

EKIN SNY J MUN BACKGROUND GUIDE

Committee: The United Nations Development Programme

Topic: Green Financing for Economic Transformation
in Climate-Vulnerable Countries



2026

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Letter from the Chairboard

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Fellow Delegates,

On behalf of the United Nations Development Programme (UNDP), it is our pleasure to welcome you to the 2026 EKIN SNY JMUN Conference!

As representatives of the international community, you carry the responsibility of addressing some of the most pressing development challenges facing our world today.

UNDP remains committed to advancing sustainable development, reducing inequalities, and fostering resilience in vulnerable communities. Through the framework of the Sustainable Development Goals (SDGs), we encourage you to think critically, collaborate effectively, and propose innovative and practical solutions that can make a meaningful impact.

As you engage in debate, negotiation, and resolution drafting, we urge you to uphold the core values of diplomacy, inclusivity, and mutual respect. The complexity of global issues demands not only strong leadership, but also empathy, cooperation, and a willingness to find common ground.

This conference is an opportunity to deepen your understanding of development issues while refining your skills in diplomacy and international policymaking. Your ideas and contributions have the potential to shape a more equitable and sustainable future.

We wish you productive discussions and a rewarding conference experience!

Sincerely,

The Chairboard of the United Nations Development Programme

Mr. Anhal Kozhaya - Chair

Ms. Crystal Rustami - Co-Chair

Ms. Hüma Dea Aydın - President-Chair



1. Committee and Topic Introduction



The United Nations Development Programme

The United Nations Development Programme (UNDP) is the lead development program of the United Nations, created to help people build better lives while also protecting the environment. It focuses on prosperity for everyone, strengthening governments, building crisis resilience, and ensuring a healthy planet. UNDP currently operates in 170 countries to fight poverty, support fair elections, tackle climate change, and expand digital access by tapping into knowledge, resources, and practical solutions that improve people's lives.

As the largest United Nations (UN) development assistance program, UNDP is led by an administrator who oversees an Executive Board of 36 members, representing both developed and developing countries. UNDP is headquartered in New York City.

UNDP has Resident Representatives in more than 125 developing countries to help coordinate the local activities of other UN agencies and programs, as well as those of non-governmental organizations. It administers aid through five-year Country Programmes, which fund projects aimed at attracting investment capital, training skilled employees, and implementing modern technologies.

UNDP was formed in 1965 by the UN General Assembly. It was created by merging the Expanded Programme of Technical Assistance, which dates back to 1949, and the United Nations Special Fund, which dates back to 1958, to avoid an overlap in missions. Before the UNDP existed and led development programs, global economic assistance and funding for the development world were primarily managed by the World Bank. This system was set up and mostly controlled by the Allies after their victory in World War II. Today, UNDP is the leading development program of the United Nations, making a real impact in over 150 countries worldwide.

UNDP also has available experts who work to help developing countries increase their capacity for good governance. They do this by building in-country political and legal institutions that are equitable, responsive, and open to public participation. UNDP additionally works on expanding the private sector across the world to provide more jobs and economic opportunities to individuals. In past years, UNDP programs have ranged from reducing poverty to developing strategies to treat and combat the spread of HIV/AIDS, promoting environmentally sound policies, and expanding communications and technological infrastructure.

In addition to its global functions, UNDP also operates six Global Policy Centers: in Seoul, South Korea (focused on building partnerships between South Korea and the developing world following South Korea's transition from being an aid-recipient to a donor nation), Nairobi, Kenya (focused on combating desertification and on promoting climate resilience and environmental sustainability), Singapore (two Global Policy Centers, one focused on technology and innovation and the other focused on public service excellence), Istanbul, Türkiye (focused on public-private partnerships), and Oslo, Norway (focused on governance and peacebuilding).



1. Committee and Topic Introduction (Continued)

Part of UNDP's mandate is to support the economic development of the countries in which it works and to protect these countries' environments. One of its key approaches is green financing, which consists of loans and investments that promote environmentally friendly activities such as the construction of green infrastructure.

As the risks related to ecologically destructive products and services continue to rise, green financing has gradually become a mainstream phenomenon. Nonetheless, countries need more finance for their climate targets than what they can source domestically. This is why they have been exploring a range of opportunities, from micro-financing to private investments and global funds such as the Global Environment Facility and the Green Climate Fund.

Governments can also mobilize climate finance from new sources such as carbon trading schemes, results-based payments for healthy ecosystems, or green financing products. At the same time, through global climate negotiations, countries are trying to determine how to set more ambitious targets for providing international climate finance to those that need it the most. This includes negotiations around who could provide financial support and who would receive part of that financial support.



Figure 1: Innovative green financing is paving the way for sustainable modernization and supporting economic growth while protecting the environment.

2. The Youth, Peace, and Security Agenda

For decades, youth (defined as individuals aged between 18 and 29) were often seen in international policy as passive victims of conflict or potential threats to stability. The Youth, Peace, and Security (YPS) Agenda, established by United Nations Security Council Resolution 2250 (2015) and reinforced by Resolutions 2419 (2018) and 2535 (2020), shifted this view by recognizing youth as active agents of change and key partners in sustainable peace.

The YPS agenda promotes five pillars: **Participation** (including youth in decision-making processes), **Protection** (safeguarding the rights of young people), **Prevention** (addressing the causes of conflict and preventing youth involvement in violence), **Partnerships** (working with youth), and **Disengagement and Reintegration** (supporting youth affected by conflict). Taken together, these five pillars support more inclusive and lasting peacebuilding.

In climate-vulnerable countries, environmental stress acts as a threat multiplier. Droughts, floods, and resource scarcity can increase tensions and conflict. Green financing, supported by UNDP, helps build climate-resilient and low-carbon economies, but requires strong youth involvement, as young people are both the current workforce and the leaders of the future.

Inclusive green governance is key to sustainable transformation. Youth participation in project design and implementation ensures that climate financing meets long-term needs and improves accountability, including through mechanisms like the Green Climate Fund.

Green financing also supports prevention by creating sustainable livelihoods. In regions facing job loss and informal economies, green jobs offer youth stable alternatives and reduce risks of conflict and forced migration.

Finally, partnerships and financial inclusion are critical. Many young entrepreneurs face barriers such as limited access to credit, but youth-focused tools such as micro-grants and de-risking instruments can enable them to lead local climate solutions and strengthen climate resilience.



3. Topic Background

Sources and Instruments of Green Finance

Green finance refers to financial tools and programs that provide funding for projects that help the environment and fight climate change, especially in countries vulnerable to climate risks. These instruments include green bonds, climate funds, and concessional loans, which attract both government and private investment into projects such as renewable energy and disaster-resilient infrastructure. According to Zhang et al. (2025), green bonds and climate funds have grown rapidly in recent years, showing their potential to redirect financial flows toward sustainable development. They not only fund low-carbon projects but also create opportunities for private investors to participate in climate solutions. The increasing popularity of these instruments reflects a global recognition that financing sustainability is crucial for long-term economic and environmental stability (Zhang et al., 2025; Li and Chen, 2024).

Multilateral climate funds such as the Green Climate Fund and the Adaptation Fund play a central role in providing financial support to developing countries. These funds offer grants, concessional loans, and blended finance, which reduce risks for local governments and encourage investment in climate-resilient projects (Brown and Smith, 2023). They aim to help countries adapt to climate impacts like floods, droughts, and storms while also supporting projects that reduce greenhouse gas emissions. The Green Climate Fund, for example, has mobilized billions of dollars to support renewable energy, sustainable agriculture, and disaster preparedness programs. By targeting vulnerable countries, these funds ensure that the regions that are most affected by climate change have access to critical financial resources (UNFCCC, 2022).

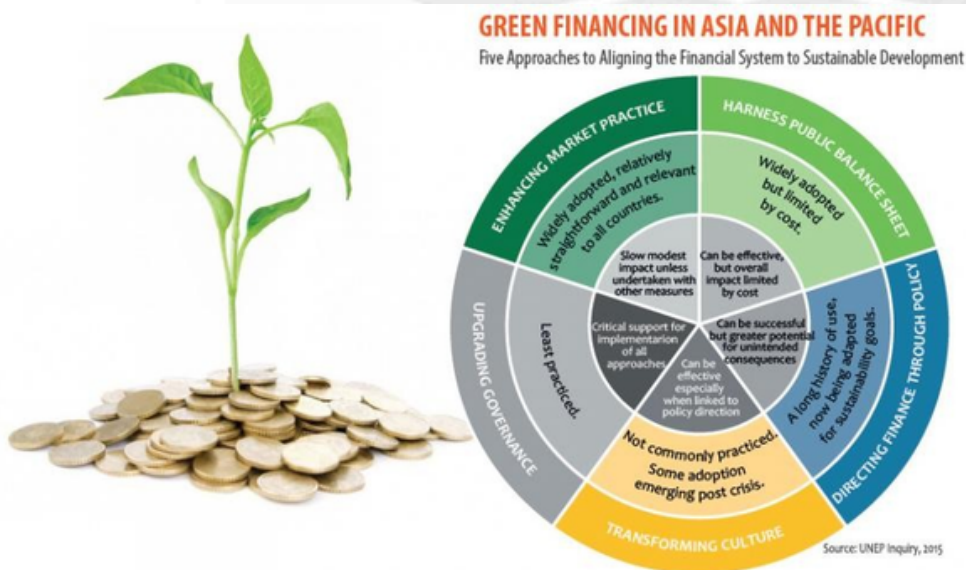


Figure 2: From policy reform to market innovation, green finance offers diverse pathways to drive sustainable transformation across economies.

3. Topic Background (Continued)

Sources and Instruments of Green Finance (Continued)

Blended finance combines public and private funding to make green projects more attractive to investors. By using government funds or multilateral funds to reduce investment risks, private investors are more likely to fund projects such as solar farms, wind energy, or climate-smart agriculture (Jones et al., 2024). This approach helps leverage small amounts of public money to attract much larger private investment, increasing the total capital available for sustainable development. It also encourages innovation because private investors are motivated to develop new technologies and project models. Blended finance has become a key strategy to close the climate finance gap in vulnerable economies.

The United Nations Environment Programme (UNEP) Climate Finance Initiative supports countries in mobilizing green finance by providing guidance, technical assistance, and access to funding for sustainable projects. UNEP has developed frameworks to help countries issue green bonds and attract private investment while ensuring projects meet environmental standards (UNEP, 2023). Specialized financial instruments such as catastrophe bonds and climate risk insurance are promoted through these UN-supported programs. By combining policy guidance with funding mechanisms, UNEP helps vulnerable countries invest in green projects without excessive risks. These initiatives complement traditional green finance tools and strengthen climate-resilient investment (IMF, 2023; Brown and Smith, 2023).

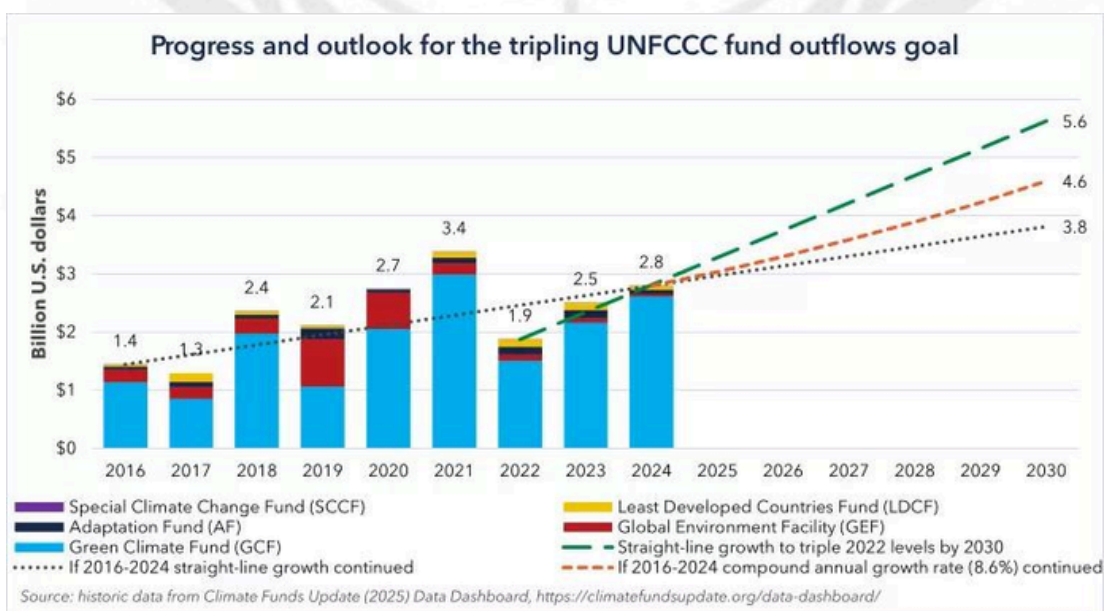


Figure 3: Current climate fund outflows show progress, but accelerating investment is essential to meet the 2030 target and deliver on global climate goals.



3. Topic Background (Continued)

Sectoral Applications of Green Finance

Green finance supports development in key sectors such as renewable energy and sustainable agriculture. It further strengthens climate-resilient infrastructure, driving both economic growth and environmental protection. Renewable energy projects funded by green bonds and loans help countries reduce their reliance on fossil fuels while improving their access to energy (Wang and Li, 2025). Investments in solar, wind, and hydroelectric power create jobs, support technological innovation, and contribute to a low-carbon economy. This is particularly important in developing countries where energy access is limited, and where dependence on fossil fuels can hinder sustainable growth. Green finance ensures that these projects are financially viable, attracting both local and international investors (Zhang et al., 2025).

In agriculture, green finance promotes climate-smart farming techniques such as efficient irrigation systems, drought-resistant crops, and sustainable land management practices (Nguyen and Tran, 2024). These investments help farmers increase crop yields while reducing environmental harm. They also strengthen crop resilience to extreme weather, ensuring food security in vulnerable regions. By financing sustainable agriculture, green finance improves rural livelihoods and supports long-term economic development. Moreover, these projects often involve knowledge transfer and technology adoption, building lasting capacity in local communities (Nguyen and Tran, 2024; Wang and Li, 2025).

Green finance also targets projects that increase climate resilience, including paving flood-resistant roads, improving drainage systems, and increasing sustainable water management (Patel and Singh, 2023). Such investments protect communities from extreme weather fluctuations while promoting efficient and reliable water transportation and access. Resilient infrastructure reduces economic losses from climate disasters and ensures continuity in trade and daily life. These projects often involve both public and private stakeholders, creating collaborative solutions for long-term sustainability. By prioritizing resilience, green finance strengthens both the economy and social well-being (Patel and Singh, 2023; OECD, 2023).

The UN Sustainable Energy for All (SEforALL) initiative promotes renewable energy and energy efficiency in vulnerable countries, helping channel green finance to the energy and infrastructure sectors. SEforALL provides technical support to countries and mobilizes investments for solar, wind, and energy-efficient projects, ensuring that sustainable energy reaches low-income and climate-exposed regions (SEforALL, 2022). Programs under SEforALL complement traditional funding by connecting investors with high-impact projects. They also strengthen local capacity to manage and implement renewable energy solutions. This initiative demonstrates how UN programs can guide sectoral green finance toward achieving both climate and development goals.



3. Topic Background (Continued)

Economic Transformation through Green Investment

Green finance acts as a catalyst for economic transformation by creating new jobs, supporting growth, and increasing resilience in climate-vulnerable countries. Investments in renewable energy, sustainable agriculture, and resilient infrastructure strengthen economies while reducing carbon emissions (Zhang et al., 2025). Countries that implement strong green finance policies often see more diversified economies, as capital shifts from fossil fuels toward sustainable industries. These investments also encourage innovation in technology and business models. By integrating climate goals with economic planning, green finance aligns environmental sustainability with long-term prosperity (Brown and Smith, 2023). Focusing on low-carbon industries allows vulnerable countries to reduce dependence on fossil fuels and develop new economic sectors. Green finance attracts foreign direct investment and fosters technological innovation, which can further stimulate sustainable industrial growth (Li and Chen, 2024). Countries that invest in clean energy, green construction, and eco-friendly manufacturing diversify their income sources while building resilience to global energy price shocks. These investments also build knowledge and skills that can be applied across other sectors. Over time, this transition strengthens the economy while protecting the environment (Wang and Li, 2025; OECD, 2023).

Green finance contributes significantly to job creation, particularly in emerging sectors such as renewable energy, green construction, and sustainable agriculture (Nguyen and Tran, 2024). These jobs range from technical roles in solar and wind projects to positions in research, supply chains, and project management. Studies suggest that millions of new jobs could be created in Africa and other vulnerable regions by investing in green economies (The Guardian, 2024). Job creation improves livelihoods, reduces poverty, and strengthens social stability. Green finance thus has a direct and positive impact on people’s lives (Nguyen & Tran, 2024; Chen & Zhao, 2024).

The UN Green Climate Action for Sustainable Development (GCASD) initiative focuses on linking green finance to economic growth, poverty reduction, and climate resilience in developing countries. GCASD supports investment in renewable energy, sustainable infrastructure, and climate-smart agriculture in coordination with local governments and private investors (UN, 2023). By integrating green financing with development objectives, the initiative helps vulnerable economies achieve economic transformation and environmental sustainability simultaneously. GCASD also promotes policy guidance, capacity building, and technical assistance for project implementation. These UN-led programs demonstrate the direct impact of green finance on economic transformation in climate-vulnerable countries.

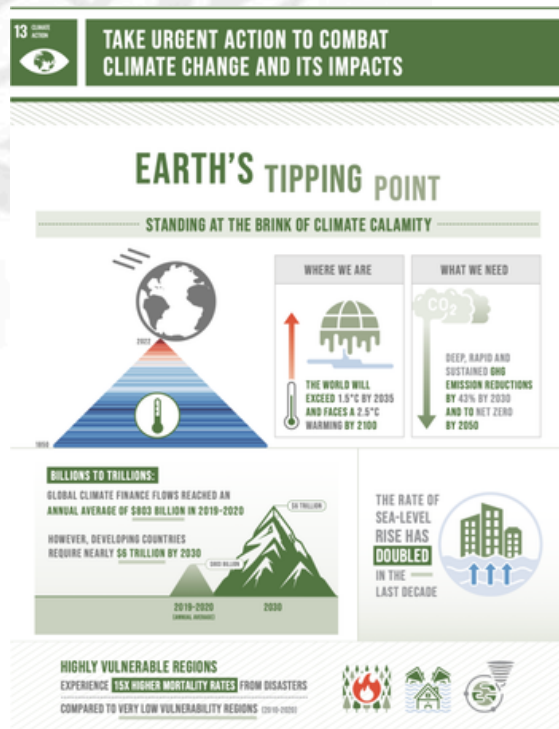


Figure 4: Climate Action (SDG 13).



4. Past International Actions

- Over the past three decades, the global approach to green financing has evolved from voluntary environmental commitments into a structured and justice-oriented system.
- **The 1992 United Nations Framework Convention on Climate Change**, which established the Financial Mechanism and the principle of Common but Differentiated Responsibilities (CBDR), placed greater financial responsibility on developed nations. This financial responsibility was strengthened under the Paris Agreement, which committed developed countries to fund mitigation and adaptation strategies. The \$100B annual climate finance goal, confirmed to have been met in 2022 by the Organization for Economic Co-operation and Development, marked a major, though insufficient, benchmark.
- To scale financing, the international community created major funding institutions. **The Green Climate Fund**, created in 2010, became the largest dedicated climate fund, directing billions of dollars toward climate-resilient development, particularly in Least Developed Countries (LDCs) and Small Island Developing States (SIDS).
- **The Global Environment Facility** has provided over \$24B in grants since 1994 and manages the Least Developed Countries Fund, targeting urgent adaptation needs in the poorest countries.
- **The Adaptation Fund** introduced the Direct Access Model, enabling national institutions to receive and manage funds directly, therefore strengthening local ownership and speeding up implementation.
- In response to growing climate impacts, **the Fund for Responding to Loss and Damage** was operationalized in 2024 to support countries facing irreversible losses, such as land loss and displacement.
- The global community also addressed financial constraints through initiatives like **the Bridgetown Initiative**, supported by the United Nations Conference on Trade and Development, which pushed for reforms, including disaster-linked debt relief clauses adopted by the International Monetary Fund and the World Bank.
- Debt-for-climate swaps emerged as practical tools, with countries like Belize and Barbados restructuring debt in exchange for environmental commitments. **The Global Hub for Debt Swaps** was launched in 2025 to expand such efforts.
- Finally, frameworks like **the Antigua and Barbuda Agenda for SIDS** improved countries' access to finance by introducing **the Multidimensional Vulnerability Index**, ensuring that funding reflects climate risk rather than income alone.



5. Recommendations and Solutions

- **Climate-resilient debt clauses:** These clauses should be standardized across sovereign lending to LDCs and SIDS. They would allow for an automatic and time-bound suspension of debt repayments following a UN-verified climate disaster, preventing fiscal crises and preserving resources for recovery.
- **Multidimensional Vulnerability Index (MVI):** The MVI should replace GDP per capita as the primary criterion for concessional climate finance. By adopting this standard, institutions such as the World Bank and IMF can ensure that climate-vulnerable middle-income states are not excluded from affordable green financing.
- **Innovative revenue mechanisms:** New funding streams, such as targeted levies on international maritime shipping or narrowly defined financial transaction taxes, should be explored as predictable sources of finance for loss and damage initiatives.
- **Blended finance structures:** Public institutions can provide first-loss guarantees, improving the bankability of green infrastructure projects and attracting institutional investors, including pension funds and insurance companies.
- **National green investment banks or incubation hubs:** These institutions can serve as intermediaries between international investors and local entrepreneurs, particularly to support youth-led and technology-driven climate initiatives. UNDP's Climate Catalysts Programme offers a model for how early-stage public support can unlock scalable private investment.
- **Thematic green and blue bonds:** These bonds should be supported through international credit enhancement mechanisms, enabling climate-vulnerable countries to access capital markets despite existing debt constraints.
- **Debt-for-climate swaps:** Creditors forgive a portion of external debt in exchange for domestic investment in national green trust funds.
- **Regional debt pooling arrangements:** Small states can negotiate collectively with creditors, increasing leverage and reducing the administrative costs of individual agreements.
- **Decentralized climate finance mechanisms:** A defined share of funding from major climate funds could be managed at sub-national or community levels, strengthening local ownership and accountability.



GUIDING QUESTIONS TO CONSIDER

1. How can countries strengthen their capacity to effectively access and utilize green finance?
2. What safeguards should be implemented to ensure that green finance does not exacerbate social or economic inequalities?
3. Which mechanisms can guarantee that green finance reaches the most vulnerable populations and regions, including rural communities and marginalized groups?
4. How can transparency, accountability, and monitoring systems be enhanced to ensure that green finance is used efficiently and aligns with sustainable development objectives?
5. What role can innovative financial instruments, such as green bonds or blended finance, play in supporting long-term economic transformation in climate-vulnerable countries?
6. How can the UNDP ensure that green finance strategies are nationally led and aligned with domestic development priorities rather than being dictated by donor interests or external conditions?
7. How can green financing be structured to stimulate economic growth without increasing the debt burden of climate-vulnerable countries?
8. Which approaches can ensure that green finance reaches local communities and small- and medium-sized enterprises instead of remaining concentrated at the national or elite level?
9. How can international climate finance be made more accessible, transparent, and predictable for LDCs and SIDS?



RESEARCH AIDS

Significance:

Having solid research and becoming confident in your knowledge before walking into the committee is the first step in the process. Research well, become well-versed in the topic and your country. Don't forget that during the conference, you will be playing the part of a knowledgeable and experienced diplomat. Do the research, act the part!

- **Climate Funds Update (CFU):** An independent dashboard that tracks the performance of the Green Climate Fund (GCF), the Global Environmental Facility (GEF), and the Adaptation Fund with high transparency.
<https://climatefundsupdate.org/>.
- **Climate Policy Initiative (CPI):** Famous for its "Global Landscape of Climate Finance" reports, which analyze where every dollar of climate finance is currently going.
<https://www.climatepolicyinitiative.org/>.
- **IMF Climate Change Indicators Dashboard:** Provides macro-economic data, including carbon pricing and fiscal space analysis for developing nations.
<https://climatedata.imf.org/>.
- **International Institute for Environment and Development (IIED):** Focuses on "Locally Led Adaptation" and is a champion for the rights of LDCs and SIDS.
<https://www.iied.org/>.
- **OECD Climate Finance Tracker:** Provides the most accurate statistical breakdowns of the \$100 billion annual target.
<https://www.oecd.org/en/topics/climate-finance.html>.
- **UNDP Sustainable Finance Hub:** Offers deep dives into Integrated National Financing Frameworks (INFFs) and country-specific case studies.
<https://sdgfinance.undp.org/>.
- **UNFCCC Climate Finance Data Portal:** The definitive source for tracking how much money is being pledged versus actually delivered under the Paris Agreement.
<https://unfccc.int/climatefinance?home>.
- **World Bank Climate Change Knowledge Portal:** Integrates scientific climate projections with economic vulnerability maps.
<https://climateknowledgeportal.worldbank.org/>.

