

Committee: Economic and Social Council, ECOSOC

Issue: Developing integrated frameworks for equitable and sustainable management of natural resources in LEDCs

Student Officer: Tinotenda J Chimberengwa

Position: Chair

INTRODUCTION

- Least Economically Developed Countries, LEDCs, are often rich in natural resources such as minerals, fertile land, forests, and renewable energy potential. However, many LEDCs remain economically vulnerable due to overreliance on raw material exports, weak industrialization, limited technological infrastructure, and unsustainable extraction practices. This economic structure frequently leads to environmental degradation, income inequality, and long term dependency on foreign markets.
- Shifting economic practices in LEDCs involves reforming production models, trade systems, fiscal policies, and governance structures to ensure that national resources are used sustainably and equitably. By focusing on value addition, green technologies, responsible investment, and inclusive growth, LEDCs can strengthen resilience while contributing to global sustainable development goals.
- This issue is central to ECOSOC's mandate, as it connects economic growth, social equity, and environmental protection within the broader 2030 Agenda for Sustainable Development.

DEFINITION OF KEY TERMS

- Least Economically Developed Countries, LEDCs: Nations classified by the United Nations as having low income, weak human assets, and high economic vulnerability. These are formally recognized as Least Developed Countries, LDCs, by the UN.
- Sustainable Development: Development that meets present needs without compromising the ability of future generations to meet their own needs.
- Resource Curse: A situation in which countries with abundant natural resources experience slower economic growth and weaker development outcomes due to governance challenges, corruption, and overdependence on exports.
- Value Addition: The process of increasing the economic value of raw materials by processing, refining, or manufacturing them domestically before export.
- Green Economy: An economic model that aims to reduce environmental risks and ecological scarcities while promoting sustainable growth and social inclusion.

BACKGROUND ON THE ISSUE

- Historically, many LEDCs were integrated into the global economy through colonial extraction systems. These systems prioritized the export of raw materials such as gold, cocoa, oil, and timber, while discouraging domestic industrialization. After independence, many LEDCs continued to rely on commodity exports due to limited infrastructure and capital.
- During the late 20th century, structural adjustment programs promoted trade liberalization and reduced state intervention. While these policies increased integration into global markets, they often limited domestic industrial policy and social spending.
- Over time, unsustainable extraction practices intensified environmental degradation. Deforestation, soil erosion, water pollution, and carbon emissions have disproportionately affected LEDCs, despite their limited contribution to global emissions. According to the United Nations, LDCs account for less than 4 percent of global greenhouse gas emissions yet are among the most vulnerable to climate change impacts.
- The issue has escalated in recent years due to rising global demand for critical minerals used in renewable energy technologies. Countries rich in cobalt, lithium, and rare earth elements face both opportunity and risk. Without regulatory reform, extraction can reinforce inequality and environmental harm. With effective governance, these resources can finance sustainable development.
- This issue affects governments, local communities, multinational corporations, and international institutions. It is pressing because achieving Sustainable Development Goals, particularly Goals 1, 8, 12, and 13, depends on transforming how economies manage and benefit from national resources.

CURRENT CONTEXT

- In recent years, global discussions have emphasized climate finance, energy transitions, and sustainable supply chains. The demand for minerals critical to renewable energy technologies has increased sharply. The International Energy Agency reports that demand for minerals such as lithium and cobalt could increase several times by 2040 under net zero scenarios.
- Many LEDCs are revising mining codes and investment laws to increase local processing and revenue retention. Regional bodies in Africa have promoted strategies for mineral beneficiation and regional value chains.
- At the same time, debt distress has limited the fiscal space of many LEDCs. According to the World Bank, a significant number of low income countries are at high risk of debt distress, restricting their ability to invest in green infrastructure and social services.
- Climate related disasters, including droughts and floods, have further exposed the vulnerability of resource dependent economies. This has increased international attention on resilience, diversification, and sustainable resource governance.

MAJOR COUNTRIES AND ORGANIZATIONS INVOLVED

- United Nations Development Programme, UNDP: Supports LEDCs through capacity building, governance reforms, and sustainable development initiatives.
- World Bank Group: Provides financial and technical assistance for infrastructure, energy, and economic reform projects in LEDCs.
- African Union: Promotes frameworks such as the Africa Mining Vision to encourage value addition and transparent resource management among member states.
- Democratic Republic of the Congo: Holds significant global cobalt reserves and plays a central role in the renewable energy supply chain. The country faces governance and environmental challenges linked to mining.
- Bangladesh: Demonstrates economic diversification through manufacturing and textile exports, reducing reliance on primary commodities.
- Norway: Serves as an example of effective resource management through sovereign wealth fund models and transparent governance, though it is not an LEDC.

TIMELINE OF KEY EVENTS

22 July 1944 - Bretton Woods Conference:

Established the World Bank and International Monetary Fund, shaping post war economic systems and development financing.

1981 - First UN Conference on Least Developed Countries:

Highlighted structural vulnerabilities and called for international support measures.

1992 - United Nations Conference on Environment and Development, Rio Earth Summit:

Introduced Agenda 21 and reinforced the link between environment and development.

25 September 2015 - Adoption of the 2030 Agenda for Sustainable Development:

All UN Member States adopted 17 Sustainable Development Goals guiding sustainable economic transformation.

2019 - Growing Global Focus on Critical Minerals:

International agencies reported rising demand for minerals essential to renewable technologies.

2023 - UN SDG Summit Review:

Member States assessed progress toward the 2030 Agenda, noting setbacks in many LDCs due to debt and climate shocks.

RELEVANT UN RESOLUTIONS, TREATIES, AND EVENTS

The 2030 Agenda for Sustainable Development

<https://sdgs.un.org/2030agenda>

The Paris Agreement

<https://unfccc.int/process-and-meetings/the-paris-agreement>

Addis Ababa Action Agenda on Financing for Development

<https://sdgs.un.org/topics/financing-for-development>

UN Conference on Least Developed Countries, Doha Programme of Action 2022

<https://www.un.org/ldc5/>

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

- Many LEDCs have implemented national development plans focused on industrialization and diversification. Some countries introduced local content laws requiring foreign companies to employ local workers and process resources domestically.
- International organizations have provided concessional loans, grants, and technical assistance to improve governance and infrastructure. Initiatives promoting transparency, such as the Extractive Industries Transparency Initiative, have aimed to reduce corruption in resource sectors.
- Despite these efforts, challenges remain due to limited institutional capacity, political instability in some regions, and fluctuating global commodity prices.

POSSIBLE SOLUTIONS

1. Promote Value Addition and Industrial Diversification

Encourage LEDCs to invest in domestic processing facilities and regional value chains. Provide technical support and concessional financing for green industrialization.

2. Strengthen Governance and Transparency Mechanisms

Support anti corruption frameworks, transparent revenue management systems, and community participation in resource decisions. Expand international accountability

standards for multinational corporations.

3. Expand Climate Finance and Debt Relief Mechanisms

Increase access to climate adaptation funds and restructure unsustainable debt to create fiscal space for sustainable infrastructure investment. Align financing with national sustainable development strategies.

WORKS CITED

United Nations. "Transforming our world: the 2030 Agenda for Sustainable Development." United Nations, 2015, <https://sdgs.un.org/2030agenda>

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