STUDY GUIDE

HFS MUN 2025

ECOFIN

Economic and
Financial Committee

ECOFIN

#hfsmun2025

Table Of Contents

Agenda I

Agenda II

Letter from the Executive Board

Dear Delegates, We hope this letter finds you well as you gear up for the upcoming conference. We, the Executive Board of the Economic and Financial Committee, warmly welcome you to our committee.

As you prepare to delve into the discussions surrounding the agendas of "Assessing the role of decentralized finance in expanding unregulated financial markets," and "Mitigating oil market volatility and its macroeconomic implications for global economic stability," we would like to take a moment to share our expectations and aspirations for your participation in the committee.

The topics demand not only insightful analysis but also innovative solutions and collaborative efforts from all delegates. Approach the conference with an open mind and a spirit of diplomacy, for it is through respectful and productive dialogue that we can achieve constructive debate on the agenda. Embrace the diversity of perspectives within the committee, listen attentively to the viewpoints of your fellow delegates, and endeavor to find common ground whenever possible.

As you prepare for the conference, we wish you the best of luck in your preparations and deliberations. Your contributions to our committee will undoubtedly shape the discussions and outcomes of the conference, and we have every confidence that you will make a meaningful impact.

In case of any queries, feel free to reach out to us at hfsmunecofin@gmail.com. We eagerly look forward to meeting you at the conference and working together towards our shared objectives.

Regards,
Executive Board,
ECOFIN

Sidharth Mohanty - Director
Aarnaa Mehta - Director
Rohan Roy - Assistant Director

Email: hfsmunecofin@gmail.com

ECOFIN

Research Guidelines

- Gain a clear understanding of the United Nations system, particularly the structure, mandate, and functions of the Economic and Financial Committee (ECOFIN / UNGA Second Committee). Familiarize yourself with its jurisdiction over international economic and financial matters, including trade, development, and macroeconomic stability.

- Conduct in-depth research on your assigned country's stance. This includes identifying the country's official position, previous national and international measures taken, proposed or supported international initiatives, policy documents, official statements, and speeches from relevant ministries, ambassadors, or economic councils.

- Understand and strictly adhere to your country's foreign policy. Ensure all statements, proposals, and negotiations during committee sessions align with national interests and diplomatic behaviour as reflected in your country's official conduct.

Ratified Sources of Information

UN Reports: All UN Reports are considered credible information or evidence for the Executive Board of the UNGA–2 (ECOFIN)

a. UN Bodies like the UNGA
b. Resource Bodies and Forums like the UNDESA

Note:
Under no circumstances will sources like Wikipedia http://www.wikipedia.org/, Amnesty International http://www.amnesty.org/, Human Rights Watch http://www.hrw.org/, or newspapers like the Guardian, Times of India, etc. be accepted as proof or evidence. However, they can be used for a better understanding of any issue or even be brought up in debate if the information given in such sources is in line with the beliefs of a Government.

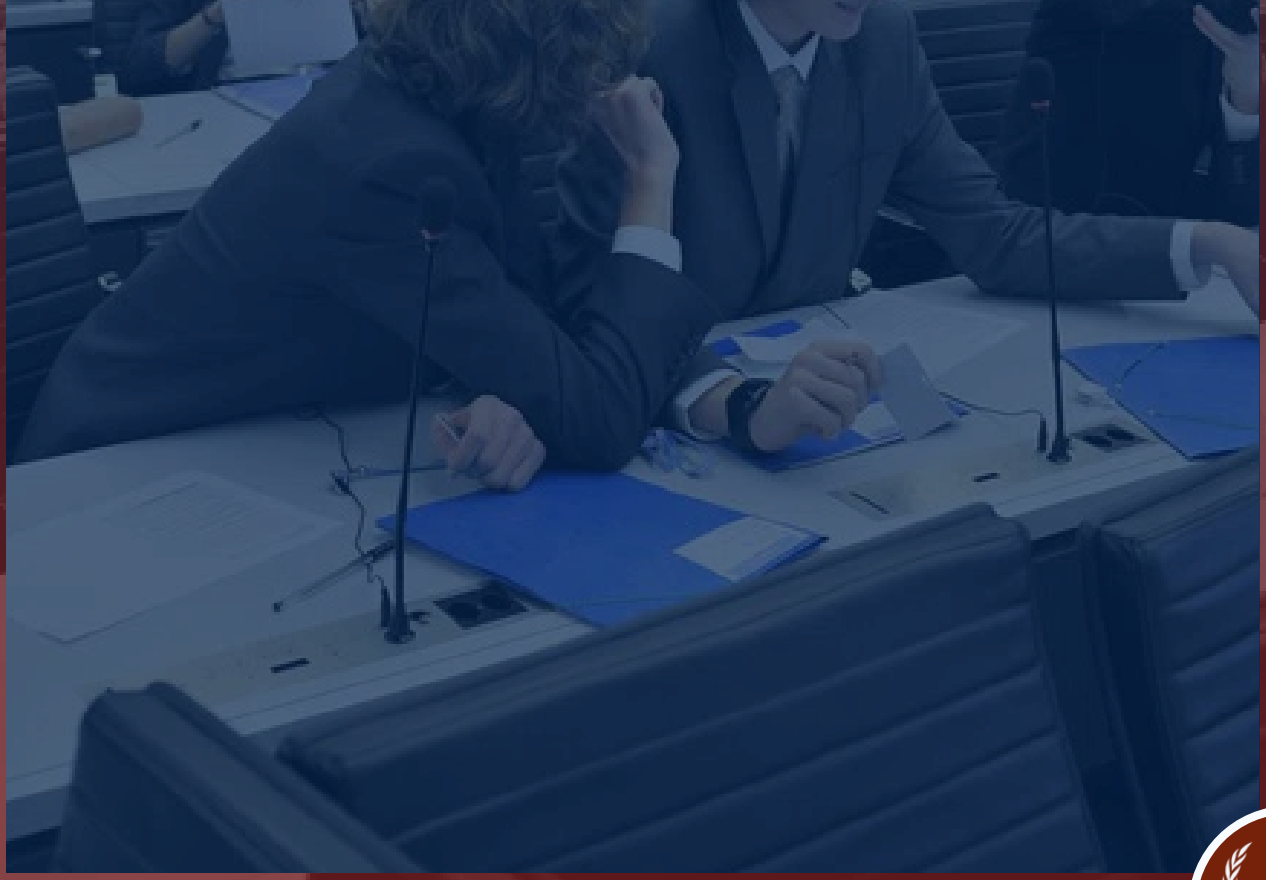
Government Reports: These reports can be used in a similar way to the State Operated News Agencies reports and can, in all circumstances, be denied by another country. However, a nuance is that a report that is being denied by a certain country can still be accepted by the Executive Board as credible information.

Ratified Sources of Information

News Sources:

a) REUTERS – Any Reuters article that makes mention of the fact stated or is in contradiction of the fact being stated by another delegate in the committees can be used to substantiate arguments http://www.reuters.com/

b) State-operated News Agencies – These reports can be used in support of or against the State that owns the News Agency. These reports, if credible or substantial enough, can be used in support of or against any country as such, but in that situation, they can be denied by any other country in the council.



Introduction to the committees

The ECOFIN, officially the Economic and Financial Committee, was formed in 1945 as one of the original General Assembly committees. It was established as the Second Committee of the UN General Assembly.

Mandate:

The Economic and Financial Committee (ECOFIN) deals with issues relating to economic growth and development, such as macroeconomic policy questions; financing for development; sustainable development; globalization and interdependence; eradication of poverty; operational activities for development; agriculture development, food security and nutrition; and information and communications technologies for development.

Related Bodies:

1) Economic and Social Council ECOSOC is one of the six principal organs of the United Nations (UN), responsible for the direction and coordination of the economic, social, humanitarian, and cultural activities carried out by the UN. ECOSOC conducts studies, formulates resolutions, recommendations, and conventions for consideration by the General Assembly; and coordinates the activities of various UN organizations.

2) United Nations Department of Economic and Social Affairs
UNDESA upholds the development pillar of the United Nations. It is a pioneer of sustainable development and the home of the Sustainable Development Goals (SDGs), where each goal finds its space and where all stakeholders do their part to leave no one behind. It helps countries make informed decisions by providing a wealth of information through its publications and databases, and through its support for international deliberations at the United Nations General Assembly, Economic and Social Council, Commissions, Forums, and other bodies.

Introduction to the committees

3) United Nations Development Program
UNDP is on the ground in 170 countries and territories, supporting their development solutions. It is the UN's global development network, advocating for change and connecting countries to knowledge, experience, and resources to help people build a better life. As the UN's development agency, UNDP plays a critical role in helping countries achieve the Sustainable Development Goals.

4) United Nations Environment Program UNEP's mission is to inform and enable nations to improve their quality of life without compromising that of future generations. UNEP's work is focused on helping countries transition to low-carbon and resource-efficient economies, strengthening environmental governance and law, safeguarding ecosystems, and providing evidence-based data to inform policy decisions.

5) Financial Action Task Force FATF leads global action to tackle money laundering, terrorist and proliferation financing. It researches how money is laundered and terrorism is funded, promotes global standards to mitigate the risks, and assesses whether countries are taking effective action. Though independent, it is an intergovernmental body that works with the UN to tackle these issues.

6) International Monetary Fund The IMF works to achieve sustainable growth and prosperity for all of its 191 member countries. It does so by supporting economic policies that promote financial stability and monetary cooperation, which are essential to increase productivity, job creation, and economic well-being. The IMF is governed by and accountable to its member countries.

Agenda I

Assessing the role of decentralized finance in expanding unregulated financial markets

Key Terms

1) Decentralised Finance It is a new financial paradigm that leverages distributed ledger technologies to offer services such as lending, investing, or exchanging cryptoassets without relying on a traditional centralized intermediary. (BIS)

2) Unregulated Financial Markets These are financial environments operating without institutional regulatory bodies, based on principles agreed upon by parties involved, offering innovation and flexibility while also posing risks such as fraud, volatility, and exploitation. (IOSCO)

3) Blockchain Blockchain is a shared, immutable digital ledger, enabling the recording of transactions and the tracking of assets within a business network and providing a single source of truth. (IBM)

4) Distributed Ledger Technology Like blockchain, it is a secure way of conducting and recording transfers of digital assets without the need for a central authority. (GAO)

5) Smart Contracts It is a term used to describe computer code that automatically executes all or parts of an agreement and is stored on a blockchain-based platform. (HLS)

6) Cryptocurrency It is a digital asset/credit/unit within the system, which is cryptographically sent from one blockchain network user to another. (NIST)

Key Terms

7) Liquidity Pool It is a reserve consisting of cryptocurrencies that are locked in a smart contract together, primarily used to facilitate decentralised finance activities such as lending, trading, and swapping.

8) Decentralised Exchanges It is a peer-to-peer marketplace where transactions occur directly between crypto traders, which make a range of financial services available directly from a crypto wallet.

9) Crypto Wallet It is an application that functions as a wallet for cryptocurrency, storing the passkeys that are used to sign for crypto transactions and providing the interface used to access crypto assets.

10) Total Value Locked It is a metric used to determine the total value of assets locked within a particular smart contract.

11) Stablecoin It is a type of currency whose value is pegged to another asset, to act as an alternative to high volatility and maintain a stable price.

12) Yield Farming It is a practice that allows users to lock their cryptocurrency tokens for a set period to earn profitable rewards and interest.

13) Know Your Customer/Client It is a mandatory process including a set of standards to verify and identify a client's identity and financial profile.

Key Terms

14) Anti-Money Laundering It is an international web of laws, regulations, and procedures aimed at combating the disguise of laundered money as legitimate income.

15) Financial Inclusion Providing individuals and businesses with access to useful and affordable financial services and products that meet their needs, delivered in a responsible and sustainable way. (World Bank)

16) Regulatory Arbitrage It is a practice which involves exploiting differences in regulations between jurisdictions to reduce costs or gain a competitive advantage.

17) Immutability It is that principle that data recorded on a blockchain cannot be changed or deleted once it has been added.

18) Contraband Flows It is the illicit movement of goods across international borders as well as within a country regarding items that are prohibited.

19) Central Bank Digital Currency It is a form of digital currency issued by the central bank of a currency, where its value is fixed by the central bank and works equivalent to the country's fiat currency.

20) Decentralised Autonomous Organisation It is a blockchain governance system developed to distribute decision-making, management, and entity ownership

Introduction to the Agenda

Decentralized Finance has been heralded as a paradig
m shift in global finance. Offering financial services such as lending, borrowing, trading and stablecoin issuance without intermediaries like banks or brokers, DeFi aims to remove entry barriers and reduce transaction costs in theory. However, through its composable protocols, peer-to-peer markets, and programmable operations, DeFi has unlocked unprecedented autonomy and transparency in financial transactions.

DeFi enables anyone with internet access and a digital wallet to participate in global financial systems. This has particular significance for underbanked populations, especially in emerging economies. Additionally, the automation of services via smart contracts reduces reliance on intermediaries and lowers operational costs. Composability allows seamless interactions among DeFi protocols, facilitating innovation and experimentation. With alternatives to traditional banking such as yield farming, decentralized exchanges, and flash loans - DeFi has already begun challenging established financial intermediaries.

This democratization of finance has drawn attention from both investors and regulators. As of January 2025, the DeFi sector's total value locked surpassed US $178 billion at its peak, before stabilizing around US $40 billion post-crypto-winter. While this growth can be viewed as indicating significant investor interest and potential for innovation, it also raised pressing questions about market conduct, systemic risk, and regulatory oversight in largely unregulated domains, and DeFi's potential to proliferate them.

Introduction to the Agenda

While DeFi is promoted for its potential to "democratize" finance, its operation outside regulated framework has raised critical concern in equal measure over its stability, legality, and consumer protection. One cause for concern is DeFi's anonymous structure becoming the perfect vehicle for money laundering and terrorist financing, evading traditional AML/KYC scrutiny. The limited application of AML/KYC provisions in DeFi, coupled with its transaction autonomy, exposes it to market manipulation.

International bodies such as the Financial Action Task Force (FATF) and the Financial Stability Board (FSB) have noted that the pseudonymous nature of DeFi poses significant challenges to financial integrity, particularly in addressing illicit financial risks. Moreover, in many cases, the use of complex instruments such as flash loans and automated liquidation mechanisms has resulted in exploitations and smart contract failures, leading to multi-million-dollar losses for users. The lack of recourse for affected participants in such events further intensifies their vulnerability.

Despite total decentralisation from traditional finance being touted as DeFi's primary feature, there is a "decentralisation illusion" since the need for governance does make some level of centralisation inevitable and structural aspects of the system lead to a concentration of power. This may cause DeFi to regress into traditional finance and suffer from the same vulnerabilities as the latter. Recent studies by the UNCTAD and the BIS have highlighted that governance tokens and governance power are often controlled by a small number of developers or investors, undermining the very notion of decentralization. Similar to traditional banking systems, in most cases over 50% of the capital in DeFi lending pools was discovered to originate from fewer than 10 wallets, creating system risks.

Introduction to the Agenda

In addition, the parallel rise of algorithmic and reserve-backed stablecoins has raised new questions of monetary sovereignty for developing countries. UNCTAD cautions that this elimination of regulatory supervision over the use of unregulated digital fiat's could reduce the impact of capital control measures, promote cross-border leakages and further threaten the capacity of central banks to rein in inflation and conduct fiscal policy.

In responding to those concerns, it seems international regulators have rallied around the doctrine of same activity, same risk, same regulation. Institutions like the OECD, the IMF and IOSCO are developing coordinated risk-based supervision frameworks and obligations for AML/CFT compliance, standardized interoperability between DeFi protocols and TradFi, and the like. However, achieving regulatory oversight and engagement in the DeFi space is not easy due to the decentralized and borderless nature of DeFi. Rather, multilateral negotiations and coordination, and innovation in legal frameworks to accommodate DeFi and the substantial opportunities for innovation and inclusion, will be important for the design of laws, regulations that support global financial stability outcomes.

In this context, delegates must consider whether an unregulated financial environment enabled by DeFi can ever be truly stable or fair, and what safeguards and international standards are necessary to ensure a sustainable, accountable, and inclusive financial future. Delegates must weigh the promise of expanding financial access against the need for coordinated, effective regulation. The goal is not to reject innovation, but to craft pragmatic global policies that ensure transparency, accountability, and consumer protection without stifling progress.'

Background to the Agenda

Decentralised finance is a fast-growing part of the crypto financial system. The rise of cryptoassets can be traced back to a whitepaper (Nakamoto) outlining a peer-to-peer transaction mechanism – blockchain, and the creation of the first consequential cryptoasset in 2009, Bitcoin (BTC). Numerous blockchain technologies, as well as the respective cryptoassets that serve as mediums of exchange, have mushroomed since then. A key milestone was the development of Ethereum and its associated cryptoasset Ether. This technology supports automated contracts with pre-defined protocols hosted on blockchains, commonly referred to as "smart contracts", and was instrumental to spurring on the DeFi ecosystem.

The term DeFi refers to the financial applications run by smart contracts on a blockchain, typically a permissionless (i.e. public) chain juxtaposes DeFi with centralised finance (CeFi) in crypto markets, as well as with the traditional financial system. The key difference between DeFi and CeFi lies in whether the financial service is automated via smart contracts on a blockchain or is provided by centralised intermediaries. While DeFi records all the contractual and transaction details on the blockchain (i.e. on-chain), CeFi relies on the private records of intermediaries, such as centralised exchanges and other platforms (i.e. off-chain).

DeFi aims to provide financial services without using centralized entities. Namely, it digitises and automates the contracting processes, which – according to its proponents – could in the future improve efficiency by reducing intermediation layers. Importantly, it also provides users with much greater anonymity than transactions in CeFi or traditional finance. Such propositions have been key drivers of the heightened interest in DeFi platforms and the strong price rises of the attendant cryptoassets. The expansion of DeFi in turn has hastened the emergence of alternative blockchain designs that host smart contracts and seek to rival Ethereum.

Contemporary Scenario

The 2008 global financial crisis absolutely shatter
ed the world's economic stability, shattering the trust and public confidence in centralized financial institutions. This breakdown catalyzed the demand for transparent, trustless financial systems paving the way for Bitcoin (2009) and eventually Ethereum (2015).

Since 2018, the exponential growth of decentralized finance (DeFi) has reshaped the global economy as we know it. Decentralized finance platforms primarily built on public blockchains like Ethereum have now come under increased scrutiny due to their vital role in facilitating illicit and shadow market activities. As of 2025, the total value locked in DeFi protocols exceeds $100 billion globally, with significant activity in lending-borrowing, stablecoin swamps, synthetic asset creation, and yield farming which is all largely unregulated.

While DeFi's initial growth was hailed as a democratization of finance, by the early 2020s it had mutated into a high-risk parallel system largely unregulated, technologically opaque to regulators, and increasingly intertwined with global shadow markets.

Contemporary Scenario

Phase I (2018-2020)

DeFi's early years primarily focused on building autonomous financial instruments. This period saw a rapid growth in decentralized applications aiming to replicate traditional financial services on blockchains, such as lending, DeFi exchanges (DEX), and synthetic assets with instruments such as:

- Lending: Compound, Aave
- DEX: SushiSwap, Uniswap
- Synthetic Assets: Synthetic

Due the the absence of KYC, Anti-Money laundering controls, or the legal central accountability made these protocols ideal conduits for underground financial activity.

- Transactions related to narcotics shifted the darknet bitcoin markets to privacy coins.

- North-Korean operations with groups such as the Lazarus Group laundered stolen cryptocurrency through early DEX's and mixers.

- Rogue actors such as in China, Venezuela, and Turkey used pseudonymous wallets to bypass capital control.

These years can be marked with the tag of regulated ignorance since authorities misclassified DeFi as mere "tech experiments" allowing illicit finance to proliferate.

Contemporary Scenario

Phase II (2020-2022)

Post covid, global monetary and inflation fears led institutional capital into the crypto markets. TVL in DeFi exploded by late 2021, outpacing regular adaptability, however also coinciding with:

- Terra-Luna Collapse (2022): As users exchanged UST for LUNA, the price of LUNA precipitously fell leading to increasing dilution, which further depressed the price of LUNA and resulted in a dramatic "death spiral" where over just three days, the LUNA supply increased from 1 billion to 6 trillion and the LUNA price decreased from $80 to almost. This collapse wiped out $60 billion in value within days and brought out systematic leverage.

- Multiple Defi exploit events such as Polynetwork, Nomad, and Wormhole traced back to North Korean state actors and Russian speaking cybercartels.

- Usage of mixers like Tornado cash, which the US later sanctioned for laundering value over $7 Billion including state sponsored hacking proceeds.

The FATF in its 2021-22 guidance warned that DeFi may pose AML/CFT threats due to decentralized governance systems and lack of intermediaries.

Contemporary Scenario

Phase III (2023-2025)

Illicit financial flows increased in 2023 crossing $20 billion, mostly from darknet sales, sanctions evasion, tax fraud, and even terrorism financing. Stablecoins like USDT and USDC became parallel currencies in control of hyperinflation which created shadow forex markets outside state oversight. In conflict zones such as Gaza, Sudan, and Ukraine, humanitarian aid, arms transactions, and contraband flows increasingly moved through DeFi rails with relatively low traceability.

The EU's MICA (2024) tried to impose disclosures on Defi operators and DAO token operators but faced many challenges due to anonymity and code based governance. FATF's 2024 revision of the travel rule emphasized that even "decentralised" actors may qualify as Virtual Asset Providers if they profit or control front ends. The IMF and BIS (Bank for International Settlements) in 2025 jointly released a framework proposing a Functional equivalence test to bring DeFi under traditional regulatory umbrellas based on the services rendered, not legal form.

The US Treasury and NSA (National Security Agency) in the year 2024 flagged DeFi as a vector for hostile state financing, citing credible intelligence on:

- Hezbollah and Hamas using DEX based stablecoin swaps. - Iranian oil buyers settling payments via DeFi liquidity pools.

- DPRK's laundering of nuclear program funds through token bridges and flash loans.

Contemporary Scenario

Business and State-level Response

Major banks such as JPMorgan's Onyx, HSBC, Goldman turned to a permissioned DeFi system replicating DeFi architecture on private blockchains with KYC gating. Central banks also began to explore DeFi to integrate into the CBDC systems, but only through tightly regulated channels.

Startups like Elliptic, TRM Labs, Chinalysis also saw explosive growth, offering deep chain forensic tools for DeFi compliance. "Regulatory Oracles" and KYC enforcing smart contracts began pilot programs in countries such as Singapore, Switzerland, and Abu Dhabi.

Singapore and the UK introduced DAO (Decentralized Autonomous Organization) taxation and liability laws, treating DAO stakeholders as De Facto stakeholders. The US Congress tabled the DeFi liability and disclosure act of 2025 which proposed licensing for front end interfaces and deemed DeFi devs as "beneficial controllers".

Bloc Positions

1) G7 and Other Advanced Economies

This bloc includes the United States, United Kingdom, Canada, Germany, France, Italy, Japan, Australia, South Korea, and Singapore. These countries largely support decentralized finance as a driver of financial innovation but remain highly focused on regulation, stability, and consumer protection. They emphasize that decentralized platforms must comply with existing financial laws, especially with regard to anti-money laundering and investor safeguards. The United States has seen debate between institutions like the Securities and Exchange Commission and the Commodity Futures Trading Commission over the classification and regulation of crypto-assets. The United Kingdom's Financial Services and Markets Act introduced oversight mechanisms including sandbox models to test DeFi applications under regulatory supervision. Canada and Japan have introduced registration requirements for crypto asset providers. This bloc supports international regulatory cooperation, standard-setting, and accountability in decentralized finance operations. These countries are interested in ensuring financial markets remain competitive and resilient without undermining legal or institutional safeguards.

Bloc Positions

2) European Union

The European Union has taken a proactive role in establishing a legal framework for digital assets and decentralized finance. Markets in Crypto-Assets Regulation, passed in 2023, provides a clear legislative structure for crypto asset issuance, service providers, and stablecoin operations across member states. It also mandates licensing, transparency, and consumer protection mechanisms. The EU has adopted the Crypto-Asset Reporting Framework designed to align tax treatment and disclosure standards with those of the Organisation for Economic Co-operation and Development. Regulatory enforcement is managed through institutions such as the European Banking Authority and the European Securities and Markets Authority. Furthermore, the EU integrates decentralized finance into its anti-money laundering framework, holding virtual asset service providers to the same standards as traditional institutions. The bloc promotes regulatory convergence within its borders and calls for similar approaches globally to reduce jurisdictional gaps and financial crime risks. While supportive of innovation, the EU aims to achieve a secure and predictable environment for both investors and consumers.

Bloc Positions

3) China and Aligned Economies

China maintains a strictly prohibited position on decentralized finance and private cryptocurrencies. The People's Bank of China has banned all cryptocurrency transactions and mining operations, citing risks such as capital flight, market instability, and exposure to illicit finance. Instead, China has prioritized the development and rollout of a central bank digital currency, the digital yuan, which is fully state-controlled and integrated into existing financial systems. Countries with similar economic governance structures, including Iran, Pakistan, and Algeria, have adopted comparable restrictions. These states argue that decentralized finance threatens monetary sovereignty and opens the door to regulatory evasion. Their financial innovation strategies focus on centralized digital infrastructure under governmental oversight. While these countries acknowledge the technological relevance of blockchain, they do not support its decentralized application in public financial markets. Their regulatory stance favors national control over financial flows, often extending surveillance and compliance tools to prevent private digital assets from operating within their jurisdictions.

Bloc Positions

4) G20 Emerging Economies

This bloc includes countries such as India, Brazil, Indonesia, South Africa, and Mexico. While recognizing the growth potential of decentralized finance, these economies advocate a principle-based regulatory model. They support the idea that similar financial activities should be governed by similar regulations regardless of whether they occur through traditional or decentralized systems. This approach is also reflected in their support for the Financial Stability Board's global framework on crypto asset regulation. India has introduced tax codes and transaction tracking mechanisms to monitor decentralized finance activities. Brazil and South Africa are developing policy frameworks that align innovation with supervisory control. These countries express concern over unregulated financial flows, market volatility, and consumer vulnerability, especially given the rapidly growing user base. However, they also stress the developmental benefits of fintech and call for scalable, interoperable, and proportionate regulation. The bloc supports capacity building, regional cooperation, and technological investment to balance innovation with resilience.

Bloc Positions

5) Developing and Low-Income Economies

Countries in this bloc include Kenya, Nigeria, Vietnam, El Salvador, and several others in Latin America, South Asia, and sub-Saharan Africa. These states often experience rapid adoption of decentralized financial tools due to limited access to formal banking systems. In many cases, blockchain platforms are used for cross-border remittances, micro-loans, or community-based savings networks. However, these developments typically occur in the absence of regulatory infrastructure, increasing risks of fraud, theft, and economic instability. Countries in this group tend to request international assistance in regulatory capacity building, digital education, and cybersecurity enforcement. While generally supportive of decentralized finance as a path to financial inclusion, they seek policy guidance and international cooperation to mitigate risks. Some states like El Salvador have formally adopted crypto assets as legal tender, while others remain cautious. This bloc calls for a flexible and development-oriented regulatory approach that encourages innovation but does not leave vulnerable populations unprotected.

Bloc Positions

6) ASEAN Economies

This bloc includes Indonesia, the Philippines, Thailand, Malaysia, and Vietnam. These Southeast Asian countries display significant diversity in their regulatory approaches but are united by rapid digital adoption rates and strong interest in fintech. Indonesia and Thailand have created special task forces to explore the regulation of decentralized finance, while the Philippines has allowed crypto-related financial services under conditional licenses. Malaysia is moving toward comprehensive oversight through its central bank and securities commission. The bloc is aware of the risks posed by decentralized financial markets, particularly to retail investors, and therefore focuses on public awareness campaigns, cybersecurity preparedness, and regional coordination. These countries emphasize the need to harmonize DeFi oversight with broader economic goals such as digital transformation, financial inclusion, and regional integration. While generally supportive of blockchain-based solutions, ASEAN states are cautious about large-scale adoption of fully decentralized financial protocols without supervision or consumer safeguards.

Legal Frameworks and Instruments

1) FATF – Financial Action Task Force Recommendations (incl. Rec. 1, 7, 10, 15, 16, 20, 22)
https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf-recommendations.htm

2) OECD – Crypto-Asset Reporting Framework (CARF)
https://www.oecd.org/tax/exchange-of-tax-information/crypto-asset-reporting-framework-a nd-amended-common-reporting-standard.htm

3) UNCITRAL – Model Law on Electronic Transferable Records (MLETR)
https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records

4) UNCITRAL – United Nations Convention on the Use of Electronic Communications in International Contracts (ECC)
https://uncitral.un.org/en/texts/ecommerce/conventions/electronic_communications

5) ACTUS – Algorithmic Contract Types Unified Standards
https://www.actusfrf.org/

Legal Frameworks and Instruments

6) UN – Vienna Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) https://www.unodc.org/unodc/en/commissions/CND/conventions.html

7) UN – Palermo Convention (UN Convention against Transnational Organized Crime, 2000) https://www.unodc.org/unodc/en/organized-crime/intro/UNTOC.html

8) UN – United Nations Convention against Corruption (UNCAC, 2003) https://www.unodc.org/unodc/en/corruption/uncac.html

9) UN – International Convention for the Suppression of the Financing of Terrorism (ICSFT, 1999) https://treaties.un.org/pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XVIII-11&chapt er=18

10) BIS – Basel Committee on Banking Supervision https://www.bis.org/bcbs/publ/d552.htm

Legal Frameworks and Instruments

11) IOSCO – Policy Recommendations for Crypto and Digital Asset Markets
https://www.iosco.org/library/pubdocs/pdf/IOSCOPD734.pdf

12) IMF – Guidance Note on the Treatment of Crypto Assets
https://www.imf.org/en/Publications/Policy-Papers/Issues/2021/12/21/Guidance-Note-on-the -Treatment-of-Crypto-Assets-511200

13) FSB – High-level Recommendations for Regulation, Supervision and Oversight of Crypto-Asset Activities and Markets
https://www.fsb.org/2023/07/fsb-finalises-global-regulatory-framework-for-crypto-asset-act ivities/

14) GAFILAT – FATF-style regional body for Latin America
Guidelines on Virtual Assets
https://www.gafilat.org/index.php/en/publications

15) UN – Security Council Resolution 2462 (2019) on Countering the Financing of Terrorism
https://undocs.org/S/RES/2462(2019)

Questions A Resolution Must Answer

1) What global standards can be proposed for DeFi regulation?

2) How can we distinguish between harmful unregulated activity and innovative finance?

3) Should DeFi platforms be held to the same compliance standards as traditional finance?

4) What role should international institutions (IMF, FATF, UNCTAD) play in DeFi governance?

5) How can ECOFIN promote equity in access to financial technologies?

6) How can countries coordinate to prevent illicit financial flows through unregulated digital markets?

7) What steps should be taken to integrate developing countries into global regulatory dialogues on financial technologies?

Citations and Further Reading

1) DeFi Beyond the Hype, Wharton, 2021 https://wifpr.wharton.upenn.edu/wp-content/uploads/2021/05/DeFi-Beyond-the-Hype.pdf

2) Final Report with Policy Recommendations for Decentralized Finance (DeFi), IOSCO, 2023 https://www.iosco.org/library/pubdocs/pdf/ioscopd754.pdf

3) Investor-State Dispute Settlement, UNCTAD, 2005 https://investmentpolicy.unctad.org/investment-dispute-settlement

4) Basel Committee on Banking Supervision- Crypto Prudential treatment, 2019 https://www.bis.org/bcbs/publ/d545.htm

5) Cryptocurrency and Anti-Money Laundering, UNODC, 2017 https://www.unodc.org/unodc/en/money-laundering/overview.html

Citations and Further Reading

6) EU MiCA Regulation on Cryptoassets, 2020 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1114

7) Key Elements of an Effective DeFi Framework, CCI, 2023 https://cryptoforinnovation.org/key-elements-of-an-effective-defi-framework/

Agenda II

Mitigating oil market volatility and its macroeconomic implications for global economic stability

Key Terms

1) Oil Market Volatility
It is the degree of price fluctuation in the global oil market, often resulting from supply disruptions, geopolitical tensions, and demand shocks. (WTO)

2) Organisation of the Petroleum Exporting Countries OPEC is the organisation aimed at coordinating and unifying the petroleum policies of the member states and ensuring the stabilisation of the oil market. (OPEC)

3) Organisation of the Petroleum Exporting Countries +
It includes non-OPEC countries that align with OPEC policies to manage global supply.

4) Strategic Petroleum Reserves
They are emergency stockpiles of crude oil maintained by countries to mitigate the impact of any supply disruptions.

5) Price Cap Mechanism
It is an externally imposed limit on oil prices to prevent the restriction of revenue flows to specific exporters, and to stabilise market prices.

6) Energy Security
It refers to the continuous access to energy in sufficient quantities at affordable prices. (IEA)

7) Fossil Fuel Subsidies
The government financial support aimed at incentivising to keep the price of fossil fuel low for
consumers. (IMF)

Key Terms

8) Fuel Hedging
It is a financial strategy used by companies or companies to lock in oil prices for future purchases using contracts or derivatives, to protect themselves from oil volatility.

9) Energy Transition
It is the transformative shift in energy production, distribution, and consumption, aiming to move from fossil fuels to sustainable sources. (UNDP)

10) Demand Shock
It is a sudden and temporary increase or decrease in the demand for a certain commodity or commodities.

11) Supply Shock
It is a sudden and temporary increase or decrease in the supply of a certain commodity or commodities.

12) Oil Benchmarks
These describe where the commodity originates, which determines its use and allows investors to track the price of a specific oil type.

13) Brent Crude
It is the oil benchmark used for the light oil market in Europe, Africa, and the Middle East, originating from the oil fields in the North Sea.

14) West Texas Intermediate
It is the oil benchmark used for the light oil market in the United States, which is sourced from US oil fields.

Key Terms

15) Fiscal Breakeven Oil Prices
It is the minimum price per barrel that a country needs in order to meet its expected spending needs while balancing its budget. (CFR)

16) Commodity Market Speculation
It is an investment in oil futures and derivatives for profit rather than consumption, which can can an artificial increase or decrease in the price.

17) Oil Derivatives
These are financial contracts that allow buyers to purchase oil at a set price in the future, used for hedging, risk management, and speculation.

18) Petrostate
It is a country whose economy is highly dependent on the extraction, production, and export of oil or gas.

19) Dual Pricing
It is a strategy used by countries where it charges different prices for domestic and export oil sales, aimed at shielding the economy from oil volatility.

20) Chokepoints
These are narrow maritime passages critical to global oil transportation, majorly, the Strait of Hormuz, Bab al Mandab, Strait of Malacca, Bosporus, Danish Straits, Suez Canal, and Panama Canal.

Introduction to the agenda

Oil price volatility remains a critical concern for global economic stability. Prices fluctuate sharply due to supply shocks - like geopolitical conflicts or OPEC production shifts - and demand shocks driven by global growth cycles, pandemic disruptions, and shifts in energy efficiency. Such volatility has significant macroeconomic effects - curbing of GDP growth, rising inflation, destabilization of exchange rates, and influencing of central bank decisions.

Impacts on Oil-Importing Economies: Oil price fluctuations create inflation demand shocks by significantly increasing production and transportation costs, which ultimately lead to higher consumer prices and reduced real incomes for households. In heavily oil-import dependent economies, oil prices distort exchange rates and create pressure for Central Banks to increase short-term interest rates, to fend off inflation, which can result in reduced or even negative growth . Economies like the US, Japan, UK and Canada, have shown that any level of oil price fluctuations, no matter how modest, can create significantly slower degree of economic growth, or lead to recession.. In South Asia, the empirical evidence shows price spikes lessen industrial output, and soon thereafter divert resources from investment to consumption.

Introduction to the agenda

Consequences for Oil Exporters: Export-oriented economies are sensitive to declines in oil prices and the resulting volatility in revenue and public finances. For example, between 2014 and 2016, the decimation of prices by nearly 60% led some countries in Sub-Saharan Africa and North Africa to see declines in GDP of up to 13% due in part to very limited buffers, such as sovereign wealth funds. A range of factors contribute to the countries' fiscal fragility, including their inability to finance public spending, and thus provide services, lack of certainty for their currency based on oil earnings, and instability in their and their regional sub-economies.

Transmission in Financial Markets: Oil shocks make their way through global financial markets. This trend is validated through the research by the Bank of International Settlements on oil shocks, which have indicated that the transmission of volatility from oil to equity and commodity markets is strong. Global oil-dependent banks, especially in major oil exporters like Russia, have suffered declines in asset quality as the cycles of oil dictate sovereign risk . The COVID-19 experience, in which Brent crude fell into negative values in April 2020, highlighted how vulnerable lenders with oil leveraged assets are.

Macroeconomic Modeling & Policy Implications: Dynamic GARCH-VAR and DSGE modeling suggest that oil shocks reduce consumption, investment, and growth, while inflation and interest rates typically increase as a direct result. In minor commodity-dependent economies, like Norway, fiscal structures, in the form of sovereign wealth funds, in part reduces mainland output domestic oil price shocks.

Policy instruments in mitigation

1. Strategic Petroleum Reserves (SPRs): SPRs (like those in the US, EU, China, and India) are designed to prevent the impact of temporary supply shocks on consumers. However, militarized and Jiang (2021) suggest that these reserves work when the right amount is pulled to make the end users whole again (size and timing). Importantly, these reserves must be consumed carefully to prevent price distortions to the market and ensure prices signal and allocate resources effectively.

2. Fiscal and Sovereign Wealth Fund Fiscal Policy: SWFs allow oil exporting nations to smooth out fiscal spending over price cycles. Their effectiveness and facilitation of fiscal spending throughout commodity shocks depends on good governance, good rules, and transparency (i.e. eliminates extreme boom and bust fiscal swings).

3. Hedging and Forward Contracts: Corporates and governments can use swaps and futures to lock commodity prices, reduce net exposure, and eliminate planning uncertainties. All governments can either mandate these practices be done within National plans or subsidize these activities in private sector planning to retain macroeconomic flexibility.

4. Regulatory and Macroprudential Actions: Central banks and financial regulators must monitor for oil-linked financial exposure. Tools such as stress tests, direct credit guidance, and liquidity instruments will be available to safeguard against financial contagion from energy-related volatility.

Policy instruments in mitigation

5. Energy Diversification and Demand Flexibility: Policymaking that supports renewable energy, electric vehicles, public and active transport, and improved energy efficiency enhances demand flexibility and reduces vulnerability from supply shocks in oil.

6. Tax and Subsidies Adjustments: Temporary cuts to fuel taxes when prices increase can benefit consumers and help limit inflation. While useful, these types of incentives should be calculated carefully, because we want to try to maintain incentive structures in place from tax reform.

Oil price volatility poses significant risks to global economic stability, affecting inflation, growth, fiscal balances, and financial systems across both importing and exporting nations. As delegates of ECOFIN, it is essential to assess not just the causes of this volatility, but the tools, like strategic reserves, hedging, fiscal buffers, and energy diversification, that can mitigate its impacts. Crafting a coordinated international response that balances short-term stabilization with long-term resilience will be key to ensuring that oil market fluctuations do not undermine global economic progress.

Background of agenda

Oil has been a cornerstone of the world economy since ages, powering industries, national revenues, transportation, and feedstock. Its centrality however, has exposed multiple economies to risks due to volatile price cycles. collapse in oil prices during 2014-2016, the 2020 COVID induced price crash (including the historic April 2020 negative WTI futures), and the 2022 price surge following the Russia-Ukraine conflict exemplify how oil shocks can trigger global inflation, destabilize commodity-dependent economies, widen fiscal and trade deficits, and unsettle currency and debt markets. The complex foreign affairs of oil like the OPEC+ coordination, sanctions, and even oil distribution further escalates its volatility.

Oil markets are often characterized by physical constraints, long investment lead times, and sometimes even cartel dynamics followed by uneven regulatory frameworks. Oil volatility starts from a fragile financial ecosystem, for example - speculative trading in futures markets, or uncoordinated SPR releases accompanied by inconsistent investment. The 2020 oil crash witnessed the futures hitting negative storage due to demand collapses and short storage capacities. The 2022 Brent crude spike breached the price to $130 per barrel, efforts to mitigate such volatility include the IEA's coordinated stock release mechanism, legally mandated 90-day reserves for OECD countries, and IMF's resource revenue management frameworks tailored for commodity-dependent states.

Background of agenda

However, key producers often operate outside these structures, and most developing economies lack fiscal buffers, leaving them vulnerable. Sovereign Wealth Funds like Norway's and Chile's offer partial insulation through fiscal rules, while ISDS mechanisms under treaties like the Energy Charter Treaty (ECT) allow investors to sue governments over sudden regulatory shifts, often constraining policy flexibility. WTO provisions (Articles V and XI) provide legal tools against transit restrictions and export bans, but enforcement remains politically sensitive. Yet, there is no globally binding regime to coordinate the cuts or manage speculation during spike prices leaving the oil market open to volatility.

Contemporary scenario

Economic Volatility:

Economic Volatility The 2014-2016 oil price crash from $110 to $30 a barrel crippled oil exporting economies like Venezuela and Nigeria which triggered fiscal crises and caused social unrest. Simultaneously, importers from India gained macro space for subsidies. The covid-19 pandemic in 2020, with WTI futures going negative in April. Demand destruction shocked the oil markets, halting CAPEX and breaking long term contracts.

The 2022 Ukraine invasion also triggered an oil shock, pushing Brent above $130 a barrel. Import dependent nations faced imported inflation, BOP deficits, and food-energy insecurity. In 2023-24, the price volatility persisted with OPEC+ cuts countering falling demand from China's slowed post-covid recovery.

Geopolitical Shocks:

Geopolitical Shocks OPEC+'s strategic alliance from 2016, especially the Russia-Saudi coordination reshaped oil diplomacy which blurred traditional West-east lines. The 2020-2023 cuts directly influenced global inflation. G7 sanctions and price cap on Russian oil post 2022 injured the global oil flow which also led to shadow fleets, alternative payment systems, and discounts to countries such as India or China. US-China tensions over minerals and energy investments post 2021 further destabilized energy governance with oil increasingly politicized in trade wars.

Contemporary scenario

Climate goals created a policy contradiction where fossil fuel dropped post 2015 paris agreement but its demand rebounded post covid leading to underinvestment driven price strikes especially in 2022-23. Chokepoints such as the Strait of Hormuz, Suez Canal, Red Sea (2024 Houthi attacks) show how regional instability quickly impacts global oil transit security.

Strategic Institutional Responses:

Strategic Institutional Responses IEA's collective response mechanism, via strategic reforms and demand restraint was activated multiple times mostly during 2022-23, but its effectiveness is under question with the current growing non-OECD demand. The energy charter treaty's ISDS provisions drew fire for enabling lawsuits against EU Green transition policies, several members such as France, Germany, Netherlands announced withdrawals which raised debate over modernisation.

The IMF scaled up commodity stabilization tools, flexible credit lines and SDR allocations were used to cushion oil shocks. OPEC+ voluntary coordination, via the 2016 declaration of cooperation influenced global oil prices even without legal binding, also facing criticism for cartel-like manipulation. Sovereign Wealth Funds and non-oil fiscal rules acted as shock absorbers for countries available to them, for developing countries lacking such buffers, there was none.

Contemporary scenario

Private sector hedging also increased post 2014 and again post 2022, yet speculative trading sped up short term volatility with physical prices decoupling from fundamentals. WTO/GATT Rules on transit and export restrictions were invoked during the Russia-Ukraine crisis and middle east tensions to help counter the embargo related disruptions.

UN Measures:

Since 2022, the UN has begun explicitly linking oil market volatility to global economic inequality, debt vulnerability, and inflationary pressures. The UN Global Crisis Response Group (GCRG) which was formed in the wake of the Ukraine war, highlights how volatile oil prices influence food and energy insecurity, particularly in import-dependent developing economies. It recommended temporary windfall taxes on fossil fuel corporations, reallocation of revenues to shield vulnerable households, and coordinated global efforts to stabilize commodity markets. The UN Secretary-General called out fossil fuel companies for profiteering off crises and urged governments to phase out subsidies, establish carbon pricing mechanisms, and ban fossil fuel advertisements, framing volatility as a deliberate outcome of oligopolistic market manipulation. The UN has also positioned oil market volatility as a key driver of macro-financial instability, especially in low-income countries burdened by rising debt service ratios and limited fiscal space to absorb energy shocks.

Contemporary scenario

At a systems level, the UN has mobilized its energy arms to pursue long-term structural responses. UN-Energy's Energy Compact Action Network, launched during the High-Level Dialogue on Energy, has secured over $600 billion in voluntary commitments, mostly toward renewable infrastructure in the Global South—to reduce reliance on oil. At COP29 in 2024, the UN explicitly tied oil-driven inflation to global recessionary risks and emphasized the need to de-risk energy transitions in fossil-reliant economies through blended finance and IMF coordination.

Critical Overview:

Oil market volatility has been less about supply-demand imbalances and more a function of strategic manipulation, financial opportunism, and institutional hypocrisy. The petrodollar is being undercut by states like China and Russia not for market efficiency, but to sidestep Western sanctions and weaponize oil trade geopolitically. ESG narratives, pushed by Western financial elites, have triggered artificial underinvestment in oil just as energy demand surges, crippling future supply and handing OPEC+ disproportionate leverage. Financial markets, driven by algorithmic trading and speculation, now dictate oil prices more than barrels on ships, turning energy into a casino detached from physical reality. BRICS and GCC states aren't building parallel systems out of vision, but out of distrust, hedging against Western financial coercion. Sovereign wealth funds are band-aids, extraction-dependent economies teetering on debt defaults.

Bloc positions

1) Western Industrialized Economies

This bloc includes the United States, United Kingdom, Canada, Germany, France, Italy, Japan, Australia, and South Korea. These nations are focused on ensuring stable oil markets to protect their inflation-sensitive economies and interconnected supply chains.

The United States balances its status as both a top producer and consumer by managing its Strategic Petroleum Reserve and engaging with global partners to stabilize supply routes. The European members invest in energy diversification and strategic stockpiling while promoting financial transparency and renewable transitions.

Japan and South Korea, being highly import-reliant, push for collective international responses to supply disruptions. This bloc favors coordinated action through the International Energy Agency and supports rules-based energy markets. Policies are also influenced by geopolitical concerns, including sanctions and diplomatic stances on major oil-exporting nations.

Their strategies combine short-term tools like stock releases with longer-term initiatives for energy independence and climate goals.

Bloc positions

2) European Union Member States

The European Union, representing 27 countries with a shared energy and trade policy, has been actively reshaping its energy security architecture.

In response to the volatility caused by the Ukraine conflict and sanctions on Russia, the EU has sought to eliminate dependency on Russian oil by securing alternative suppliers and enhancing internal energy infrastructure. Initiatives like REPowerEU aim to reduce fossil fuel consumption, diversify energy sources, and improve cross-border energy coordination.

The bloc promotes joint procurement of energy, increased transparency in energy trading, and mechanisms to cushion vulnerable economies within the union. While continuing to meet short-term energy needs, the EU ties its long-term oil volatility strategy to its broader climate commitments under the European Green Deal.

Strategic autonomy and internal policy coherence remain central to its approach, particularly regarding pricing regulation and green energy transition.

Bloc positions

3) Major Oil-Exporting Countries

This bloc includes Saudi Arabia, the United Arab Emirates, Iraq, Iran, Venezuela, Nigeria, Angola, and non-OPEC producers like Russia under the OPEC-Plus alliance.

Their economies rely heavily on oil revenue, making price and demand stability essential. These countries manage output through agreed quotas and production cuts, arguing that coordinated supply management prevents erratic price collapses.

While often criticized for manipulating global oil prices, they maintain that such coordination supports long-term investment and fiscal stability. Concerns have also been raised about underinvestment in production due to global decarbonization efforts, which they argue could lead to future volatility.

Several members are gradually investing in downstream diversification and low-carbon technologies, but they continue to defend oil's role in global economic development. This bloc seeks to maintain market influence while balancing geopolitical dynamics and pressure from large consumer nations.

Bloc positions

5) Low-Income and Highly Oil-Dependent Economies

This bloc includes nations across sub-Saharan Africa, South Asia, and Latin America, such as Bangladesh, Kenya, Zimbabwe, Honduras, and Nepal.

These states are highly vulnerable to oil price spikes due to limited financial buffers, high fuel import dependency, and economic fragility.

Volatility in oil markets can lead to inflation, trade imbalances, food insecurity, and mounting public debt. Many have experienced economic instability and civil unrest tied to fuel price surges.

These countries advocate for global price stabilization mechanisms, increased access to concessional financing, and support for building fuel reserves and refining capacity.

They call on international institutions to shield vulnerable populations through emergency assistance and development-focused transition funds. While largely supportive of clean energy pathways, they stress that energy affordability and accessibility must not be compromised in the process.

Bloc positions

6) Southeast Asian Energy Balancing Group

This bloc includes Indonesia, Malaysia, Thailand, the Philippines, and Vietnam. These nations are at varying stages of development, with some producing moderate oil volumes and others heavily reliant on imports.

Their key concern is balancing energy affordability with macroeconomic resilience. The bloc promotes regional collaboration through platforms like the ASEAN Centre for Energy and has initiated joint procurement talks and storage coordination to reduce volatility.

Indonesia and Malaysia leverage domestic production for budgetary stability, while Thailand and the Philippines deploy subsidy schemes and tax tools to ease pressure on households.

Across the board, ASEAN states are investing in energy diversification, refining capacity, and digital infrastructure for pricing transparency.

They also advocate for increased engagement between producer and consumer countries to reduce exposure to geopolitical tensions that impact oil markets.

Legal Frameworks and Instruments

1) Financial Action Task Force (FATF) – FATF Recommendations (esp. Rec 15, 16, 19)
https://www.fatf-gafi.org/en/publications/Fatf-recommendations/Fatf-recommendations.ht ml

2) Energy Charter Treaty (ECT) – Treaty Framework for Energy Cooperation
https://www.energychartertreaty.org/treaty-overview/

3) Investor-State Dispute Settlement (ISDS) – UNCTAD Overview
https://investmentpolicy.unctad.org/investor-state-dispute-settlement

4) International Energy Agency (IEA) – Oil Emergency Response & Stockholding Obligation
https://www.iea.org/topics/energy-security/oil-security

5) IMF Guide on Resource Revenue Management – Managing Resource Wealth
https://www.imf.org/en/Publications/TNM/Issues/2017/02/16/Fiscal-Regimes-for-Extractive
-Industries-Design-and-Implementation-42663

6) IMF Flexible Credit Line (FCL) – Crisis Liquidity Instrument
https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/54/Flexible-Credit-Line

7) OPEC+ Declaration of Cooperation – Production Adjustment Mechanism
https://www.opec.org/opec_web/en/press_room/3912.htm

8) Santiago Principles (SWFs) – International Forum of Sovereign Wealth Funds (IFSWF)
https://www.ifswf.org/santiago-principles-landing/santiago-principles

Legal Frameworks and Instruments

9) US Strategic Petroleum Reserve (SPR) – DOE Emergency Oil Reserves
https://www.energy.gov/fe/services/petroleum-reserves/strategic-petroleum-reserve

10) World Trade Organization (WTO) – General Agreement on Tariffs and Trade (GATT 1994)
https://www.wto.org/english/docs_e/legal_e/gatt47_01_e.htm

11) OECD Guidelines for Multinational Enterprises – Corporate Governance and Oil Sector
Ethics
https://www.oecd.org/corporate/mne/

12) Basel III Framework – Liquidity Regulation Under Oil Revenue Volatility
https://www.bis.org/basel_framework/

13) International Energy Forum (IEF) – Joint Organisations Data Initiative (JODI) – Global Oil Market Transparency
https://www.jodidata.org/

14) UN Convention Against Corruption (UNCAC) – Anti-Graft in Oil Revenue Use
https://www.unodc.org/unodc/en/corruption/uncac.html

15) Extractive Industries Transparency Initiative (EITI) – Oil Revenue Reporting Standards
https://eiti.org/

Questions A Resolution Must Answer

1. How will the resolution propose a realistic, quantifiable mechanism for developing economies to build or access Strategic Petroleum Reserves (SPRs) to buffer short-term oil shocks without triggering balance-of-payments crises?
2. What actionable frameworks will the resolution recommend to attribute price volatility to specific production shocks, geopolitical tensions, or speculative trading—enabling timely and targeted macroeconomic responses?
3. Can the resolution recommend measurable IMF-backed liquidity instruments or regional contingency mechanisms that oil-importing nations can access during high-volatility periods, especially those outside OECD/OPEC structures?
4. How will the resolution realistically incentivize or structure participation of non-OPEC producers in voluntary production coordination frameworks without infringing on sovereign control over resources?
5. What legal or institutional pathways will the resolution establish for dispute resolution and investor protection that don't deter energy transition policies—particularly reforming or replacing ISDS under the Energy Charter Treaty?
6. How will the resolution ensure macroeconomic stabilization mechanisms (e.g., counter-cyclical fiscal rules, SWFs) are both scalable and enforceable across differing institutional capacities of oil-dependent economies?
7. What are the key metrics and reporting structures the resolution will put forward to track the effectiveness of proposed interventions, such as oil price stabilization bands, trade flow guarantees, or reserve adequacy ratios?

Citations and Further Reading

1) Government Response to Oil Price Volatility, World Bank, 2009
https://documents1.worldbank.org/curated/en/508701468337152035/pdf/511160NWP0extr1Box342018B001PUBLIC1.pdf

2) Strategic Petroleum Reserves Overview and Mandate, 1975
https://www.energy.gov/fe/services/petroleum-reserves/strategic-petroleum-reserve

3) Managing V olatility in commodity-dependent economies, IMF Policy paper, 2022
https://www.imf.org/en/Publications/PolicyPapers/Issues/2022/06/08/Managing-Volatility-in-Commodity-Dependent-Economies-518654

4) World Trade Organization (WTO), GATT Provisions, 1995
https://www.wto.org/english/docs_e/legal_e/gatt47_01_e.htm

5) Declaration of Cooperation, 2016
https://www.opec.org/opec_web/en/press_room/3912.htm

6) IEA 90 Day Strategic Reserve Policy, 1974
https://www.iea.org/topics/oil-security

7) Flexible Credit Line (FCL), 2009
https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/20/40/Flexible-Credit-Line

Aim. Believe. Achieve.

#hfsmun2025

ECOFIN