



**MENOR
MUN**



HANDBOOK OF ECOSOC

MENORMUN 2025



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Letter from the Presidency

Dear delegates,

As President and Co-President of The Economic and Social Council of the United Nations, it is an honor to address you and extend a warm welcome to this Model United Nations MENORMUN 2025.

We are delighted to have the opportunity to share with you this space for learning and dialogue, where you will have the opportunity to explore and debate crucial issues. Throughout this major event, you will be able to develop your diplomatic skills and increase your knowledge of how to address global conflicts. You will have the opportunity to represent diverse delegations with different perspectives and interests. The diversity that exists in the different countries of this council will lead to constructive dialogue for solutions to problems affecting the international community.

As chairs, we motivate you to thoroughly research and prepare for the upcoming debate sessions. We also encourage you to take on an active and responsible role as delegates, thoroughly and rigorously analyzing the issues presented and providing creative and coherent solutions. Remember that respecting the different ideologies that will be discussed in the upcoming debate sessions is part of your comprehensive training as delegates and an important aspect of the diplomacy you must practice in this Model United Nations.

Please note that the success of this committee depends on the active participation of each delegation. We trust that your effort and dedication in preparing for these days of debate will be fruitful. We actively wish all delegations a successful conference that will enrich their knowledge.

Sincerely,

Valeria Guzmán
Chair

Santiago Itturalde
Co-Chair



Committee Introduction

The United Nations Economic and Social Council (ECOSOC) is one of the six principal organs of the United Nations, responsible for promoting international economic, social, and environmental cooperation and development. It serves as the central platform for fostering debate, policy dialogue, and innovative thinking to coordinate global efforts toward achieving internationally agreed goals, including the Sustainable Development Goals (SDGs).

ECOSOC was established in 1945 under the Charter of the United Nations. For over seventy-five years, ECOSOC has been at the core of the UN's development system, shaping the international cooperation framework in economics, health, education, human rights, and social progress. Its founding mandate is to promote "higher standards of living, full employment, and conditions of economic and social progress and development," (United Nations, 1948) as stated in the UN Charter.

ECOSOC plays a vital role in implementing and monitoring global commitments such as the 2030 Agenda for Sustainable Development. It provides guidance and recommendations to the General Assembly, oversees the activities of specialized agencies (like the IMF, World Bank, WHO, and UNESCO), and facilitates dialogue among governments, international organizations, and civil society. ECOSOC also follows up on major UN conferences and summits, serving as a forum for global discussion and collective decision-making. Through its annual sessions and high-level forums, it enables countries to exchange best practices, align national policies with UN priorities, and assess progress toward the SDGs.

ECOSOC is mandated by the UN Charter to promote international cooperation on economic, social, and humanitarian issues. It conducts studies, prepares reports, and makes recommendations to the General Assembly, Member States, and UN agencies. The Council coordinates the activities of specialized and regional bodies, facilitates dialogue between governments, international organizations, and civil society, and promotes universal respect for human rights. It meets annually in New York or Geneva, bringing together global leaders to discuss key social and economic priorities and advance the Sustainable Development Goals.

In synthesis, ECOSOC is key for international cooperation in the economic, social, and environmental aspects of sustainable development. By coordinating the work of the UN's specialized agencies and fostering dialogue among governments and institutions, the Council ensures that global policies remain inclusive, transparent, and aligned with the Sustainable Development Goals. As the world faces emerging challenges—ranging from digital transformation to financial instability—ECOSOC continues to play a vital role in promoting multilateral solutions, reinforcing accountability, and advancing equitable progress for all nations.



Topic A: Global regulation of cryptocurrencies: economic opportunities, tax evasion, and risks to financial stability in developing countries.

The rise of cryptocurrencies over the past decade has reshaped the global financial landscape. Digital currencies such as Bitcoin, Ethereum, and stablecoins are now widely used not only for investment but also for payments, remittances, and cross-border transactions. According to the International Monetary Fund (IMF), global crypto assets reached a market capitalization of nearly 3 trillion USD in 2021, before experiencing high volatility in subsequent years. This growth has raised critical questions about regulation, security, and the impact on traditional financial institutions.

For developing countries, cryptocurrencies present a dual reality. On the one hand, they can foster financial inclusion by reaching populations excluded from the formal banking system, lowering the cost of remittances, and facilitating access to digital markets. On the other hand, weak regulatory frameworks make these economies vulnerable to illicit flows, tax avoidance, and speculative bubbles. This paradox underscores the urgency of international dialogue under the auspices of ECOSOC to design mechanisms that maximize opportunities while safeguarding stability and sovereignty.

The concept of cryptocurrency began with the launch of Bitcoin in 2009, introducing the idea of decentralized digital currency based on blockchain technology. During the early years, cryptocurrencies were mainly used by small online communities. However, by the mid-2010s, digital assets such as Ethereum and Ripple gained global attention, attracting investors, governments, and technology firms. As adoption increased, so did concerns about their use in illicit activities, including money laundering, terrorism financing, and cybercrime. Governments responded differently: some countries encouraged innovation and created legal frameworks, while others, like China, imposed outright bans due to risks to financial stability and energy consumption. In 2021, El Salvador became the first country to adopt Bitcoin as legal tender, aiming to improve financial inclusion and attract foreign investment. Meanwhile, international institutions such as the International Monetary Fund (IMF) and the Financial Action Task Force (FATF) urged stronger regulation. By 2025, many central banks are testing Central Bank Digital Currencies (CBDCs), signaling a shift toward coexistence between public and private digital money.



Topic A: Global regulation of cryptocurrencies: economic opportunities, tax evasion, and risks to financial stability in developing countries.

Guiding Questions

1. How can ECOSOC encourage the creation of a global framework for cryptocurrency regulation?
2. What mechanisms can ensure that developing countries benefit from cryptocurrencies while limiting economic risks?
3. How can the IMF, World Bank, and FATF collaborate to improve oversight and transparency?
4. Should Central Bank Digital Currencies (CBDCs) be discussed alongside private cryptocurrencies within ECOSOC?

Sample Operative Clauses

1. **Recommends** the creation of an ECOSOC Working Group on Digital Currencies to propose global guidelines for regulation and cooperation.
2. **Encourages** Member States to adopt FATF standards on anti-money laundering and counter-terrorist financing in digital asset markets.
3. **Requests** the IMF and World Bank to offer technical assistance to developing countries in designing national crypto policies.
4. **Calls upon** Member States to develop harmonized taxation systems for cryptocurrency transactions.



Topic A: Global regulation of cryptocurrencies: economic opportunities, tax evasion, and risks to financial stability in developing countries.

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Topic B: Money laundering and illicit financial flows: international strategies to strengthen economic transparency

Money laundering and illicit financial flows represent a global phenomenon with profound consequences for economic and social development. According to the United Nations Office on Drugs and Crime (UNODC), an estimated 2–5% of global GDP—equivalent to 800 billion to 2 trillion USD annually—is laundered through international financial systems. Illicit flows encompass not only money laundering but also tax evasion, trade mis invoicing, corruption, and the illegal exploitation of natural resources. These practices deprive governments of much-needed revenues, weaken institutions, and distort economic competition.

Developing countries are particularly vulnerable to the impact of illicit flows. The outflow of capital undermines their fiscal capacity, reducing investment in infrastructure, health, and education. Moreover, illicit finance often flows into safe havens and secrecy jurisdictions, beyond the reach of national authorities. This issue underscores the urgency of global cooperation to close regulatory loopholes, improve transparency, and enhance accountability across borders. For ECOSOC, the challenge lies in balancing respect for state sovereignty with the shared responsibility to build a transparent and equitable financial system. }

Global efforts to address money laundering began in the late 20th century. In 1989, the Financial Action Task Force (FATF) was established by the G7 to create and promote international standards against money laundering. Since then, FATF has periodically updated its recommendations, expanding its scope in 2003 and 2012 to include counter-terrorist financing and the proliferation of weapons of mass destruction. The United Nations Convention against Transnational Organized Crime (2000) and the United Nations Convention against Corruption (2003) provided binding international frameworks to criminalize illicit financial practices and improve asset recovery mechanisms. In 2015, the Addis Ababa Action Agenda on Financing for Development identified the elimination of IFFs as a top priority for achieving the 2030 Agenda for Sustainable Development. The UN Office on Drugs and Crime (UNODC) and the UN Conference on Trade and Development (UNCTAD) subsequently highlighted the development costs of illicit flows, especially in Africa and Latin America. The Panama Papers (2016) and Pandora Papers (2021) further revealed the global scale of tax evasion, money laundering, and the misuse of offshore financial structures. These revelations intensified calls for international transparency and regulatory reform. Despite progress, illicit flows continue to evolve with new technologies, cryptocurrencies, and cross-border financial loopholes.



Topic B: Money laundering and illicit financial flows: international strategies to strengthen economic transparency

Illicit financial flows affect all regions and sectors, but their impact is particularly damaging in developing economies. Economically, these outflows deprive governments of critical revenue needed for investment in social and economic development. The loss of tax income weakens fiscal capacity and increases dependence on foreign aid. Institutionally, weak governance and corruption enable money laundering networks to flourish. This erodes citizens' trust in public institutions and creates cycles of impunity. Internationally, the absence of harmonized regulations and the persistence of secrecy jurisdictions make asset tracing and recovery extremely difficult. Funds moved through shell companies or tax havens can disappear across borders with minimal oversight. From a security perspective, illicit financial flows often intersect with organized crime, terrorism financing, and political instability, posing a direct threat to global peace and development. The growing complexity of financial systems, including the use of cryptocurrencies and trade-based laundering, has made the challenge more urgent. Developing countries face an additional obstacle: limited capacity to investigate, prosecute, and recover stolen assets.


Over the past three decades, multiple initiatives have been launched to combat illicit financial flows. The FATF Recommendations remain the cornerstone of the global anti-money laundering (AML) and counter-terrorist financing (CTF) framework. These standards guide countries in implementing Know Your Customer (KYC) procedures, financial monitoring systems, and information-sharing mechanisms. The United Nations Convention against Transnational Organized Crime (2000) and the United Nations Convention against Corruption (2003) both provide legal frameworks for cooperation in criminalizing illicit activities, freezing assets, and facilitating their return. At the regional level, the European Union's Anti-Money Laundering Directives (AMLD) established transparency requirements for beneficial ownership and tighter due diligence procedures. The African Union's Special Declaration 12 on Illicit Financial Flows (2015) reaffirmed the continent's commitment to preventing capital flight and improving domestic resource mobilization. Financial institutions such as the World Bank and IMF support these efforts through technical assistance and capacity-building programs aimed at strengthening financial oversight. However, gaps persist. Enforcement is often weak due to limited resources, political resistance, and a lack of coordination between jurisdictions. Tax havens and secrecy systems continue to facilitate illicit flows, highlighting the urgent need for a coordinated global approach. ECOSOC, through its integrative role, can help bridge these initiatives to create a coherent, transparent international financial framework.



Topic B: Money laundering and illicit financial flows: international strategies to strengthen economic transparency

Illicit financial flows remain one of the most significant barriers to sustainable development and global equity. They drain national economies, perpetuate corruption, and threaten financial stability. Addressing this challenge requires not only stronger domestic policies but also enhanced multilateral cooperation. ECOSOC, through its leadership in global economic governance, has a unique opportunity to promote collective strategies that strengthen transparency, enforce accountability, and ensure that financial systems contribute to sustainable and inclusive growth.

Guiding questions

1. How can ECOSOC foster greater coordination among Member States to prevent and trace illicit financial flows?
 2. What role should FATF, UNODC, and the World Bank play in supporting developing countries to enhance financial transparency?
 3. Should the UN establish a global mechanism for asset recovery and information sharing?
 4. How can emerging technologies, such as blockchain, be used to detect and prevent money laundering?
 5. What capacity-building measures are most effective for developing nations to strengthen their financial oversight systems?
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Topic B: Money laundering and illicit financial flows: international strategies to strengthen economic transparency

Sample Operative Clauses

1. **Recommends** the establishment of a UN Inter-Agency Task Force on Illicit Financial Flows under ECOSOC to coordinate data collection, policy implementation, and international cooperation.
2. **Encourages** Member States to adopt standardized transparency requirements for the beneficial ownership of companies and trusts.
3. **Requests** UNODC and the World Bank to expand capacity-building programs focused on anti-money laundering, financial investigation, and asset recovery in developing countries.
4. **Calls upon** Member States to enhance cooperation on asset tracing, information exchange, and mutual legal assistance through existing multilateral treaties.
5. **Urges** the implementation of the Addis Ababa Action Agenda commitments to reduce illicit flows and strengthen domestic resource mobilization in developing countries.





Topic B: Money laundering and illicit financial flows: international strategies to strengthen economic transparency

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