BMUN

ORGANISED BY THE INDIAN SCHOOL BAHRAIN • 2025

X

G20

SOUTH AFRICA 2025

BMUNIS’25 BACKGROUND GUIDE

LETTER FROM THE CHAIRS

Dear Delegates

It is our honor to welcome you to the G20 Council at BMUNIS'25 Conference. The G20, as a forum of the world's major economies, plays a pivotal role in shaping global policies and fostering international cooperation on issues that transcend borders. This council provides you with the unique opportunity to represent influential nations, navigate complex negotiations, and work toward pragmatic solutions to pressing global challenges.

The debates you will engage in mirror the real challenges faced by world leaders today. The topics before you demand not only knowledge and preparation but also vision, empathy, and creativity. We urge you to see this conference not just as a competition, but as a chance to sharpen your skills as diplomats, innovators, and future leaders who can bridge divides and inspire meaningful change.

As your Chairs, we are excited to witness the energy, ideas, and determination you will bring to the table. Debate with confidence, collaborate with respect, and remember that every voice here has the power to shape outcomes. Let this experience challenge you, inspire you, and most importantly, remind you of the impact that determined young leaders can have on the world.

Feel free to contact either one of us if you have any doubts or questions you'd like to ask us!

Warm regards,

VAMSHI RAMESH & SHRAVANA VENKAT

Chairpersons, G20

BMUNIS'25

(vamshi.ramesh.flute@gmail.com/shravanavenkat09@gmail.com

INTRODUCTION

The G-20, the largest economies of the world, are at a turning point in shaping global governance. As the world is facing more and more climate emergences, two emergences need urgent multilateral response: The subsidization of fossil fuels and the international issue of corruption.

The first issue- **ELIMINATING FOSSIL FUEL SUBSIDIES**-focuses on the paradox that governments subsidize the same industries that are causing global warming. Despite repeated promises since 2009, the subsidies for fossil fuels have increased globally, undermining the initiative to shift towards clean energy. This issue is whether the G-20 should make a binding commitment to end all fossil fuel subsidies by 2030, linking environmental imperative with economic equity.

The second issue- **INTERNATIONAL CO-OPERATION ON ASSET RECOVERY AND CORRUPTION PROSECUTION**- is the systemic failure of holding corrupt individuals to account and recovering stolen public assets. Despite having frameworks like the UN convention against corruption(UNCAC), there is patchy enforcement. The question raised by this issue is whether the G-20 has to introduce tighter, possibly binding measures to promote greater cross-border co-operation and legal accountability.

Both topics trace their origins to long-standing global issues. Fossil fuel subsidies were previously tools to render energy affordable and economies stable, but today clash with sustainability goals. Corruption, however, has evolved into transnational organized crime, where plundered funds are likely to be laundered in jurisdictions that have weak controls.

DEFINITION OF KEY TERMS

To ensure clarity and avoid misinterpretation during debate, the following key terms are defined:

1. **FOSSIL FUEL SUBSIDIES**

   Financial support provided by governments to fossil fuel producers or consumers, which lowers the cost of fossil fuel production or consumption. This includes direct cash transfers, tax breaks, price controls and underpricing of environmental costs.

Source: International Energy Agency (IEA), IMF

2. INEFFICIENT SUBSIDIES

Subsidies that encourage wasteful consumption, distort markets, or fail to meet social or environmental objectives. The term is often used in G-20 declarations but lacks a universally agreed definition.

Source: g20 Communiques, OECD

3. IMPLICIT SUBSIDIES

Subsidies that arise when the full social cost of fossil fuel use-such as health impacts and environmental degradation- is not reflected in market prices.

Source: IMF working paper, 2022

4. ASSET RECOVERY

The process of identifying, tracing, freezing, confiscating and returning stolen assets to their rightful owners, typically governments or public institutions.

Source: UNODC (United Nations Office on Drugs and Crime)

5. MUTUAL LEGAL ASSISTANCE (MLA)

Formal cooperation between countries to gather and exchange information for use in criminal investigations and prosecutions.

Source: UN Convention Against Corruption (UNCAC)

6. BENEFICIAL OWNERSHIP TRANSPERANCY

Disclosure of the individuals who ultimately own or control a company or asset, used to prevent anonymous shell companies from hiding illicit wealth.

Source: Financial Action Task Force (FATF)

7. SAFE HAVEN (IN CORRUPTION CONTEXT)

A jurisdiction where corrupt individuals can hide assets or avoid prosecution due to weak laws; lack of extraction treaties or political protection.

Source: Transparency International

ISSUE 1 - PHASING OUT FOSSIL FUEL SUBSIDIES: SHOULD THE G20 MAKE A BINDING COMMITMENT TO PHASE OUT ALL FOSSIL FUEL SUBSIDIES BY 2030?

INTRODUCTION

The fossil fuel subsidies phase-out debate is at the crossroads of climate change, economic stability, and social fairness. Fossil fuel subsidies – estimated at $7 trillion in 2022 globally – artificially keep coal, oil, and gas prices low, promoting excessive consumption while discouraging investment in cleaner technologies.

For the G-20, which accounts for nearly 80% of emissions globally, stakes are especially high. While developed economies lead the call for ambitious climate action, most developing and fossil fuel-exporting members argue that subsidies to energy are key to energy security, affordability and political stability.

Whether the G20 will undertake a commitment to phase out all fossil fuel subsidies by 2030 brings into focus core global fault lines: environment and long-term sustainability; and common but differentiated responsibilities.

This guidebook has been written to provide delegates with context, challenges and insight needed to get through this debate and develop solutions that are aspirational and equitable.

BACKGROUND

What are Fossil fuel subsidies?

Fossil fuel subsidies are government policies that lower the cost of producing or consuming coal, oil and natural gas. They include tax breaks, price caps and direct financial support. Globally, such subsidies reached over $7 trillion in 2022 (IMF estimate)

WHY DO THEY MATTER?

Environment: Subsidies artificially lower fossil fuel prices, encouraging higher consumption and greater greenhouse gas emissions.

Economy: While they reduce energy costs in the short term, subsidies distort markets, discourage investment in renewable energy and create fiscal burdens.

Equity: In many countries, subsidies benefit wealthier households more than low-income groups as richer populations consume more energy.

CURRENT SITUATION

The G20 has pledged since 2009 to “rationalize and phase out inefficient fossil fuel subsidies”, but progress has been slow. While some countries (e.g., EU members, Canada) have begun reductions, others (India, Saudi Arabia, Indonesia) continue to expand subsidies for affordability or export competitiveness. The debate now is whether the G20 should make a binding commitment – setting a concrete deadline of 2030.

The G20 countries vary widely in their approach:

India has reduced some consumer subsidies but still supports coal production.

Saudi Arabia and Russia maintain high producer subsidies for oil and gas.

Germany and Mexico have completed peer reviews to improve transparency.

United States offers significant tax breaks to fossil fuel companies despite climate commitments.

At COP28, twelve countries pledged to publish national subsidy inventories, but no binding G20 wide framework was adopted. The lack of enforcement mechanisms and political resistance remain major barriers.

KEY DISCUSSION POINTS

Environmental Benefits

- Cutting subsidies could reduce global carbon dioxide emissions by up to 10% by 2030 (IEA estimate).

- Would align with Paris Agreement goals and improve air quality, reducing health risks.

Impact on Energy Prices & Developing Countries

- Removal may raise fuel and electricity prices, risking inflation and public unrest.
- Developing economies argue they need subsidies to ensure affordable energy for the poor.

Equity & Historical Responsibility

- Should advanced economies (who industrialized on fossil fuel) phase out first and faster?
- Should they provide financial/technological assistance to developing nations?

ECONOMIC RISKS FOR OIL-EXPORTING NATIONS

- Countries reliant on fossil fuel exports (Saudi Arabia, Russia, Mexico) risk revenue loss.
- Diversification of economies may be necessary but politically challenging.
- Redirecting Subsidies to Renewables
- Global subsidy savings could fund renewable energy, grid expansion and green jobs.
- The transition must be just – ensuring vulnerable communities are supported.

MAJOR PARTIES INVOLVED

Saudi Arabia

One of the most world's largest oil producers, with high domestic energy subsidies.

Announced net-zero by 2060 and investing in green hydrogen, but remains hydrocarbon-dependent.

Has not participated in G20 peer reviews and often resists binding climate commitments.

Russia

Fossil fuels account over 20% of GDP, subsidies are central to its economic and strategic model.

Limited engagement in transparency or global climate negotiations.

Prioritizes energy exports and geopolitical influence over subsidy reform.

India

Balances climate ambition with development needs.

Taxes coal and promotes solar, but subsidizes LPG and coal for energy access.

Advocates for differentiated responsibilities; has not completed a G20 peer review.

Germany

Completed a peer review with Mexico in 2017, identifying 22 subsidy measures – only two phased out.

Supports EU climate goals and plans to phase out coal by 2038.

Faces criticism for slow implementation despite strong rhetoric.

United States

Provides significant tax breaks to fossil fuel companies, especially at state level.

Inflation Reduction Act (2022) boosted clean energy, but subsidies persist.

Had not completed a G20 peer review; faces internal political divides on climate policy.

International Organizations

- International Energy Agency(IEA): Tracks subsidies and promotes clean energy transitions.
- International Monetary Fund(IMF): Publishes data on explicit and implicit subsidies; advocates reforms.
- UNFCCC: Facilitates global climate negotiations, including subsidy reform discussions.

TIMELINES OF KEY EVENTS

YEAR	EVENT	SIGNIFICANCE
2009	G-20 Pittsburg summit	Leaders commit to phase out inefficient fossil fuel subsidies.
2013	First G20 peer reviews launched	US and China agree to voluntary reviews.
2017	Germany- Mexico peer review	Identifies 22 subsidies; limited phase out
2021	COP26 Glasgow	Renewed calls to end fossil fuel subsidies; no binding agreement.
2022	Inflation Reduction Act (U.S)	Major clean energy investment, but fossil fuel subsidies remain.
2024	Brazil assumes G20 presidency	Opportunity to align subsidy reform with COP30 goals.

PREVIOUS ATTEMPTS TO RESOLVE THE ISSUE

2009 G20 Pittsburg Summit:

Leaders first pledged to phase out inefficient fossil fuel subsidies over the medium term. This was largely a political commitment without enforcement mechanisms in place.

2010 – 2013 Follow up:

G20 Energy and Finance Ministers began tracking subsidies, highlighting their economic and environmental inefficiencies, but concrete reductions were limited.

2014 Brisbane Summit:

Members reiterated the pledge and called for transparency in reporting subsidies, with initial steps toward phasing out inefficient subsidies.

2015 Antalya & 2016 Hangzhou Summits:

The pledge to rationalize subsidies in accordance with climate goals was reiterated. Some nations started cutting back on consumer subsidies, especially those in the EU.

2017 – 2020 Summits:

Mixed progress. Rising energy prices and political pressures led many countries (India, China, Russia, Saudi Arabia) to maintain or even expand subsidies. The G20 emphasized the need for targeted social protection measures alongside subsidy reform.

2021 – 2023 Summits:

COVID-19 recovery and the Russia-Ukraine war caused temporary increases in subsidies globally. Some members (Germany, UK, Canada) started redirecting funds towards renewable energy, but no binding 2030 commitment has been agreed.

QUESTIONS TO BE ANSWERED

1. Should nations be permitted to phase out subsidies according to their unique circumstances, or should the G20 adopt a uniform 2030 deadline?

2. How can low-income households be shielded from price shocks by eliminating subsidies?

3. Should nations with a history of pollution take the lead in eliminating subsidies?

4. How can wealthier members use technology, finance, or capacity-building to help developing economies?

5. Should subsidy savings go toward sustainable development initiatives or renewable energy?

6. How can the G20 balance subsidy phase out while maintaining affordability and energy security?

7. Should the G20 establish a system to keep an eye on, document, and guarantee adherence to the rules?

POSSIBLE SOLUTIONS

1.Binding Phase out timeline – G20 wide 2030 deadline with flexibility for developing countries.

2.Gradual or targeted reform – Phase out inefficient subsidies first, protect vulnerable groups.

3.Redirect Funds to Renewables – Invest in renewable energy.

4.Financial & Technical Support – Finance and technology transfer to developing economies.

5.Social Protection Measures – Cash transfers, energy vouchers or price stabilization for poor households.

6.Monitoring and Accountability – Reporting framework, transparency and peer review.

SUGGESTED SOURCES FOR DELEGATES

G20 & Official Documents

G20 summit Communiques (2009-2023): Official statements on energy, climate and subsides.

https://www.g20.org/

G20 Climate and Energy Reports: Reports produced by the G20 Energy Sustainability Working group.

International Organizations

International Energy Agency(IEA): World Energy Outlook & Tracking Clean Energy Progress [https://www.iea.org/]

International Monetary Fund (IMF) : Fossil Fuel Subsidy Database & economic analyses [https://www.imf.org/]

World Bank: Financing the Energy Transition & policy briefs on subsides [https://www.worldbank.org/]

United Nations Framework Convention on climate Change (UNFCC): Reports on global climate targets and financing [https://unfccc.int/]

Research & Academic Articles

Coady, D. et al., "Global Fossil Fuel Subsidies Remain Large: An update Based on Country- Level Estimates" (IMF, 2022)

International Institute for Sustainable Development (IISD) – Reports on fossil fuel subsidy reform

Research papers on energy subsidies, climate finance and just transition policies in journals like Energy Policy and Nature Climate Change.

BIBLIOGRAPHY

https://www.iea.org/topics/fossil-fuel-subsidies

https://www.imf.org/en/Publications/WP/Issues/2023/08/22/IMF-Fossil-Fuel-Subsidies-Data-2023-Update-537281

https://www.ft.com/content/fa607c72-7810-4ed5-98a3-d27d004c15bd

https://www.reuters.com/markets/commodities/canada-releases-framework-phase-out-inefficient-fossil-fuel-subsidies-2023-07-24/?utm_source=chatgpt.com

https://www.carbonbrief.org/daily-brief/g20-countries-gave-record-1-4tn-to-support-fossil-fuels-in-2022-report/

https://unfccc.int/news/88bn-subsidies-for-fossil-fuel-explorations?utm_source=chatgpt.com

https://openknowledge.worldbank.org/bitstreams/a7c096b2-1234-42eb-9d9a-7e185370c59f/download?utm_source=chatgpt.com

https://www.iea.org/reports/from-taking-stock-to-taking-action/executive-summary

https://www.reuters.com/sustainability/trillion-dollar-question-fossil-fuel-subsidies-2024-11-15/

https://www.ft.com/content/fa607c72-7810-4ed5-98a3-d27d004c15bd

https://www.theguardian.com/environment/2024/apr/09/worlds-biggest-economies-pumping-billions-into-fossil-fuels-in-poor-nations

ISSUE 2 - SHOULD THE G20 IMPLEMENT STRONGER MECHANISMS FOR INTERNATIONAL COOPERATION IN THE RECOVERY OF STOLEN ASSETS AND PROSECUTIONS OF CORRUPT INDIVIDUALS?

INTRODUCTION

One of the most pervasive problems in the world is corruption, which undermines trust in institutions, impedes economic growth, and costs economies billions of dollars every year. The United Nations Office on Drugs and Crime (UNODC) estimates that corruption, bribery, and illicit financial flows cost emerging economies close to $1 trillion every year. Much of this money is moved abroad, kept in offshore accounts, or invested in foreign real estate, making it practically unretrievable.

The G20, which represents the biggest economies in the world, has a significant role to play in global anti-corruption initiatives. Since its founding in 2010, the G20 Anti-Corruption Working Group (ACWG) has committed to greater accountability, transparency, and international collaboration. However, due to shortcomings in legal frameworks, enforcement capabilities, and political will, prosecution and asset recovery have made only sporadic progress.

This presents the question: Should the G20 establish stricter, legally binding procedures to aid in the international prosecution of corrupt officials and the recovery of assets that have been obtained illegally?

BACKGROUND OF THE ISSUE

The United Nations Convention against Corruption (UNCAC) states that asset recovery is a crucial part of anti-corruption campaigns. Despite international agreements, actual recovery of stolen wealth is still limited due to procedural, legal, and political barriers. Corrupt individuals exploit differences in national legal systems, weak enforcement, and complex ownership structures to safeguard their assets.

High-profile cases such as efforts to repatriate money stolen by former leaders in Nigeria, the Philippines and Ukraine highlight the difficulties in tracing and recovering ill-gotten wealth. Developing nations, among them, are challenged by pursuing costly and complex lawsuits abroad.

The G20 has the clout to harmonize practices, generate effective processes and enhance coordination between governments, law enforcement agencies and international organizations. Its collective action can significantly enhance international action against corruption.

CURRENT SITUATION

Global corruption rate continues to drain billions annually, and developing countries alone lose $20 – 40 billion annually from illicit financial flows. Very little of the stolen funds, though, is ever recovered – under $3 billion were recovered in 2010-2020 notable instances, like the Abacha money scandal in Nigeria or the 1MDB embezzlement scandal in Malaysia, highlight the significance and challenge of asset recovery. Restitution is typically prevented or delayed by intricate legal disputes, political sensitivities, and variations in national laws.

The G20 Anti-Corruption Working Group has advanced guidelines on asset recovery and transparency, but the commitment remains non-binding and is applied unevenly. Partnerships with UNODC, the World Bank's STAR initiative, and FATF provide support, but they also depend on state cooperation and political will.

When it comes to pursuing stolen assets that are concealed overseas, developing countries face unique challenges because of their limited legal capacity and resources. Without stronger, more enforceable processes, global asset recovery efforts remain slow, fragmented, and unjust.

KEY DISCUSSION POINTS

1. HOW THE G20 CAN INNOVATE AND DEVELOP STRONGER MECHANISMS FOR ASSET RECOVERY AND PROSECUTION OF CORRUPT INDIVIDUALS

- Establishing a G20 framework for asset tracking and freezing orders that allows for quicker international cooperation.
- Creating a shared digital platform or database for information exchange on corruption cases and asset movements.
- improving use of mutual legal assistance treaties (MLATs) to simplify cross-border investigations.
- Supporting specialized task forces that bring together investigators, prosecutors and financial experts.

2. STRATEGIES TO OVERCOME LEGAL DIFFERENCES AND SOVEREIGNTY CONCERNS WHILE FOSTERING INTERNATIONAL COLLABORATION

- Promoting the standardization of legal definitions of money laundering and corruption among G20 nations.
- promoting uniform practices for asset repartition, extradition, and evidence sharing.
- By making sure that decisions adhere to international standards while respecting national legal frameworks, we can strike a balance between sovereignty and collective action.
- Building trust among members through peer-review mechanisms and transparency commitments.

3. WAYS TO STRENGTHEN PARTNERSHIPS WITH INTERNATIONAL ORGANIZATIONS SUCH AS THE UNITED NATIONS TO ENHANCE IMPACT

- Strengthening technical assistance and capacity-building collaboration with UNODC.
- enhancing realistic recovery results in close collaboration with the World Bank's Stolen Asset Recovery Initiative (StAR)..
- Endorsing the recommendations of the Financial Action Task Force (FATF) in the fight against money laundering..
- collaborating with Interpol to enhance the tracking and capture of dishonest fugitives..

4. PRINCIPLES AND PROCEDURES TO ENSURE FAIRNESS, EQUITY AND TRANSPARENCY IN ASSET IDENTIFICATION, RECOVERY AND RETURN.

- Clear asset return guidelines should be put in place to stop corruption or abuse in recipient nations.
- Putting in place neutral oversight organizations to supervise the recovery process.
- ensuring that recovered assets are not used for political gain but rather for public services and development projects.
- Encouraging openness in asset repatriation talks and agreements.

5. HOW DEVELOPING COUNTRIES CAN BE BETTER SUPPORTED TO EFFECTIVELY PARTICIPATE IN AND BENEFIT FROM INTERNATIONAL ASSET RECOVERY EFFORTS

- Offering legal aid and expertise for cases filed in foreign jurisdictions
- providing financial and technical support to enhance investigative and prosecutorial capabilities.
- ensuring fair access to assets that have been recovered, giving countries of origin priority.
- Promoting the establishment of training exchanges or capacity-sharing agreements for anti-corruption organizations in developing countries by G20 states.

PREVIOUS ATTEMPTS TO RESOLVE THE ISSUE

- **G20 ANTI-CORRUPTION WORKING GROUP (2010 PRESENT):** Established to develop action plans and promote asset recovery.

- **UNCAC (2003):** The most comprehensive international treaty on corruption, with a specific chapter on asset recovery.

- **STAR INITIATIVE (2007):** Joint UNODC-World Bank effort to assist states in recovering stole assets.

- **FATF RECOMMENDATIONS:** Global standards for combating money laundering, often linked with corruption.

Despite these, enforcement remains fragmented and political will varies across jurisdictions, limiting the success of existing frameworks.

QUESTIONS A DELEGATE SHOULD CONSIDER

1. Should the G20 adopt binding international agreements on asset recovery, or remain committed to voluntary cooperation?

2. Should the private sector (banks, financial institutions, law firms) enable, identify and report suspicious illicit financial flows?

3. How can the G20 address sovereignty concerns while still ensuring effective cross-border investigations and prosecutions?

4. Should the G20 establish a coordination body for asset recovery, and if so, how should it function?

5. How can developing countries be helped equitably so they are not put at a disadvantage in the costly and complex process of asset recovery?

6. How can cooperation between the G20 and international organizations (UN, World Bank, FATF, Interpol) be enhanced to maximize efficiency?

7. What technological tools (such as AI or block chain) can the G20 adopt to improve asset tracing and tracking of illicit flows?

8. How should the G20 ensure that asset recovery efforts are not politically motivated or selectively applied?

POSSIBLE SOLUTIONS

1. Adoption of a G20 declaration or treaty on asset recovery mechanisms.

2. Establishment of a permanent G20 Anti-Corruption Coordination Unit.

3. Creation of a fast-action dispute resolution and asset recovery system under the G20.

4. extending initiatives to help developing countries improve their internal anti-corruption frameworks.

5. Encouraging greater use of technology (AI- based financial monitoring, block chain for asset tracking) to identify illicit financial flows.

SUGGESTED SOURCES FOR DELEGATES

- **UNITED NATIONS CONVENTION AGAINST CORRUPTION (UNCAC)** – Primary international treaty on anti – corruption and asset recovery. https://www.unodc.org/unodc/en/corruption/convention.html

- **G20 ANTI-CORRUPTION WORKING GROUP** – Official G20 documents, reports and action plans. https://www.g20.org/en/working-groups/anti-corruption/

- **WORLD BANK & UNODC – STOLEN ASSET RECOVERY INITIATIVE** – Reports, case studies and statistics on asset recovery.

- **FINANCIAL ACTION TASK FORCE (FATF) RECOMMENDATIONS-** International standards on money laundering and illicit financial flows. https://www.fatf-gafi.org/en/publication/Fatfrecommendations.html

- **INTERPOL – ANTI-CORRUPTION EFFORTS –** Tools and initiatives for tracking fugitives and corruption cases globally. https://www.interpol.int/en/Crimes/Corruption

- **OECD ANTI-CORRUPTION WORK –** Guidelines, monitoring reports and analysis of global anti-corruption practices.

BIBLIOGRAPHY

- https://www.unodc.org/unodc/en/corruption/convention.html
- https://www.g20.org/en/working-groups/anti-corruption/
- https://star.worldbank.org/
- https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Fatf40recommendations.html
- https://www.interpol.int/en/Crimes/Corruption
- https://www.oecd.org/corruption/
- https://www.transparency.org/en/
- https://www.unodc.org/unodc/en/corruption/asset-recovery.html