, according to OECD, is due to various factors, including but not limited to the “decrease in aid for Ukraine, lower levels of humanitarian aid and reduced spending on hosting refugees in donor countries.”²⁵

The U.S. approach to development assistance has shifted significantly under the current administration, with USAID effectively dismantled and much of U.S. aid restructured into bilateral deals emphasising ‘mutual benefit’ and policy objectives aligned with domestic priorities. Several African countries, including Kenya, Nigeria, and Rwanda, have signed new health funding agreements reflecting this transactional model, though total US health support is significantly lower than in previous years.⁴⁵

In 2025, the United States, the UK, Germany and France have all announced reduced aid budgets. With the OECD estimating that aid will fall by a further 9% to 17% in 2025, affecting countries in sub-Saharan Africa, and health in many countries⁴⁴ However, the recent Sevilla Commitment and the associated Platform for Action have outlined that the world ‘cannot afford a retreat from multilateral cooperation’. Calling for donor countries to reverse the decline in aid and recommit to the UN’s 0.7% goal, this recent development in development aid reflects a level of resistance to the growing global drop in development aid from developing countries.

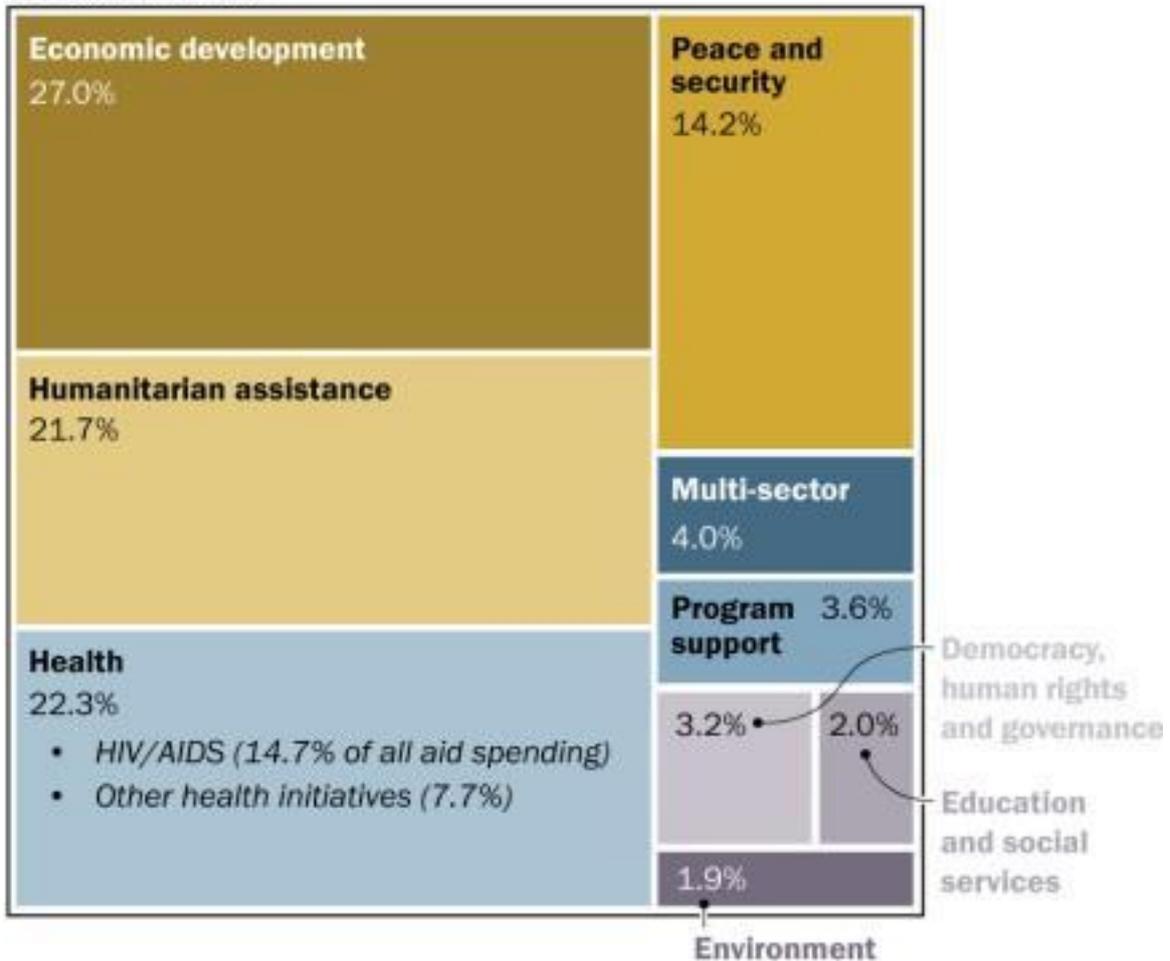
USA's USAID

Known as the biggest donor of ODA for decades, USAID is a key player in the global stage of development aid.

What U.S. foreign aid money is used for

Share of U.S. foreign aid disbursed in fiscal 2023 for each category

Total \$71.9 billion



Source: ForeignAssistance.gov (accessed Jan. 28, 2025).

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As the graph indicates, about half of the U.S. foreign aid was directed towards the people's livelihood sector to assist the economic development and healthcare construction of the recipient countries via development aid. Based on the total aid amount of 7.3 billion dollars from the United States in the 2023 fiscal year, other countries have received at least 3.5 billion US dollars in funding in the field of

people's livelihood each year.²⁹ This is extremely crucial for the survival and improvement of the conditions of small countries, and it also reflects the key role that major powers play in development assistance.

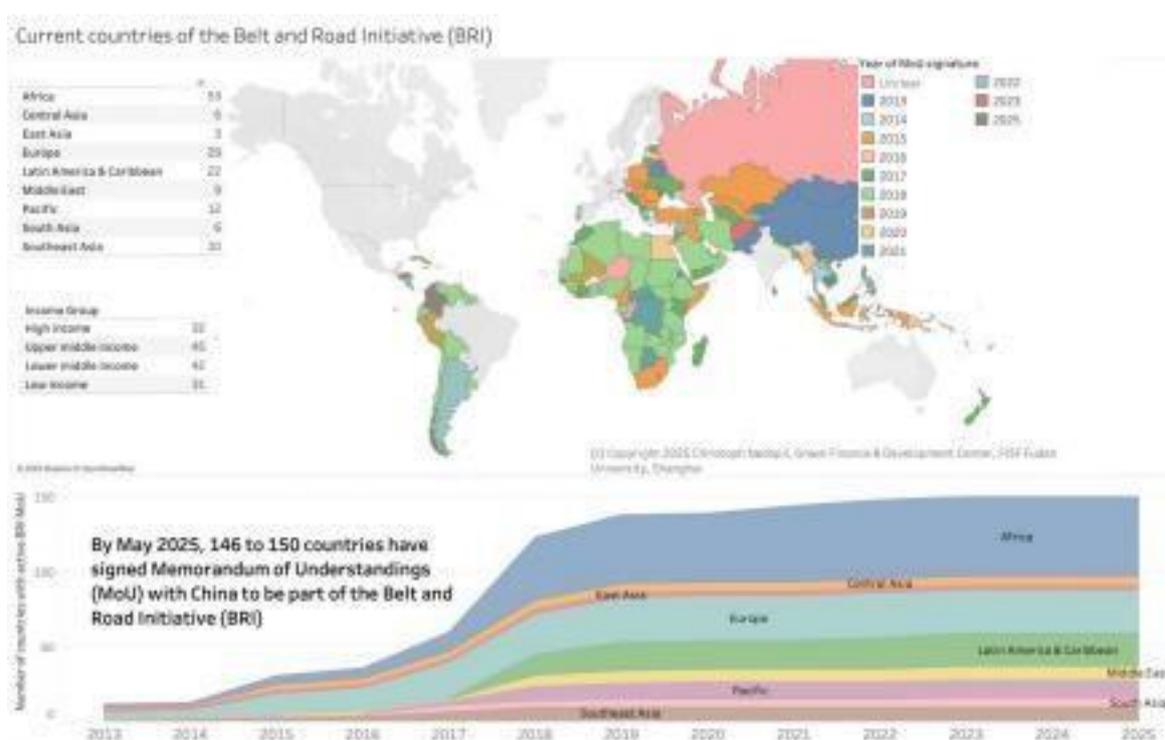
Therefore, the shutdown of USAID this year marks a significant turning point for global development aid. After the Trump administration took office in the White House, one of its earliest actions was to call for an examination of USAID. The website of this historic federal agency left nothing but a brief statement indicating that all USAID direct hire personnel, with the exception of some designated personnel and programs, will be placed on administrative leave globally.³² The Trump administration is considering transferring the function of USAID to the U.S. Department of State, but nothing has been confirmed at the moment.

One thing that is now determined is the temporary shutdown of the development aid agency from this largest economy and one of the permanent members of the United Nations Security Council. The effect of U.S. deemphasis on USAID is profound: It significantly weakens its tie with the UN and increases the risk of countries falling into severe poverty without sufficient development aid.¹⁹ The U.S. withdrawal from development aids manifest a major shift of the conventional binary model where Western countries represented by the United States act as donors while other developing economies act as recipients. More developing countries represented by China are discovering their own means of spreading development aid.

China's BRI

In 2013, China raised its Belt and Road Initiative to the globe as another route to getting development aid. Being a developing nation, China's approach to development aid showcases how nations can be both donors and recipients of development aid at the same time when the scale of economy and power grows. The initiative refers to the joint building of the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". It has also identified five sectors for international cooperation: policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds.

The BRI offers large-scale financing, technical expertise, and infrastructure development through low-interest loans, among other benefits, which is welcomed explicitly by the Global South. It is also marked as a cornerstone of South-South cooperation because it is one of the few development initiatives proposed by a developing economy. China also reinstates its non-interference principle under the Belt and Road Initiative, which is appealing to many developing countries worried about donor conditionalities that are usually attached to Western aid. Until now, China's Belt and Road Initiative has attracted 150 countries as members.²¹



There is a clear boundary between BRI and non-BRI states, categorised by ideology, as Western Europe and North America are not part of the initiative. Although development aid can boost the regional economy and offer economic welfare for long-term development, one of the issues development aid is facing is corruption and path dependency within the development aid sector.

In the case of Lebanon, the provision of development aid changed the economic condition swiftly but also undercut domestic productivity and reform incentives, entrenching systemic dependency.¹² The relatively democratic system Lebanon has, to some extent, deepens its confidence in having a continuous supply of

development aid from the West, as they firmly believe that these developed economies will not give it up, no matter how much they ask for, due to its unique democratic system in the Middle East.

The situation went wild as the Lebanese government treated the development aid as a way to maintain its power rather than a chance to reform its economic structure. It ultimately becomes a vicious cycle of dependency, where Lebanon heavily relies on development aid to appease its voters and consolidate their benefits, without the incentive to effectively utilise this amount of money to build up the country. Donors also lack methods of solving this issue because they cannot skip over the administration and send out development aid. The case of Lebanon highlights the drawbacks of development aid: how to ensure transparency and proper use of development funds.

European Union's Global Gateway

The European Union has always been an active player in official development assistance. In December 2021, the European Union announced the Global Gateway as its flagship international infrastructure investment strategy. The initiative is expected to have a total investment of 300 billion euros by 2027, reflecting the EU's intention to become a more confident geopolitical player by funding high-standard, sustainable and value-based connectivity projects worldwide.¹⁰

The Global Gateway, according to the EU, serves as a vital European strategy to "promote smart, clean and safe links in the digital, energy and transport sectors and strengthen health, education and research systems" on a global scale.¹⁰ By offering an alternative development model, the EU seeks to reaffirm its normative powers while enhancing its global influence.

The initiative shares six core principles:¹⁰

1. Democratic values and high standards.
2. Good governance and transparency
3. Equal partnerships

4. Green and clean
5. Security focused
6. Catalysing private sector investment

The EU has made no attempt to hide the purpose of this plan, which is to disseminate Western democratic values when providing international aid.

This initiative also aligns with existing international commitments, including the United Nations 2030 Agenda for Sustainable Development and the Paris Agreement on climate change. By supporting infrastructure that helps achieve these global goals, the EU aims to position itself as a development partner and a geopolitical player.

The primary focus of the Global Gateway is on Africa, as demonstrated by the Africa-Europe Investment Plan, which allocated 150 billion euros for digital infrastructure, renewable energy, health systems and transportation networks on the African continent.⁹ The initiative also spend time working to fill in the investment gap of other developing regions.

The EU's latest infrastructure initiative also encounters critics. Recent research on EU's Global Gateway in El Salvador and Lesotho found that unless it targets inequalities as a key objective, the EU's commitment to address inequalities through international partnerships will be undermined.⁷In addition, it is also questioned by its strategic intention to compete with China's Belt and Road Initiative for EU's interests at the expense of its sustainable development goal.

Critics of Development Aid

Development aid is currently confronted with many issues that need to be addressed, and among them, the two most important ones are:

- How to prevent the misappropriation of development aid (corruption, not used as required by donors or to the country's need).
- How to avoid development aid becoming the tool of political manipulation among great powers who would ask for strategic profits when sending out the

aid.

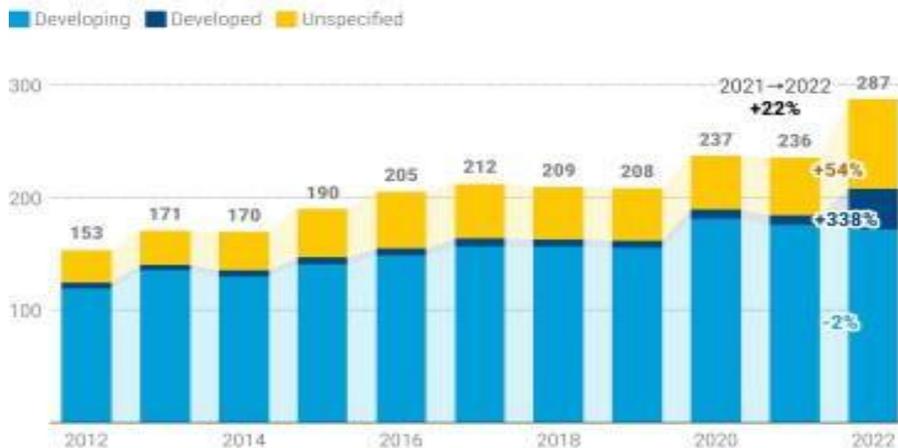
Other than the case of Lebanon, scandals of abusing development aid have also occurred in other recipient countries as well as individuals. In 2024, a UNDP staff was reportedly seeking for bribery under UNDP's Iraq Funding Facility for Stabilization (FFS) project in return for helping businessmen win contracts on postwar reconstruction projects. UNDP soon proposed a statement reaffirming their zero tolerance with corruption but also stated that "zero tolerance does not mean zero risk", indicating that people should be fully aware of the operational risks and challenges in a post-war zone like Iraq.³⁴ The investigation into this incident has still not concluded. Whether this matter is true or false, we need to be aware of the potential corruption problems in development aid, and this may not only exist in the recipient countries but also among those officials with power within the United Nations. The corruption issue in countries represented by Afghanistan is also a long-lasting obstacle to the thorough delivery of development aid.

Declining Aid: A Warning from the UN

As the three listed development aid projects (USAID, BRI, Global Gateway) backed by the three most prominent powers in the globe: USA, China and EU all containing their own obstacles in the current stage, the future of development aid remains uncertain. The trend of Official Development Assistance, as warned by the United Nations, is experiencing a gradual decline.

Development aid hits record high but falls for developing countries

Total official development assistance (ODA) increased by 22% in 2022 but decreased by 2% for developing regions.

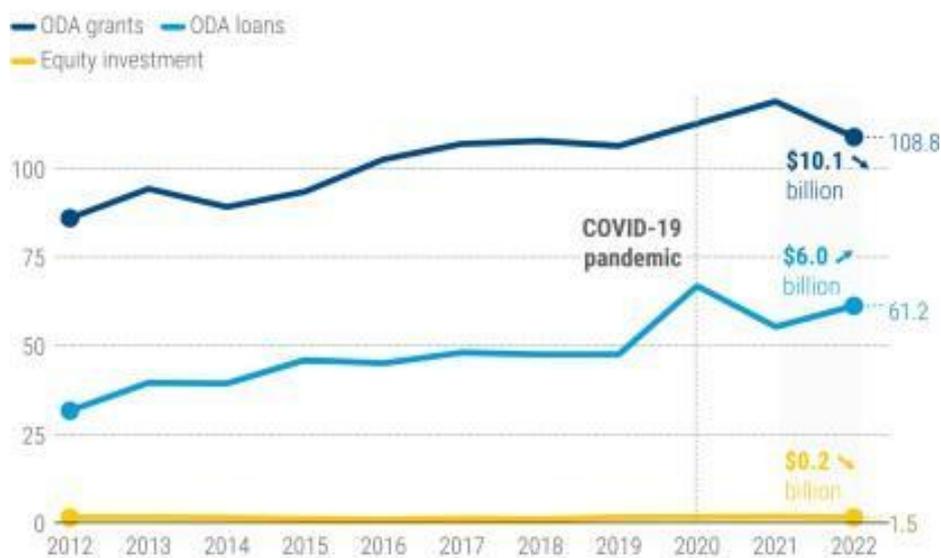


Note: Sum of ODA grants, ODA loans and equity investment at constant 2021 USD.
Source: UN GCRG based on OECD (Dec. 2023)

In 2022, the globe witnessed an increase of 22 percent for the Official Development Assistance but a decrease of 2 percent for developing regions.³⁸ What is more, the amount of Official Development Assistance flowing to the Least Developed Countries (LDC) dropped by 4 percent in 2022, making the amount a record low in the decade. Though the sum of the development aid is increasing, the growth did not flow to the countries that are mostly in need.

Aid shifts from grants to loans, increasing developing country debt burdens

Official development assistance (ODA) disbursements by instrument, billions US\$



Note: Sum of ODA grants, ODA loans and equity investment at constant 2021 US\$.

Source: UN GCRG based on OECD (Dec. 2023)

The structural shift of the development aid also raises concerns from the United Nations. There is a general trend of dropping ODA grants and increasing ODA loans. It has brought an even heavier debt burden to the developing regions who are struggling to get rid of the deficit (UNCTAD 2022). Therefore, when discussing the decline of the development aid, it does not indicate the drop of the sum but a weaker support towards the developing regions, especially the LDCs, who rely on the development aid.

The Impact of the Global South

The trend of development aid is gradually getting rid of the conventional mode decided by economic scale. power dynamic. The current development aid model is gradually moving away from the traditional model dominated by Western countries. The countries in the Global South are exerting their influence, and this is not only reflected in China's Belt and Road Initiative, but also in countries with a larger economic scale, which are actively participating in the development of development aid.

According to OECD, Saudi Arabia, one of the Global South countries, holds a similar level of ODA these years compared to Canada, a traditional donor country of development aids and was significantly higher decades ago (OECD 2025). It indicates the rising impact of some of the Global South countries on the world stage. They are trying to find a new position for themselves in the segment of development assistance, hoping to enhance their international reputation by providing development aid to countries in greater need.

Relevant UN Actions

The UN has acted promptly and swiftly to promote the growth of development aid. Firstly, is the GNI 0.7% proposal raised by the UN (Loft and Brien 2024). It refers to the proposal that developed economies contribute 0.7 per cent of their gross national income (GNI) to the official development assistance (ODA) to help developing economies. One obstacle the UN has met is the indifference of various developed economies towards this proposal. Since 1960, only 15 countries have ever met the GNI 0.7% target, and in the case of the UK, they first met this target in 2013 and tried to lower the figure down to 0.5% during the Covid, arguing that the economic plight they were facing was worsened due to the pandemic.¹⁸

The UN does not have law enforcement power, so the implementation of all proposals depends on each country's self-motivation. The Monterrey Consensus was the outcome of the 2002 Monterrey Conference, the United Nations International Conference on Financing for Development. Developing and developed countries reached a consensus that recipient and donor countries, as well as international institutions, should strive to make ODA more effective.⁴² It has also reaffirmed the GNI 0.7% goal proposed in 1970, making sure the future development trend of development aid moves towards both quantity and quality.

On the basis of the Monterrey Consensus, the Addis Ababa Action Agenda was adopted in July 2015 at the Third International Conference on Financing for Development, held in Addis Ababa, Ethiopia. It provides a more comprehensive strategy for mobilizing the financial resources and partnerships necessary to eliminate poverty and ensure developing economies receive adequate development aid. The Agenda states that compared to the period when the Monterrey Consensus was released, “we have made great progress in mobilizing financial and technical resources...have implemented policy frameworks that have contributed to increased mobilization of domestic resources and higher levels of economic growth and social progress.”⁴¹

What differentiates this agenda from the Monterrey Consensus is that it formed its link with the Millennium Development Goals (MDG) in the text, stating that

advances in the increasing role played by developing economies have contributed to...notable progress towards the achievement of the Millennium Development Goals (UN 2015). As the biggest international organization promoting economic development as one of its goals, the United Nations is actively advocating that developed countries donate development assistance to those in need, and at the same time, through a series of initiatives, it requires recipient countries to ensure the open and transparent use of official development aids. Delegates need to think about the potential limitations of the United Nations in enforcing donor and recipient countries abide by the rules and procedures.

Proposed Solutions

The central challenge before this committee is not to relitigate whether development aid is beneficial or detrimental, but to forge a new consensus on how to make it work effectively for all. The goal is to steer the international community away from cycles of dependency and political manoeuvring, and towards a framework that champions sustainable, locally driven development. This requires a sophisticated approach that confronts the issues of transparency, effectiveness, and the evolving geopolitical landscape. The following avenues for discussion are presented as starting points for the committee's deliberations.

Enhancing Aid Effectiveness and Accountability

Persistent criticisms of development aid centre on its vulnerability to corruption and inefficiency, which can prevent it from reaching those most in need. To address this, the international community must architect more resilient systems of accountability.

Reinforcing National Institutions: Rather than establishing parallel aid structures, a foundational solution lies in directly investing in the public institutions of recipient nations. Bolstering the capacity of their financial management systems, audit offices, and judiciaries ensures that countries are equipped to manage all

resources – aid or domestic – transparently and effectively.

Results-Based Financing Models: A compelling alternative to traditional aid disbursement is linking funds directly to verified outcomes. Models such as "Cash on Delivery" shift the focus from promises to performance; a donor would finance a project, like the construction of new schools, only after confirming their completion and operational status.

A Commitment to Radical Transparency: To confront corruption head-on, delegates should consider proposals that mandate new levels of transparency. This could involve creating public registries that track aid from donor to final destination, potentially using blockchain technology for an immutable record. A crucial element would be funding local civil society organisations to act as independent monitors, fostering accountability from the ground up.

Ensuring Country-Led Development: The principle of country ownership must be paramount. This committee could champion frameworks that require all development programmes to be fully aligned with a recipient nation's own, pre-existing development strategy. This moves the dynamic from a donor-imposed agenda to a genuine partnership.

Reforming Aid Modalities and Partnerships

The architecture of international aid, long defined by a North-to-South flow, is being fundamentally reshaped. The rise of new donors and the use of aid as a tool of strategic competition demand a reimagining of international cooperation.

Embracing South-South and Triangular Cooperation: The growing prominence of the Global South presents a profound opportunity. Delegates should seek to formalise and support South-South cooperation, where developing nations share expertise, and Triangular Cooperation, where a traditional donor might fund such an exchange. These partnerships often provide more contextually relevant and peer-based solutions.

Harmonising Donor Requirements: Recipient nations often face a bewildering and contradictory array of reporting standards from multiple donors. This committee could propose a common, streamlined framework, inspired by the Addis Ababa Action Agenda, which all providers – from DAC members to China – are encouraged to adopt.

The Strategic Unbundling of Aid: A thoughtful separation of aid types could serve to depoliticise assistance. For example, life-saving humanitarian aid could be channelled exclusively through neutral multilateral bodies like the UN. In contrast, strategic infrastructure finance could be governed by a separate set of standards focused on debt sustainability and mutual benefit.

Mobilising Innovative Finance: Official Development Assistance (ODA) cannot meet global needs alone. The discussion must extend to how ODA can be used to mobilise other financial flows, such as through blended finance models that de-risk projects to attract private investment.

Renewing Global Commitment and Financial Architecture

A concerning trend of declining aid to the Least Developed Countries (LDCs), coupled with a shift from grants to loans, demands a robust renewal of global solidarity to protect the most vulnerable.

Fulfilling the 0.7% GNI Commitment: The long-standing target for developed nations to contribute 0.7% of their Gross National Income to ODA remains the bedrock of development finance. The committee could call for clear, time-bound, and publicly monitored roadmaps for countries to meet this foundational pledge.

Prioritising Grants for the Most Vulnerable: To halt the cycle of debt that can cripple LDCs, this committee could work to establish an international norm that aid for social development – especially in health and education – should be provided primarily through grants, not loans.

Strengthening the UN's Coordinating Role: While the United Nations may not possess enforcement power, its position as a neutral convener is an invaluable asset. Its role could be strengthened to serve as the primary platform for dialogue

between all development partners and to lead the charge in measuring the qualitative impact of aid, not just its monetary value.

Questions a Resolution Must Answer

When drafting resolutions, certain key points require thorough discussion. Delegates of ECOFIN should focus primarily on the questions listed above:

- How can the international community ensure that development aid reaches those who need it most rather than being lost to corruption or inefficiency?
- How can development aid be structured to avoid creating long-term dependency in recipient countries?
- What mechanisms can be established to hold both donors and recipients accountable for the use and outcomes of aid?
- How can development aid be adapted to respond to emerging challenges such as climate change, technology gaps, and youth unemployment?

Bloc Positions

Countries with different economic scales and development levels should treat development aid distinctly. Delegates need to check the UN's criteria for developed, developing, and least developed countries to determine which category their countries fall into. The UN does not have an official list of developed and developing nations, but their Standard country or area codes for statistical use (known as M49) offer a list of 'developed regions' and 'developing regions', which help the delegates find their country's development level. In the case of the least developed countries (LDCs), the UN maintains a regularly updated list, which delegates can access on the official website of the UN's Department of Economic and Social Affairs.

Additionally, the OECD runs a DAC list of countries eligible for receiving Official Development Assistance (ODA) on its website; delegates are welcome to use this list for reference.

Developed Countries

The country list of developed regions for statistical use is listed as follows by the UN: Europe, North America, Australia/New Zealand and Japan.

Delegates representing developed regions should consider their responsibility as advanced economies in distributing development aid to less developed areas, as well as the right to prevent the misappropriation of development aid and other situations that might hinder the aid from being used for economic advancement among developing regions. Delegates from developed countries need to be aware of their roles in regulating the proper use of development aid during discussions and maintain a stance for a transparent aid policy in blocs.

Developing Countries (excluding least developed countries)

The list of developing economies designated by the UN is as follows:

All regions of Africa, Asia (except Japan), Latin America and the Caribbean, plus Melanesia, Micronesia and Polynesia.

Delegates need to be aware that it includes the least developed countries (LDCs), so they must check the list of least developed countries first before proceeding. Delegates from developing regions need to be aware of how to ensure the sufficient and effective delivery of development aid from developed countries to their countries when needed. The United Nations Economic and Financial Committee encourages bloc discussions on how to ensure that development aid is delivered adequately to each developing country according to their genuine needs. In cases of larger developing countries, such as China, delegates should emphasise the role played in receiving and sending out development aid in blocs. If China is part of the bloc, it is essential to remember that this country is not only an aid recipient but also a donor, represented by the Belt and Road Initiative. Countries with poor historical records on the proper use of development aid, such as Lebanon, should consider reformative plans for managing development aid, or donors may choose not to provide the development aid they requested.

Least Developed Countries

The UN's list of least developed countries is as follows:

Africa (32): Angola, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Sudan, Togo, Uganda, United Republic of Tanzania and Zambia

Asia (8): Afghanistan, Bangladesh, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal, Timor-Leste and Yemen

Pacific (3): Kiribati, Solomon Islands and Tuvalu; Haiti (Caribbean)

Delegates on behalf of least developed countries (LDC) are the most desirable players in terms of development aid. These countries should reinforce the importance of adhering to the United Nations Development Programme (UNDP)

policies and request the developed regions' assistance to help them tackle financial shortages and underdeveloped economies.

The bloc should stand firmly against unreasonable conditions in exchange for development aid and ensure its countries' independence from the developed regions. It is understandable for the LDCs to accept conditional development aid, as reviving the economy is a priority, but always remember that development aid with harsh conditions will make it more difficult for an LDC to develop its economy, leading it to become dependent and subordinate to donor countries, which is counterproductive to the country's initiatives. Like developing countries, LDCs are encouraged to propose plans relevant to a transparent procedure to ensure the proper use of development aids.

Suggestions for Further Research

In terms of further research purposes, the below sources can help delegates learn more about the issue of development aid and the pros and cons of it:

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