

General Assembly 2: Economic & Financial Affairs Council

The Issue of Financial Transparency in Funding for Development

Head Chair: Sehye Park

Deputy Chair: Harry Chang

Assistant Chair: Leangkim Dom



NORTHBRIDGE INTERNATIONAL SCHOOL
CAMBODIA
A NORD ANGLIA EDUCATION SCHOOL

WELCOME



Nord Anglia SEAME&I REGIONAL
Model United Nations 2024

Contents

Introduction	2
Definition of Key Terms	2
Background Information	4
Current Situation	4
Major Parties involved and their views	5
Timeline of Relevant Events	7
Related UN Treaties and Events	9
Previous Attempts to solve the issue	11
Possible Solutions	11
Suggested Reading	12
Bibliography	13

Introduction

Grasping the importance of transparency in development funding is like gaining a broader understanding of our worldwide panorama. International frameworks spotlight pivotal goals like removing poverty, fostering boom, and ensuring environmental sustainability. Yet, as we confront demanding situations stemming from the aftermath of the COVID-19 pandemic and the vital to cope with climate trade, it turns glaring that attaining those dreams essentially is predicated on a strong foundation of financial transparency. Over the past two decades, our globe has navigated via monetary downturns, monetary crises, and the intricate dance among economic regulations and development investment. The recuperation of nations from these challenges hinges on the prudent utilization of resources, emphasizing transparent practices for sustainable improvement. Past mistakes, which include economic mismanagement and corruption scandals, have left indelible marks on nations. The echoes of the 2008 worldwide economic crisis serve as a poignant reminder, compelling us to reevaluate and beef up global monetary governance. In our gift virtual age, technology like blockchain gifts both promises and challenges, prompting international locations to conform for performance, protection, and transparency. The global reaction to the pandemic underscores the urgency of vigilant oversight to prevent misuse and make certain that funds are directed wherein sincerely needed. When delving into ability solutions, it's miles critical to contemplate the roles performed by using major stakeholders—governments, global organizations, non-governmental corporations, and the private area. The achievement or failure of monetary transparency initiatives hinges on the efficacy of their collaboration. Insights gleaned from past efforts, which include the Open Government Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI), offer precious lessons in the intricacies of collaborative endeavors and the challenges encountered in their implementation

Definition of Key Terms

Financial Transparency

Financial transparency is the practice of openly sharing accurate and clear information about financial activities, allowing others to understand and assess the financial health and decisions of an individual, organization, or government.

Sustainable Development Goals (SDGs)

Also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

Non-Governmental Organizations (NGOs)

A nonprofit organization that operates independently of any government, typically one whose purpose is to address a social or political issue.

International Monetary Fund (IMF)

The International Monetary Fund (IMF) is an international organization that promotes global economic growth and financial stability, encourages international trade, and reduces poverty.

Background Information

Working towards clear finances in growth funds is part of the ever-changing world of global control. The establishment of the Millennium Development Goals (MDGs) in 2000 was instrumental in addressing worldwide poverty and disparity. But, as the world tried to meet these aims, questions arose about the openness and responsibility of funds dedicated to growth plans. The following creation of the Sustainable Development Goals (SDGs) in 2015 hoped to build upon the victories and lessons from the MDGs. In particular, SDG 16 underscores the need for effective, answerable, and open institutions. However, achieving clear finance in growth funding has faced challenges needing our joined focus.

Current Situation

Many world epidemics, such as climate change emphasize the need for transparent allocations of funds for development. With the aftermath of COVID-19 and the progression of the digital era, transparency for funding transactions has become a priority more than ever. Transparency is regarded as utmost importance in many cooperations and the public, as it not only builds trust amongst the cooperation and stakeholders but also enhances accountability. The trust for transparency is what forms the cornerstone for effective collaboration and steps for sustainable development.

Major Parties Involved

International Organizations (UN&IMF&World Bank):

International organizations such as the IMF and the UN have traditionally taken the overseeing role to hold accountability for the transparency and trust in funding to combat many world issues.

The UN for example, maintains international peace and security, providing humanitarian aid for sustainable development.

IMF promotes global macroeconomic and financial stability and provides policy advice and capacity development support to help countries build and maintain strong economies.

The World Bank plays a role in reducing poverty by lending money to the governments of its poorer members to improve their economies and to improve the standard of living of their people.

Donor & Recipient Countries

Donor and recipient countries both play important roles in ensuring that the fund is placed where it is supposed to be allocated; combatting the crisis both nations persist to eradicate. In specificity, countries such as the United States, United Kingdom, China and Russia are known to give significant contribution of aid to many crises and issues.

NGOs:

Non-Governmental Organizations play a pivotal role in accomplishing many humanitarian aid governments may be unable or inefficient due to international conflict or political stances. Many government solutions require a long process time of legislature; however, NGOs may combat these issues more effectively.

Examples:

International Rescue Committee (IRC). - Humanitarian organization founded at the request of Albert Einstein. Offers emergency assistance to persons displaced by war, persecution or natural disaster.

Doctors Without Borders: Comprised mainly of doctors and health workers assisting populations in distress and victims of disaster and armed conflict.

Current situation

Date	Description
2020	<p>Adoption of the Millennium Development Goals(MDGs) The adoption of MDGs by the United Nations set the global development agenda, focusing on eradicating poverty, achieving universal primary education globally, and many others.</p>
2008	<p>The Launch of Aid Transparency Initiative (ATI) The launch of ATI promoted openness in aid reporting to enhance the effectiveness of development assistance.</p>
2011	<p>Establishment of Global Partnership for Effective Development Cooperation This establishment essentially emphasized mutual accountability, transparency, and inclusive partnerships.</p>

2015	<p>The Sustainable Development Goals(SDGs) The adoption of SDGs outlined a comprehensive set of 17 goals to be achieved by 2030, and SDG 16 put effort into making funding for development transparent.</p>
2020	<p>COVID-19 Pandemic With the quick digitalization of many things including transaction and finance, the COVID-19 pandemic underscores the critical importance of transparent financial practices in responding to emergencies and ensuring efficient allocation of funds.</p>

Related UN Treaties and Events

Millenium Development Goals

The Millennium Development Goals (MDGs) were eight international objectives set by the United Nations in 2000 to address global challenges such as poverty, education, and health by 2015, serving as a precursor to the Sustainable Development Goals.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 global objectives adopted by the United Nations in 2015, outlining a more ambitious and inclusive agenda compared to the Millennium Development Goals, with a focus on addressing poverty, inequality, environmental sustainability, and other challenges by the year 2030.

United Nations Convention against Corruption (UNCAC 2003)

UNCAC is a global treaty that addresses and combats corruption through measures promoting transparency, accountability, and international cooperation.

Addis Ababa Action Agenda 2015

Addis Ababa Action Agenda provides a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities.

Open Government Partnership (OGP 2011)

OGP in simple terms is a global initiative fostering transparency, citizen participation, and accountability by encouraging governments to make commitments to open governance practices.

These treaties are known in popularity, and are one of the crucial treaties related to this topic. It would be advised to research deeply into the fundamentals of these treaties, as they have real implemented solutions, which ones are effective, and potentially build off foundation to new and innovative solutions from the past solutions that fell short.

The MDGs, SDGs, UNCAC (2003), and OGP (2011) in particular significantly contributed to improving transparency in funding for development. These treaties established general frameworks that emphasized accountability, efficient resource allocation, and open governance. The MDGs set the initial tone by outlining clear global development objectives and encouraging transparent monitoring of progress. Building upon the MDGs, the SDGs expand the scope with a comprehensive agenda, emphasizing the importance of transparent funding mechanisms and monitoring for sustainable development. The UNCAC of 2003 plays a critical role in combating corruption globally, thereby ensuring that development funds are not misappropriated. By promoting transparency in both public and private sectors, UNCAC established a foundation for accountable financial practices. The OGP, of 2011, reinforced transparency by encouraging governments to openly share information, engage citizens, and foster collaboration with civil society. It aimed to make government spending more transparent, making sure that development funds are used effectively and placed where they were supposed to be. Conclusively, these treaties created a framework that promotes transparency, accountability, and collaboration in the allocation and utilization of funds for development. They represent international efforts to address global challenges and work towards a more sustainable and equitable future.

Previous Attempt

Initiatives like the Open Government Partnership (OGP), launched in 2011, epitomize collaborative efforts among governments, civil society, and the private sector. While progress is evident, translating commitments into tangible outcomes, especially in development funding, poses challenges. Bureaucratic complexities, diverse national priorities, and varying capacities among participating nations made this initiative fall short. Despite these challenges showcased in OGP, there is a persistent need to bridge the gap between intentions and real-world impact on the crises. Similarly, the Extractive Industries Transparency Initiative (EITI) showcases international collaboration in extractive industries. Established to enhance transparency in revenue management, the EITI involves governments, extractive industries, and civil society. Though commendable efforts have been made, challenges persist, emphasizing the necessity for ongoing adaptability and inclusivity. Lessons learned from the EITI underscore the dynamic nature of extractive industries and the diverse interests of stakeholders. These initiatives represent crucial steps toward achieving financial transparency, emphasizing the complexity of forging collaborative frameworks involving governments, civil society, and the private sector. Navigating lessons from the OGP and the EITI requires sustained commitment, adaptability, and inclusive approaches for overcoming challenges and realizing the transformative potential of financial transparency across diverse sectors.

Possible Solutions

Despite commendable strides by organizations like the Open Government Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI), there is a shared responsibility to bolster the foundation for a more open and accountable global financial system. A key resolution involves collaborative efforts among nations to establish uniform standards for financial reporting, mitigating disparities. Proposing an international agreement mandating adherence to transparent financial practices by governments, businesses, and international organizations emerges as a robust mechanism for instilling trust and accountability. Simultaneously, technological advancements, such as blockchain, offer promise in fortifying financial systems, introducing an immutable and transparent record to mitigate corruption risks. Digital platforms streamlining reporting processes, rendering financial information more accessible, thus improving data privacy and security are widely accepted as potent solutions. In tandem, harnessing the influence of civil society emerges as another pivotal strategy, empowering NGOs and citizen groups to vigilantly monitor financial transactions and fortify existing checks and balances, fostering a culture of transparency.

Suggested Readings

<https://www.brookings.edu/articles/development-finance-is-opaque-but-transparency-is-improving/>

This website, especially the fifth section of the article, goes into deep detail and statistics on the importance of transparency in funding, possible solutions and conclusive remarks. It is overall an article with high relevancy to the topic.

<https://infra.global/international-development-transparency-gap-revealed-in-new-index/>

This article can give new perspectives that aren't mentioned so much; issue of private funding. Moreover it adds on to Transparency Index as of 2023, this article will effectively give new perspective with recent details and statistics on this topic.

<https://www.un.org/esa/ffd/wp-content/uploads/2014/12/11Dec14-TI-statement-data.pdf>

This is the official report of Transparency in Funding by the United Nations. Highly detailed with solutions and roles of governments and NGOs. Highly recommended to be implemented on topics such as possible solutions.

<https://www.imf.org/en/About/Factsheets/Sheets/2023/Transparency-at-the-imf> Lastly, this is IMF on the transparency of funding. Underscored in blue and italic, there are links to transparency policies the IMF implements with funding, activities, communications that are useful and used in real life.

Clinton, Hilary. “<https://2009-2017.State.Gov/j/Ogp/>.” The Open Government Partnership, 2013, 2009-2017.state.gov/j/ogp/.

“Sustainable Development Goals.” UNDP, www.undp.org/sustainable-development-goals. Accessed 7 Jan. 2024.

Christine Lagarde Former Managing Director of the International Monetary Fund, et al. “Open Data.” EITI, eiti.org/open-data. Accessed 7 Jan. 2024.

“Addis Ababa Action Agenda ∴ Sustainable Development Knowledge Platform.” United Nations, United Nations, sustainabledevelopment.un.org/frameworks/addisababaactionagenda. Accessed 7 Jan. 2024.

“Aid Transparency: Fact Sheet.” U.S. Agency for International Development, 10 Oct. 2013, www.usaid.gov/fact-sheet/aid-transparency.

“Aid Transparency Initiative.” IATI Standard, 7 Dec. 2023, iatistandard.org/.

“Budget Transparency - OECD.” OECD Budget Transparency for Funding of Development, www.oecd.org/gov/budgeting/best-practices-budget-transparency.htm. Accessed 7 Jan. 2024.

“Aid Transparency Index.” Developmentaid, www.developmentaid.org/news-stream/post/146690/the-2022-aid-transparency-index. Accessed 7 Jan. 2024.



NISCMUN

**Nord Anglia SEAME&I REGIONAL
Model United Nations 2024**