



# AUS MODEL UNITED NATIONS

MMXXIV



**GENERAL ASSEMBLY 2**  
**GENERAL ASSEMBLY 2**  
**GENERAL ASSEMBLY 2**



AMERICAN UNIVERSITY OF SHARJAH  
MODEL UNITED NATIONS

---

---

**AUSMUN24**  
**GA2**  
**BACKGROUND GUIDE**

---



---

**Table of Contents**

<b>Table of Contents</b>	<b>2</b>
<b>Director’s Welcome Letter</b>	<b>3</b>
<b>Moderators’ Welcome Letter</b>	<b>4</b>
<b>Meet the Chairs</b>	<b>5</b>
History	6
Voting procedure	6
Why was it formed	7
Funding	7
<b>Topic 1: The Issue of the Ownership of Natural Resources in the Golan Heights</b>	<b>9</b>
Introduction	9
Historical Context	9
Natural Resources	9
Israeli Perspective	10
Syrian Perspective	10
International Law and UN Resolutions	10
Israeli Counter Arguments	10
International Response	11
Challenges and Implications	11
Key Terms	11
Discourse on the Issue	12
Past International Organization (IO) Actions & Latest Developments	13
Questions the Committee and Resolutions Should Address	14
Suggestions for Further Research	14
Timeline of Major Events	15
References	15
<b>Topic 2: Reducing the global effects of a possible decline in the US dollar's standing as the world's reserve currency in light of the new BRICS currency</b>	<b>17</b>
Summary & History	18
Key terms:	19
Discourse on the Issue	19
Past International Organization (IO) Actions & Latest Developments	19
Questions a Resolution Should Address	20
Suggestions for Further Research	21
Timeline of Major Events	21
References	22



## Director's Welcome Letter

Dear delegates,

I am honored to welcome you to AUSMUN 2024, where you will play an essential role in shaping global discourse about world issues. This year's conference is set to be a platform for innovation, collaboration, and meaningful dialogue. Here we will explore global issues, analyze the complexities of the same, and propose solutions that satisfy the varying perspectives of countries in the international community.

It is important to remember that you think critically, engage in constructive debate, and seek to achieve common ground with your fellow delegates. At AUSMUN, we encourage you to approach this experience with an open mind and a commitment to finding a solution. This conference is not only a simulation but also an opportunity for you to develop skills that benefit your academic, professional, and personal lives. It is a chance to form connections with individuals who share a similar passion for global issues and diplomacy. I encourage you to make the most of this unique experience and to challenge your limits by thinking beyond the ordinary. Together, we will all contribute to the legacy of excellence that AUSMUN is known for.

I look forward to meeting you all and witnessing the remarkable contributions each of you will make to our conference.

Welcome to AUSMUN 2024, and let us embark on this enriching journey together.

Warm regards,

Sarvagya Sharma Director of Research

AUSMUN 2024



AMERICAN UNIVERSITY OF SHARJAH  
MODEL UNITED NATIONS

---

---

### **Moderators' Welcome Letter**

Dear Delegates,

With great enthusiasm and privilege, we welcome you to the American University of Sharjah Model United Nations (AUSMUN) General Assembly 2. As your Moderators, we are thrilled to be part of this outstanding conference, and we look forward to the engaging debates, diplomatic negotiations, and innovative solutions that await us.

AUSMUN is not just a platform for discourse but an opportunity to foster understanding, collaboration, and global citizenship. Over the next few days, you will have the chance to tackle critical global issues and work toward resolutions that can impact our world positively. Your dedication and commitment to this endeavor are commendable, and we are confident that each of you will contribute to the success of this conference.

As Moderators, we are here to support and guide you through the sessions, ensuring that the principles of diplomacy, respect, and integrity are upheld. Our role is to facilitate productive discussions, maintain decorum, and provide a framework for your ideas to flourish.

Remember that the spirit of MUN lies in cooperation, empathy, and open-mindedness. We encourage you to engage with your fellow delegates, exchange ideas, and forge lasting connections.

We eagerly await the commencement of the AUSMUN General Assembly 2 and the opportunity to work alongside all of you in pursuit of a more harmonious and equitable world.

Best regards,  
Raghd Hamza and Baraa Taleb

### Meet the Chairs

#### RAGHED HAMZA



Hello delegates! My name is Raghed and it's a pleasure to be your chair for this year's AUSMUN! I am a senior industrial engineering student at AUS. Some of my hobbies include DJing, producing music, and hiking. It's my first time chairing a General Assembly and I'm really looking forward to meeting and learning from all of you!

#### BARAA TALEB



Greetings, esteemed delegates, and distinguished guests. My name is Baraa Taleb, I am a freshman student studying industrial engineering at AUS. It is my honor to introduce myself as the Chair for this AUSMUN conference. It is with great enthusiasm and dedication that I undertake the responsibility of guiding the success of this MUN conference.

### Overview of the Committee

## **History**

The history of the Second Committee of the United Nations General Assembly (GA2), also known as the "Economic and Financial Committee," is closely intertwined with the broader history of the United Nations. Established in 1945 as one of the UNGA's main committees, the Second Committee initially focused on post-World War II reconstruction and development, playing a pivotal role in shaping economic policies to rebuild nations and foster global economic stability. Over the years, its mandate evolved to encompass decolonization efforts, addressing global economic disparities, and negotiating sustainable development goals. Today, the committee continues to address a diverse array of economic and financial matters, including global financial stability, poverty reduction, and the role of technology in economic development. Its history reflects the changing economic challenges and development priorities facing the international community, making it a vital part of the United Nations' efforts to promote economic cooperation and sustainable development on a global scale.

The GA2 primarily deals with issues related to economic development, international trade, financial stability, and sustainable development. Throughout its sessions, the committee conducts discussions, negotiates resolutions, and makes recommendations to the UNGA on the aforementioned economic and financial issues. The committee's work often contributes to the development of global economic and development policies and the achievement of sustainable development goals.

Overall, the GA2 is a vital part of the United Nations system, working to address economic challenges and promote international cooperation to achieve economic stability, growth, and sustainable development on a global scale.

## **Voting procedure**

In the Second Committee of the United Nations General Assembly, the voting procedure adheres to established principles of one-country, one-vote, where each member state wields an equal voting right. When consensus cannot be reached, a formal vote is initiated, typically decided by a simple majority, with "yes" votes outnumbering "no" votes. The specific positions of member states are recorded, fostering transparency and accountability. For more contentious matters, special majorities or secret ballots may be employed to protect member states' independence and privacy. While voting remains a crucial mechanism for decision-making, the committee places a premium on consensus, and efforts are made to reach agreements without resorting to formal votes whenever possible.

### **Reason of formation**

The Second Committee of the United Nations General Assembly, formally known as the "Economic and Financial Committee," was formed to address a comprehensive array of economic and financial matters on the global stage. Its establishment, in the wake of World War II, aimed to promote international economic cooperation, facilitate post-war reconstruction and development, and contribute to the establishment and functioning of key international financial institutions, such as the International Monetary Fund and the World Bank. Over the years, its mandate evolved to encompass trade policies, economic development, and support for decolonization efforts. In recent times, the committee has been instrumental in discussions related to sustainable development, environmental sustainability, and the role of technology in advancing economic progress. The Second Committee's formation reflects the need for collective international action to tackle pressing economic challenges and foster economic stability and development worldwide.

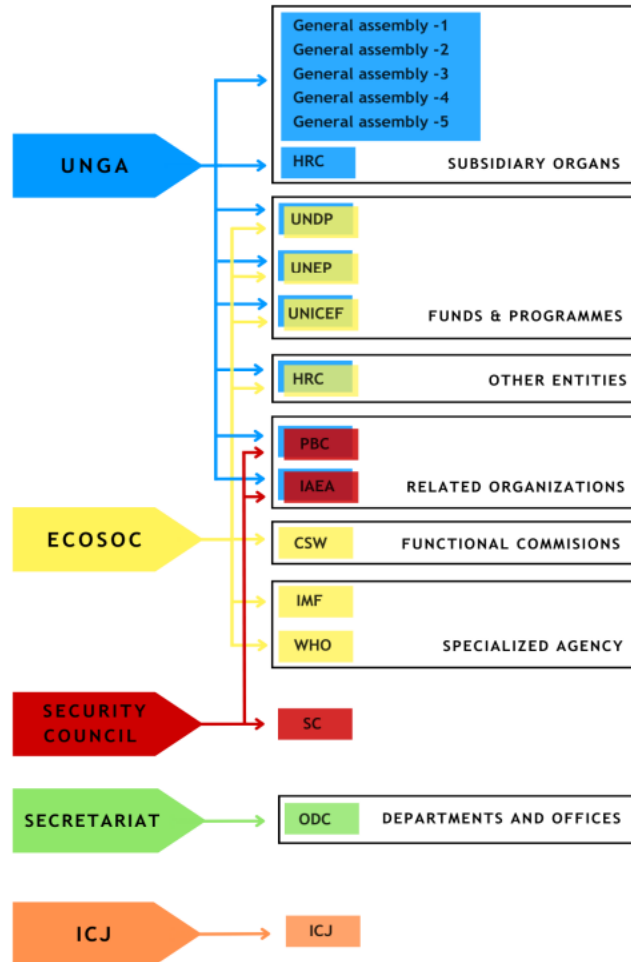
### **Funding**

The funding of the Second Committee of the United Nations General Assembly (UNGA) is covered through the general budget of the United Nations. The UNGA approves a regular budget each year to fund the operational and administrative costs of the United Nations, which includes the functioning of its various committees, including the Second Committee.

The general budget is funded by contributions from member states, and these contributions are assessed based on the relative wealth and gross national income (GNI) of each member state. The United Nations' Committee on Contributions determines the assessments for each member state, taking into account their ability to pay. These assessments are reviewed periodically, and the contributions are used to cover the costs of UNGA meetings, committee sessions, staff salaries, and other administrative expenses.

The funding structure of the United Nations ensures that member states collectively share the financial responsibility for the organization's activities, which include the functioning of committees like the Second Committee. The specific budget allocated to the Second Committee would be part of the broader UNGA budget and is used to support its meetings, activities, and initiatives.





## **Topic 1: The Issue of the Ownership of Natural Resources in the Golan Heights**

### **Summary and History**

The Golan Heights, a region situated in the Middle East, has been a subject of contentious debate for decades due to its strategic significance and the rich natural resources it possesses. This 800-word summary will serve as a background guide to you, the delegates of AUSMUN General Assembly 2, shedding light on the question of the ownership of natural resources in the Golan Heights. This contentious issue primarily involves Israel and Syria, with broader implications for regional stability and international relations (*Situation in the Occupied Arab Territories/Golan Heights Annexation - GA Emergency Session - Verbatim Record - Question of Palestine*, 2021).

### **Historical Context**

The Golan Heights are a region located in southwest Syria, covering an area of approximately 1,800 square kilometers. It has been a major point of contention since the Six-Day War in 1967 when Israel captured the Golan Heights from Syria. Subsequently, the two countries engaged in peace negotiations, but a formal agreement was never reached, and the region has remained under Israeli control (Rob Geist Pinfold, 2023).

### **Natural Resources**

The Golan Heights boasts a variety of natural resources that have been at the center of the debate. Most notably, the region is rich in freshwater resources, with the Jordan River and its tributaries originating in the Golan. The area's fertile soil makes it suitable for agriculture, and it has become known for producing high-quality wine. Additionally, the Golan Heights is believed to have significant deposits of oil and natural gas. These resources make the region strategically and economically important (Kastrinou et al., 2020).

### **Israeli Perspective**

Israel argues that the Golan Heights is a vital strategic asset for its national security. They assert that their control of the region serves as a buffer against potential threats from Syria (Gregory Charles. Bilton, 1999). Israel also claims that the Golan Heights has been administered effectively, allowing the region to develop its full economic potential and, in their view, benefiting the local population. Moreover, Israel argues that it cannot afford to give up the Golan Heights due to the geopolitical instability in the region and the ongoing civil war in Syria.

### **Syrian Perspective**

Syria, on the other hand, maintains that the Golan Heights is an integral part of its territory. They argue that the acquisition of the Golan Heights by Israel in 1967 was illegal and a violation of international law. From Syria's viewpoint, the Golan Heights represents a symbol of national pride and sovereignty. They also claim that the region's resources belong to Syria and its people, and they should have full control and access to them (Gregory Charles. Bilton, 1999).

### **International Law and UN Resolutions**

The United Nations has played a significant role in addressing the Golan Heights issue. United Nations Security Council Resolution 242, adopted in 1967, called for Israel to withdraw from the territories it occupied during the Six-Day War, including the Golan Heights. Additionally, Resolution 338, adopted in 1973, reaffirmed the demand for a ceasefire and negotiations to achieve a peaceful resolution of the conflict

United Nations Security Council Resolution 497, adopted in 1981, declared that Israel's annexation of the Golan Heights was null and void and without international legal effect. This resolution further underscores the international community's stance on the Golan Heights.

### **Israeli Counter-arguments**

Israel, however, counters that it cannot fully withdraw from the Golan Heights, given the instability in Syria. They argue that the Syrian civil war and the presence of various armed groups make it impractical to return the region to Syrian control. Israel also points out that the situation on the ground has changed since the adoption of these resolutions, and the strategic landscape has shifted (Security, 1981).

### **International Response**

The international community remains divided on the issue of the Golan Heights. While some nations, including the United States, have recognized Israel's sovereignty over the region, many others, including the United Nations, continue to consider it occupied Syrian territory. This division reflects the broader complexities of the Israeli-Arab conflict and the strategic alliances and interests in the region (Security, 1981).

### **Challenges and Implications**

The question of the ownership of natural resources in the Golan Heights has far-reaching implications. It continues to be a major obstacle to achieving a lasting peace in the region. The situation heightens tensions between Israel and Syria and contributes to instability in the Middle East. It also complicates efforts to address the wider Israeli-Palestinian conflict, as well as broader regional issues, such as the role of Iran and other regional powers.

### **Key Terms**

- Golan Heights: Disputed region between Israel and Syria, rich in natural resources, including water, minerals, and energy reserves.
- Annexation: Israel's 1981 formal incorporation of the Golan Heights, not recognized internationally.
- Sovereignty: Legal control and authority claimed by a country over a territory, central to resource ownership disputes.
-

- UNDOF: United Nations Disengagement Observer Force, monitoring the Golan Heights ceasefire and security arrangements.
- Genie Energy: American company granted an oil and gas exploration license in the Golan Heights, sparking controversy.
- Water Resources: Critical issue in the Golan Heights, impacting agriculture and regional stability.
- Energy Exploration: Ongoing efforts to search for and extract oil and natural gas reserves, impacting geopolitics.
- International Recognition: Question of whether the Golan Heights should be recognized as part of Israel or remain Syrian territory.
- Territorial Dispute: Ongoing conflict between Israel and Syria over the Golan Heights' political and geographic status.
- Resource Management: Balancing resource extraction and conservation while addressing political and security concerns in the Golan Heights.

### **Discourse on the Issue**

The issue of the Golan Heights holds significant geopolitical, legal, and socio-economic implications. The ongoing Israeli control of the Golan Heights violates the United Nations Charter, specifically its provisions on respecting the territorial integrity and sovereignty of member states. This violation undermines the principles of international law and has long-lasting implications. From a global perspective, the situation in the Golan Heights has had both positive and negative impacts.

On the positive side, it has provided Israel with access to essential water resources, contributing to agricultural productivity and economic growth. It has also offered strategic advantages, strengthening its security position. However, the annexation violates international law, and the unresolved status of the Golan Heights contributes to regional instability, hampers peace efforts in the Middle East, and poses potential security risks. The Syrian population in the region faces socio-economic challenges due to the continued conflict and displacement (Agha, 2018).

The stakeholders most affected are the states directly involved, Israel and Syria, with the former benefiting strategically and economically while the latter experiences territorial loss and political turmoil. In terms of least affected stakeholders, the international community has struggled to reach a consensus on addressing the issue effectively, resulting in limited impact. Nevertheless, the Golan Heights issue remains a focal point of tension in the region, highlighting

the need for a peaceful resolution in line with international law. (UN Charter, Article 2(4); UNSC Resolution 242, 1967)

### **Past International Organization (IO) Actions & Latest Developments**

The issue of the Golan Heights has garnered attention from various international organizations (IOs), but the United Nations (UN) has played a central role in addressing and attempting to resolve this complex matter. The UN has consistently addressed the issue, and its most significant response came in the form of UN Security Council Resolution 242, adopted in 1967, which called for Israel's withdrawal from the territories captured during the Six-Day War, including the Golan Heights. However, despite these resolutions and diplomatic efforts, their effectiveness has been constrained. Israel's continued control of the Golan Heights and its annexation are not recognized by the international community, underscoring the limitations of UN initiatives in influencing the situation due to geopolitical complexities and the broader Israeli-Palestinian conflict (*Strategic Analysis: The Golan Heights*, 2023).

The Golan Heights issue remains an active concern on the UN's agenda, with discussions and negotiations ongoing. The UN consistently reaffirms the importance of international law and the return of the Golan Heights to Syrian sovereignty. Concurrently, the Arab League has supported Syria in its quest to regain control of the Golan Heights, expressing solidarity on the matter (Noura Alkhalili et al., 2023).

Major countries significantly involved in the Golan Heights issue include Israel, which maintains control of the region, and Syria, which seeks the return of its territory. The United States plays a critical role due to its strong support for Israel's position, often using its veto power in the UN Security Council to prevent resolutions critical of Israel's stance. Russia has also been involved as a mediator and facilitator of discussions surrounding the Golan Heights (Noura Alkhalili et al., 2023).

The Golan Heights remains a contentious issue, with both Israel and Syria asserting their claims to the region and its valuable natural resources. The international community, divided on the matter, has called for Israel to withdraw from the Golan Heights, citing international law and a series of UN resolutions. However, Israel argues that it cannot do so, given the current regional dynamics and its national security concerns.

### Questions the Committee and Resolutions Should Address

- What are the historical and legal claims to ownership of natural resources in the Golan Heights by the parties involved, including Israel and Syria?
- How have the ownership and exploitation of natural resources in the Golan Heights impacted the environment and the local population, and what are the potential long-term consequences?
- What international agreements and conventions pertain to the use and ownership of natural resources in disputed territories, and how do they apply to the Golan Heights situation?
- What steps can be taken to promote transparency and cooperation among the parties involved in managing and sharing the natural resources in the Golan Heights?
- What measures can be implemented to ensure the equitable distribution and sustainable management of natural resources in the Golan Heights, balancing the interests of the relevant parties and considering regional stability?

### Suggestions for Further Research

Dear delegates, in addition to your own research, please use the below links for more research opportunities:

1. <https://digitallibrary.un.org/record/26751?ln=en>
2. [https://www.researchgate.net/publication/35190251\\_Peacekeeping\\_on\\_the\\_Golan\\_Heights\\_in\\_the\\_event\\_of\\_an\\_Israeli-Syrian\\_peace\\_accord\\_electronic\\_resource?\\_sg=gVwzAZ91dzL4\\_Isgxh3kA\\_bWMKHGZeXChcg1PUqyhGguhty2V2f7xIaUHnhgtO-UDNO\\_RCr5b70Htk&\\_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6Ii9kaXJlY3QiLCJwYWdlIjojX2RpcmVjdCJ9fQ](https://www.researchgate.net/publication/35190251_Peacekeeping_on_the_Golan_Heights_in_the_event_of_an_Israeli-Syrian_peace_accord_electronic_resource?_sg=gVwzAZ91dzL4_Isgxh3kA_bWMKHGZeXChcg1PUqyhGguhty2V2f7xIaUHnhgtO-UDNO_RCr5b70Htk&_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6Ii9kaXJlY3QiLCJwYWdlIjojX2RpcmVjdCJ9fQ)
3. <https://golan-marsad.org/natural-resource-exploitation/#:~:text=To%20date%2C%20Israel%20has%20expropriated,wind%2C%20oil%20and%20water%20resources.>
4. <https://www.reuters.com/article/us-usa-israel-golanheights-explainer-idUSKCN1R22IR>
5. <https://www.un.org/unispal/document/auto-insert-184741/>

### Timeline of Major Events

- 1967: Israel captures the Golan Heights from Syria during the Six-Day War.
- 1973: During the Yom Kippur War, Syrian forces make a limited advance into the Golan Heights before being pushed back by Israeli forces.
- 1974: Israel and Syria agree to a ceasefire, leading to the establishment of the United Nations Disengagement Observer Force (UNDOF) to monitor the area.
- 1981: Israel officially annexes the Golan Heights, a move not recognized by the international community.
- 2000s: Significant exploration and drilling for oil and natural gas resources begin in the Golan Heights, with several foreign energy companies involved.
- 2013: Israel grants a license to an American company, Genie Energy, to explore for oil and gas in the Golan Heights.
- 2019: The United States recognizes Israel's sovereignty over the Golan Heights, further escalating tensions with Syria.
- Ongoing: Disputes over the ownership of the Golan Heights continue between Israel and Syria, particularly concerning the control and exploitation of natural resources, including water, minerals, and energy reserves.

### References

*Situation in the Occupied Arab Territories/Golan Heights annexation - GA emergency*

*session - Verbatim record - Question of Palestine.* (2021, October 20). Question of Palestine.

<https://www.un.org/unispal/document/auto-insert-182862/#:~:text=The%20Golan%20Heights%20is%20a,acquisition%20of%20territory%20by%20force.>

Rob Geist Pinfeld. (2023, June 21). *Occupation without Exit #2: The Golan Heights.*

ResearchGate; unknown.

[https://www.researchgate.net/publication/370179912\\_Occupation\\_without\\_Exit\\_2\\_The\\_Golan\\_Heights](https://www.researchgate.net/publication/370179912_Occupation_without_Exit_2_The_Golan_Heights)



Kastrinou, M., Salman Fakher El-Deen, & Emery, S. (2020, April 8). *The stateless*

*(ad)vantage? Resistance, land and rootedness in the Israeli-occupied Syrian Golan Heights*. ResearchGate; Taylor & Francis.

[https://www.researchgate.net/publication/340517963\\_The\\_stateless\\_advantage\\_Resistance\\_land\\_and\\_rootedness\\_in\\_the\\_Israeli-occupied\\_Syrian\\_Golan\\_Heights?\\_sg=rYEAHknh6ya5rSH-Dl7S-ZHuox4yY7fiN\\_r\\_Yt0gSPQ1FISZIUK9G0DenDjuMDLzZvpT1vmL6xwT7X4&\\_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6Ii9kaXJlY3QiLCJwYWdlIjoieX2RpcmVjdCJ9fQ](https://www.researchgate.net/publication/340517963_The_stateless_advantage_Resistance_land_and_rootedness_in_the_Israeli-occupied_Syrian_Golan_Heights?_sg=rYEAHknh6ya5rSH-Dl7S-ZHuox4yY7fiN_r_Yt0gSPQ1FISZIUK9G0DenDjuMDLzZvpT1vmL6xwT7X4&_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6Ii9kaXJlY3QiLCJwYWdlIjoieX2RpcmVjdCJ9fQ)

Gregory Charles. Bilton. (1999, June 4). *Peacekeeping on the Golan Heights in the event of an Israeli-Syrian peace accord*. [electronic resource]. ResearchGate; unknown.

[https://www.researchgate.net/publication/35190251\\_Peacekeeping\\_on\\_the\\_Golan\\_Heights\\_in\\_the\\_event\\_of\\_an\\_Israeli-Syrian\\_peace\\_accord\\_electronic\\_resource](https://www.researchgate.net/publication/35190251_Peacekeeping_on_the_Golan_Heights_in_the_event_of_an_Israeli-Syrian_peace_accord_electronic_resource)

Security, UN. (1981, December 17). *Resolution 497 (1981) /: adopted by the Security Council at its 2319th meeting, on 17 December 1981*. United Nations Digital Library System; UN,. <https://digitallibrary.un.org/record/26751?ln=en>

*Permanent sovereignty over natural resources in the OPT and Golan/ESCWA report - GA Second Cttee debate - Summary record - Question of Palestine*. (2019). Question of Palestine. <https://www.un.org/unispal/document/auto-insert-184741/>

Agha, Z. (2018, November). *What's Driving Israeli Claims to the Golan Heights?* Foreign Affairs.

<https://www.foreignaffairs.com/articles/israel/2018-11-01/whats-driving-israeli-claims-golan-heights>



AMERICAN UNIVERSITY OF SHARJAH  
MODEL UNITED NATIONS

---

---

*Strategic Analysis: The Golan Heights.* (2023). Columbia.edu.

[https://ciaotest.cc.columbia.edu/olj/sa/sa\\_99kup02.html](https://ciaotest.cc.columbia.edu/olj/sa/sa_99kup02.html)

Noura Alkhalili, Dajani, M., & Mahmoud, Y. (2023). The enduring coloniality of ecological modernization: Wind energy development in occupied Western Sahara and the occupied Syrian Golan Heights. *Political Geography*, 103, 102871–102871.

<https://doi.org/10.1016/j.polgeo.2023.102871>

## **Topic 2: Reducing the global effects of a possible decline in the US dollar's standing as the world's reserve currency in light of the new BRICS currency**

### **Summary & History**

The US dollar's system roots back to the International Monetary System. Dating back to 1944, the Bretton Woods Agreement had resulted in the US dollar being the international reserve currency. Henry Dexter White advocated for the US Dollar to be the reserve currency in the Bretton Woods meetings. This is against John Maynard Keynes, who pioneered the Bretton Woods institutions and system, as he proposed a supranational currency. During that period of time, the United States held the largest amount of gold reserves, which contributed significantly to the post-World War II economic recovery. With its simplistic nature in being converted back and forth with gold, the US dollar was strengthened and eventually became the backbone of the International Financial System. However, President Richard Nixon ended this system, when he abandoned the gold standard in 1971. This gave rise to our modern-day Fiat currencies. From that day on, the US dollar held its ground as the World's reserve currency (Sullivan, 2023).

Nonetheless, the US dollar had recently started to lose its strength and weight as the primary reserve currency due to a multitude of reasons. First, with the emergence of several economic markets that are experiencing exponential economic growth, a global shift in the economic hegemony is being experienced. With these countries, such as China, slowly gaining more and more control over international financial matters, the US dollar is slowly losing its dominance too. Second, countries have started to realize that they should start relying less on the US dollar, as they are concerned with the large dependence on the US that comes along with it (Bezek & Divine, 2023). For that reason, they are diversifying their foreign exchange reserves to reduce their vulnerability to the US economy. Lastly, with the recent emergence of plans dedicated to creating a new currency promoted by Brazil, Russia, India, China, and South Africa (BRICS) (Brazil, Russia, India, China, and South Africa), there has been growing concern about the decline of the US dollar's status as the primary reserve currency (*De-Dollarization: The End of Dollar Dominance?* | J.P. Morgan, 2023). This issue has sparked numerous discussions and debates worldwide, as this could potentially result in a major economic transition that the world is not yet ready to cope with. With the BRICS countries aiming to establish an alternative currency to the dollar, careful and assertive measures should be taken by the UN to terminate as many economic disruptions as possible.

**Key terms:**

- **Reserved currency:** a strong currency widely used in international trade that a central bank is prepared to hold as part of its foreign exchange reserves - the US dollar is the most prominent reserve currency globally
- **BRICS:** is an acronym that represents a group of countries - Brazil, Russia, India, China, and South Africa- that formed an informal alliance. This group was created by Goldman Sachs under the belief that these economics will dominate global growth.
- **Fiat currency:** a national currency that is not pegged to the price of a commodity such as gold or silver. Its value is based on the trust and confidence of the people who use it, as well as government regulations.
- **Bretton Woods Agreement:** Established in 1944, this agreement is a post-World War II monetary system, where currencies were pegged to the US dollar-which was easily interchangeable with gold. This agreement promoted exchange rate stability and economic cooperation among nations.

**Discourse on the Issue**

The potential collapse of the US dollar's status as the main reserve currency has broad consequences. This impact extends to the economic, geopolitical, and financial spheres, as well as a variety of stakeholders—from big economies to individuals and smaller countries in the international community—are affected. To reduce any negative effects and encourage stability in the global financial system, managing this shift is essential (*The Dollar: The World's Reserve Currency*, 2023).

It is crucial that any future adjustments to the global monetary system be handled in conformity with international law, standards, and principles. If a new reserve currency were to be adopted, it should be done so in a cooperative, open manner that does not undermine the world economy or destabilize international relations. To achieve a smooth and orderly transition, such a change would involve international diplomacy, agreements, and adherence to accepted economic governance principles (Born et al., 2023).

**Past International Organization (IO) Actions & Latest Developments**

Several international organizations, including the International Monetary Fund (IMF) and the Bank for International Settlements (BIS), have been actively monitoring and discussing the potential impacts of changes in the U.S. dollar's status as the world's reserve currency. These

discussions include the emergence of alternative reserve currencies and the role of the BRICS countries (Brazil, Russia, India, China, and South Africa) in this context (Savage, 2023). The IMF, in particular, regularly assesses the international monetary system and the composition of foreign exchange reserves held by central banks around the world. The BIS also provides a forum for central banks to exchange information and discuss issues related to monetary stability and international financial systems.

The United Nations (UN) has not specifically addressed the issue of reducing the global effects of a possible decline in the U.S. dollar's standing as the world's reserve currency in response to the emergence of new currencies like those proposed by the BRICS countries

The issue of the global effects of a possible decline in the U.S. dollar's standing as the world's reserve currency and the emergence of alternative reserve currencies is a complex and multifaceted matter (ING, 2023). Several major countries and economic blocs play significant roles in addressing this issue. These countries are either part of discussions or are actively involved in shaping the future of the global monetary system. These countries mainly include the United States and the BRICS countries. The US are actively trying to maintain their dollar's status as the world's primary reserve currency, due to the fact that it bolsters the country's global influence, affording the U.S. significant diplomatic and geopolitical leverage and a pivotal role in international financial institutions (ISSAfrica.org, 2023). The U.S. dollar's position as the world's primary reserve currency contributes to currency stability and is perceived as a safe-haven currency, attracting foreign investment. The BRICS countries, however, have explored the possibility of establishing their own currency mechanisms and decreasing their dependence on the U.S. dollar for several compelling reasons.

Within its framework, the GA2 committee can address the global implications of a potential decline in the U.S. dollar's status as the world's primary reserve currency and the emergence of alternative reserve currencies. It can promote international economic cooperation, facilitate policy coordination, and examine how changes in reserve currency preferences might affect economic stability and development worldwide.

### **Questions a Resolution Should Address**

1. What actions or measures should be taken?
2. What is the overall significance and relevance of the resolution?
3. Are there any potential challenges or risks to be addressed?
4. How will the resolution be funded or resourced?
5. What is the timeline for implementation?

### Suggestions for Further Research

- <https://www.cambridge.org/core/elements/can-brics-dedollarize-the-global-financial-system/0AEF98D2F232072409E9556620AE09B0>
- <https://money.usnews.com/investing/articles/de-dollarization-what-happens-if-the-dollar-loses-reserve-status>
- <https://www.orfonline.org/expert-speak/brics-reserve-currency/>

### Timeline of Major Events

- 2009: BRIC leaders express concerns about the overreliance on the US dollar as the world's reserve currency.
- 2010: South Africa joins BRIC, forming BRICS, with a shared interest in reducing the US dollar's dominance.
- 2013: BRICS leaders discuss creating the New Development Bank (NDB) to reduce dependence on Western financial institutions.
- 2014: The NDB officially launches in Shanghai, a significant step in BRICS cooperation.
- 2015: BRICS countries establish the Contingent Reserve Arrangement (CRA) to provide financial assistance in times of crisis.
- 2018: China launches the Petro-Yuan, challenging the US dollar's dominance in global energy markets.
- Ongoing: BRICS nations continue efforts to diversify foreign exchange reserves and promote their own currencies in trade.
- 2022: The issue of the US dollar's reserve currency status remains a topic of global economic debate.

### References

Sullivan, J. (2023, April 24). *BRICS Currency Could End Dollar Dominance*. Foreign Policy; Foreign Policy.

<https://foreignpolicy.com/2023/04/24/brics-currency-end-dollar-dominance-united-states-russia-china/>

Bezek, I., & Divine, J. (2023). *De-dollarization: What Happens if the Dollar Loses*

*Reserve Status?* US News & World Report; U.S. News & World Report.

<https://money.usnews.com/investing/articles/de-dollarization-what-happens-if-the-dollar-loses-reserve-status>

*De-dollarization: The end of dollar dominance?* | J.P. Morgan. (2023). Jpmorgan.com.

<https://www.jpmorgan.com/insights/global-research/currencies/de-dollarization>

*The Dollar: The World's Reserve Currency.* (2023). Council on Foreign Relations.

<https://www.cfr.org/backgrounder/dollar-worlds-reserve-currency>

Born, D., Kryz, C., Born, D., & Kryz, C. (2023). *What if – the US dollar loses its status as the world's reserve currency?* Roland Berger; Roland Berger GmbH.

<https://www.rolandberger.com/en/Insights/Publications/What-if-the-US-dollar-loses-its-status-as-the-world-s-reserve-currency.html>

Savage, R. (2023, August 24). *What is a BRICS currency and is the U.S. dollar in trouble?*

Reuters.

<https://www.reuters.com/markets/currencies/what-is-brics-currency-could-one-be-adopted-2023-08-23/>

ING. (2023, August 23). *BRICS expansion and what it means for the US dollar.* ING.com.

<https://www.ing.com/Newsroom/News/BRICS-expansion-and-what-it-means-for-the-US-dollar.htm>

ISSAfrica.org. (2023, August 25). *BRICS+ and the future of the US dollar - ISS Africa.*

ISS Africa. <https://issafrika.org/iss-today/brics-and-the-future-of-the-us-dollar>



# AUS MODEL UNITED NATIONS

MMXXIV  
MMXXIV  
MMXXIV

