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United Nations Conference

ON TRADE AND DEVELOPMENT

Letter from the Executive Board

Dear delegate,
We are immensely thrilled to welcome you to the United Nations Conference on Trade and Development academic simulation at the G.D. Goenka Public School at Sitapur. It is our pleasure to guide you, mentor you and shape your view of the ambit of the committee, agenda and the nation you represent to our fullest capacity.

The Executive Board believes that this background guide offers an ideal starting point for your research. Its concise and comprehensive nature provides a balanced perspective on the agenda, equipping you with the fundamental insights we deem necessary for you to keep in mind while constructively building on your individual analysis.

Simultaneously, we urge you to widen your horizon of research beyond the scope of the aspects covered in the background guide. Furthermore, your distinctive approach to cover the depths of the committee will be always welcomed as we are keen on visiting individual interpretations with regard to the contribution of your nation when it comes to the agenda at hand.

Copious amounts of fundamental understanding in your nation's foreign policy, intricacies of the committee, complexities in covering the agenda are imperative. While it may seem overwhelming at first, we are open to answer any and all queries that a delegate may face to tackle the burden of the agenda and wish to untangle the doubt when required.

As the Executive Board, our contribution in equipping a delegate with willingness and rigour to participate during deliberation, skill of lobbying and efficiency in accelerating the meaningful debate through the right blend of impact through speeches and detailed research is the primary objective.

We wish you all the best and have full faith in the potential you bring to Acommittee with your flair of public speaking, detailed analysis and art of diplomacy!

Best regards,
The Executive Board,
United Nations Conference on Trade and Development

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About The Committee

INTRODUCTION TO THE COMMITTEE:

The United Nations Trade and Development Conference that opened in Geneva in late March 1964 was the largest international conference that had yet been held. cover issues such as commodities, transport and trade facilitation, investment, enter- prises and science, technology and innovation, services, and South-South co-operation. The Intergovernmental Group of Experts on Competition Law and Policy, the Intergovernmental Group of Experts on Consumer Protection Law, and the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting also meet regularly. UNCTAD serves as the secretariat for the UN Commission on Science and Technology for Development, a subsidiary body of ECOSOC.

A) GLOBALISATION AND DEVELOPMENT STRATEGIES:

UNCTAD works to promote policies and strategies at national and international level, and analyses issues related to globalization, interdependence, international trade and finance, in support of economic management for sustainable development. UNCTAD publishes an annual Trade and Development Report (TDR), which analyses current economic trends and major international policy issues.

B) INTERNATIONAL TRADE AND COMMERCE:

UNCTAD prepares an assessment of key developments in the international trading system for consideration and deliberation by the Trade and Development Board and the UN General Assembly, supports international trade and trade negotiations, and provides assist- ance to developing countries in strengthening regional integration and in navigating the development dimension of the international trading system. It helps to administer the Generalized System of Preferences (GSP) agreements, and promotes South-South trade, including through trade finance, and through servicing the 1989 Global System of Trade Preferences among Developing Countries (GSTP) Agreement. UNCTAD aims to increase the participation of developing countries in global services trade and in new and dynamic global sectors, including creative products and industries.

C) INVESTMENT AND GROWTH:

As the focal point of the UN system on matters related to investment, UNCTAD promotes the understanding of key issues, particularly matters related to foreign direct investment (FDI) and enterprise development. The annual World Investment Report (WIR) is a main point of reference for policymakers and practitioners in this area, providing data on issues pertaining to FDI and transnational corporations (TNCs), as well as analysing trends and developments in FDI, examining the implications of activities by TNCs in relation to these trends, and assessing consequent international and national policy issues of relevance to developing countries. UNCTAD also assists developing countries in implementing the recommendations of Investment Policy Reviews. Other capacity- building programmes include assistance to developing countries in collecting, improving and harmonizing statistics on FDI in negotiating International Investment Agreements.

AMBIT OF THE COMMITTEE:

UNCTAD is a research and negotiation body only and within its operational capacity under the United Nations. The CBAM report being the clearest example hosts convening forums for negotiation and consensus-building, and delivering technical assistance to developing countries Unlike the World Trade Organisation (WTO) there is no enforcement power, no adjudication authority (that sits with the WTO), no lending capacity (that's IMF/World Bank jurisdiction), and no binding legislative authority whatsoever. If your case rests on "UNCTAD will penalize the EU" or "UNCTAD will resolve this," that argument collapses on contact, its power is reputational and analytical only. The data presented by UNCTAD is cited by countries and important organisations/institutions.

Powers and Functions

UNCTAD derives its powers from United Nations General Assembly Resolution 1995 (XIX) and subsequent quadrennial mandates. It is a permanent intergovernmental body headquartered in Geneva, Switzerland, reporting to the UN General Assembly and the Economic and Social Council while maintaining its own membership, leadership and budget.

POWERS

● RESEARCH AND POLICY ANALYSIS:
UNCTAD has the institutional mandate to conduct independent research and publish authoritative analytical reports on trade, investment, finance and sustainable development. Its research is not advisory in a casual sense as it carries the institutional weight of the United Nations system and is routinely cited in WTO dispute proceedings, UNFCCC negotiations and G20 forums. The 2021 UNCTAD analysis estimating USD 10.2 billion in developing country income losses from CBAM implementation is a direct exercise of this power independent, evidence-based analysis that shapes how member states understand and respond to the measure.

● CONSENSUS BUILDING AND INTERGOVERNMENTAL NEGOTIATION:
UNCTAD has the authority to convene intergovernmental negotiations and facilitate consensus among its 195 member states. The UNCTAD quadrennial conference, a subsidiary organ of the General Assembly, sets the organization's four-year mandate and work priorities. Between quadrennial sessions the Trade and Development Board, established as a permanent subsidiary organ, oversees the secretariat's work.

This power makes UNCTAD the primary UN forum through which developing countries collectively advance positions on global economic governance giving it a convening authority that no purely academic or analytical institution possesses.

● TECHNICAL COOPERATION AND CAPACITY BUILDING
UNCTAD has the authority to deliver technical assistance programs directly to member states. This is an operational power. UNCTAD gives priority to Africa, least developed countries, landlocked developing countries, small island developing states and other vulnerable economies as per its mandate.

● NORMATIVE STANDARD SETTING
UNCTAD contributes to the development of international norms, principles and standards on trade and development through its intergovernmental processes. While these standards are not binding in the enforcement sense they carry significant normative weight shaping what member states consider legitimate or illegitimate in international trade and investment policy.

LIMITATIONS OF POWER

UNCTAD's powers are advisory rather than binding. It cannot adjudicate trade disputes, issue enforceable rulings or compel member state compliance with its recommendations. This distinguishes it from the WTO whose dispute settlement mechanism gives binding rulings.

The committee cannot-

● Create or Enforce Binding Trade Laws
● Settle Trade Disputes
● Impose Financial Sanctions
● Directly Manage National Economies

FUNCTIONS:

● PRODUCTION OF FLAGSHIP REPORTS

UNCTAD produces a series of flagship analytical publications that have become standard references in international trade and development policy. The Trade and Development Report, the World Investment Report and the Technology and Innovation Report are among the most cited publications in international economic governance. These reports not only describe current conditions, they advance analytical frameworks and policy recommendations that shape how governments, international organizations and civil society understand the relationship between trade, investment and development.

● FORUM FOR DEVELOPING COUNTRY ADVOCACY

UNCTAD functions as the primary institutional platform through which developing countries form and coordinate their positions on global economic governance. Unlike the WTO where developing countries often lack the negotiating capacity to effectively advance their interests, UNCTAD's mandate explicitly centered on developing country needs gives these countries a forum where their concerns are structurally central rather than marginal. On the CBAM specifically UNCTAD has functioned as the primary institutional voice for developing country concerns.

● TECHNICAL ASSISTANCE DELIVERY

UNCTAD implements technical cooperation programs across a range of areas including trade facilitation, customs modernization through its ASYCUDA program, debt management through its DMFAS program, investment policy, competition law and e-commerce regulation. These programs operate in dozens of developing countries simultaneously building the administrative and institutional infrastructure that effective participation in the global trading system requires. In the CBAM context UNCTAD's technical assistance function is directly relevant helping developing country exporters build the emissions measurement and reporting capacity that CBAM compliance demands.

- Coordination with Other UN Bodies UNCTAD functions as the UN system's coordinator on trade and development issues, working alongside the WTO, UNDP, UNIDO, the World Bank and the IMF to ensure coherence in how the international system addresses the relationship between trade and development. A Memorandum of Understanding with the WTO provides for cooperation on technical assistance and joint analytical work. UNCTAD and the WTO jointly sponsor the International Trade Centre for operational trade development work.

- Monitoring and Reporting UNCTAD monitors global trade and investment trends, tracks the implementation of international commitments relevant to trade and development and reports to the General Assembly and ECOSOC on developments in its areas of mandate. This monitoring function gives member states independent information about whether international trade and investment policies are producing the development outcomes that multilateral commitments have promised, providing the evidence base for accountability that intergovernmental processes require.

About the Agenda

Deliberating the impact of Carbon Border Adjustment Mechanisms on fair trade and the growth prospects of developing economies.

The European Union's Carbon Border Adjustment Mechanism:

The EU CBAM is the world's first implemented border carbon adjustment of significant scale and its design, legal basis, economic implications and political reception have defined the current global debate about carbon border adjustments.The EU operates the world's largest carbon market, the Emissions Trading System established in 2005 which requires European producers in covered sectors to purchase allowances for their greenhouse gas emissions. The ETS price has risen substantially since its establishment, reaching above 80 euros per tonne of CO_2 equivalent at various points in 2022 and 2023 before moderating. This price represents a real and significant cost that European producers in covered sectors pay and that their foreign competitors do not pay when exporting to the European market.The CBAM addresses this asymmetry by requiring importers of goods in covered sectors to purchase CBAM certificates corresponding to the carbon price that would have been paid under the EU ETS if the goods had been produced in the European Union. If the exporting country has its own carbon pricing system the importer receives credit for the carbon price already paid in the country of production reducing the CBAM liability accordingly. The sectors covered in the initial implementation are iron and steel, cement, aluminium, fertilizers, electricity and hydrogen chosen because they are carbon-intensive, because they face significant carbon leakage risk and because their emissions are relatively measurable through established methodologies. The transitional phase running from October 2023 to December 2025 requires importers to report embedded carbon emissions in covered goods without financial adjustment, a data collection and administrative preparation phase rather than a cost imposition phase. Full financial obligations begin in January 2026 when importers must purchase CBAM certificates.

ABOUT EU'S CARBON BORDER ADJUSTMENT MECHANISMS (CBAM) WITH REFERENCE TO DEVELOPING COUNTRIES:

The European Union (EU) and the Association of Southeast Asian Nations (ASEAN) are the two most successful regional blocs, and trade relations between the two are currently on an upswing trajectory. However, the EU's current plan to impose a Carbon Border Adjustment Mechanism (CBAM) as part of the EU Green Deal will likely cause disputes with global partners, including ASEAN launched in 2021. As it will probably expand, by the looks of it, the EU CBAM will impose a carbon price on certain imports, such as electricity, aluminium, cement, iron and steel, and fertilizer, into the EU region. The CBAM aims to strengthen global climate change actions, and is much aligned with the EU's current unwavering commitment to the UN Paris Agreement on climate change. It aims to address inconsistencies in the climate ambitions of countries around the world and to extend the geographical reach of its carbon price to accurately reflect the carbon content of imports. By doing so, the EU also hopes to prevent companies from relocating their activities to countries with lower carbon emission tariffs or taxes. The EU thus imposes a carbon price on companies or exporters from countries with low carbon prices in order to level up the playing field.

IMPACT ON DEVELOPING ECONOMIES:

For context, the EU is ASEAN's third largest trading partner after China and the United States, accounting for around 10.6% and counting, of the entire ASEAN trade. The main reason the EU Carbon Border Adjustment Mechanism (CBAM) was introduced is to address climate change and support the goals of the Paris Agreement. The European Union (EU) is widely recognized as a global leader in climate action, particularly among ASEAN countries. However, many ASEAN governments and businesses perceive the CBAM as a unilateral trade measure, as it imposes the EU's environmental standards on imports from other countries. This has raised concerns about fairness in international trade and whether the policy could disadvantage developing economies.ASEAN's Free Trade Agreement (FTA) negotiation also causes trade barriers. Developing countries also argue that CBAM is inconsistent with the principle of Common but Differentiated Responsibilities (CBDR) under the UN Framework Convention on Climate Change, which recognizes that developed countries should bear greater responsibility for climate action because of their historical emissions and greater economic capacity. As a result, many view CBAM as transferring the cost of Europe's climate ambitions onto developing economies. In communicating the EU's CBAM with stakeholders in the ASEAN region, the EU should ensure cross-sectoral cooperation between environmental protection agencies and trade representatives to balance trade fairness with environmental considerations.

INSTITUTIONAL CAPACITY

INSTITUTIONAL ORIGINS AND EVOLUTION

THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

(UNCTAD) was established on December 30, 1964, under UN General Assembly Resolution 1995 (XIX). It was created as a permanent intergovernmental body within the United Nations Secretariat to address a critical structural gap in the post-WWII international architecture, in which existing trade mechanisms, primarily the General Agreement on Tariffs and Trade (GATT), were seen as structurally biased toward advanced industrialized nations.

THE PREBISCH-SINGER THESIS

UNCTAD's founding economic philosophy was heavily shaped by its first Secretary-General, Argentine economist Dr. Raúl Prebisch. His work demonstrated that the "terms of trade" between developing and developed countries inherently deteriorate over time. Developing economies export lower-value raw materials and commodities while importing high-value manufactured goods, locking vulnerable states into a self-perpetuating cycle of economic dependency.

THE G77 AND CHINA

UNCTAD's creation was directly propelled by the Group of 77 (G77) developing nations. This coalition remains the dominant political force within UNCTAD, utilizing the forum to lobby for structural modifications to the global economic order and to protect domestic industries from asymmetric market pressures.

EVOLUTION OF FOCUS

While its initial 1960s framework focused strictly on commodity pricing, market access, and preferential tariffs, UNCTAD's role has evolved significantly. Today, the organization actively addresses the intersection of global trade with macroeconomic governance, cross-border investment, digital commerce, supply chain logistics and environmental finance.

THE CORE MANDATE

UNCTAD's official mandate is to maximize the trade, investment, and development opportunities of developing countries and assist them in integrating into the global economy on an equitable basis. Central to this mandate is the principle of Common But Differentiated Responsibilities (CBDR), which recognizes that nations have different capacities and historical responsibilities regarding global development and environmental challenges.

The organization pays special attention to the structural vulnerabilities of three specific categories of states:

1. Least Developed Countries (LDCs)
2. Landlocked Developing Countries (LLDCs)
3. Small Island Developing States (SIDS)

GOVERNANCE AND SUBSIDIARITY FRAMEWORK

UNCTAD reports to both the UN General Assembly (UNGA) and the Economic and Social Council (ECOSOC). Its internal governance structure ensures regulatory oversight and thematic specialization across specific sectors:

THE TRADE AND DEVELOPMENT BOARD (TDB)

It acts as UNCTAD's central governing body between its quadrennial ministerial conferences. It oversees the operational activities, budget management, and policy implementation of the organization. It relies on regional voting blocs (Groups A, B, C, and D) to secure equitable geographic representation in global economic decision-making.

WORKING PARTY ON THE PROGRAMME BUDGET AND SAVINGS

The Working Party is a key subsidiary of the TDB focused on corporate accountability and institutional performance. It works alongside the Independent Evaluation Unit to mandate rigorous external programmatic evaluations under the updated UNCTAD Evaluation Policy and standard United Nations Evaluation Group (UNEG) guidelines. This loop ensures technical and financial resources are translated directly into measurable country-level development indicators.

COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)

The Commission on Science and Technology for Development (CSTD) is a highly specialized subsidiary body of ECOSOC, substantively serviced directly by the UNCTAD Secretariat. It serves as the definitive UN focal point for science, technology, and innovation (STI) policy advice to the UNGA and ECOSOC.

The CSTD is specifically mandated to lead the global policy follow-up and review of the World Summit on the Information Society (WSIS) outcomes. It helps developing nations bridge digital divides, adapt to frontier technology, and manage structural changes introduced by automation and digital infrastructure.

MAJOR POLICY FRAMEWORKS AND OPERATIONAL TOOLS

UNCTAD utilizes specialized annual publications to guide global policy discourse, alongside highly technical, proprietary software toolkits deployed directly into the administrative systems of member states.

FLAGSHIP POLICY REPORTS

- Trade and Development Report (TDR): Released annually, this report examines global macroeconomic trends. It heavily focuses on debt sustainability, financial market speculation, international inflation, and the systemic inequalities generated between developed and developing nations.

- World Investment Report (WIR): The global benchmark for tracking Foreign Direct Investment (FDI) trends. It analyzes cross-border mergers, greenfield investments, and provides policy toolkits for countries looking to attract sustainable financing.

- The Least Developed Countries Report: A targeted analysis focusing entirely on the structural transformation, poverty alleviation, and productive capacity building of the world's most vulnerable economies.

Core Operational Programs

- ASYCUDA (Automated System for Customs Data):
A modernized, computerized customs management system designed by UNCTAD. Deployed in over 100 countries, it streamlines border clearance, reduces customs corruption, and accelerates trade logistics.

- DMFAS (Debt Management and Financial Analysis System):
A specialized software and advisory program that helps more than 60 developing nation governments manage their public debt portfolios, track payments, and avoid sovereign default.

- Generalized System of Preferences (GSP):
A landmark policy framework brokered by UNCTAD. It legally permits developed countries to grant non-reciprocal tariff preferences (lower or zero duties) to goods originating from developing countries without violating standard global trade laws.

HISTORIC PRECEDENCE

Historic Context

The tension between environmental regulation and international trade is not new. It has been present in global economic policy since the earliest environmental agreements of the twentieth century and has generated sustained and unresolved debate about the relationship between a nation's right to regulate its own economy and its obligations under international trade law.
The foundational tension is simple. When one country imposes environmental regulations on its domestic industries, the regulations increase production costs, thus those industries who impose said regulations face competitive disadvantages relative to foreign competitors operating in less regulated environments. When the foreign producer's goods enter the regulated market they do so at a price advantage that reflects not better efficiency but the absence of environmental costs.

This dynamic was seen as a problem in trade policy discussions as early as the 1970s when the first major environmental regulations began imposing significant costs on industrial production in developed economies. The term used for this issue is carbon leakage. It describes the specific mechanism by which stringent domestic environmental regulation can paradoxically increase global emissions by shifting production to less regulated jurisdictions rather than reducing it.

Carbon leakage as a concept became central to climate policy discussions following the Kyoto Protocol of 1997. The Protocol established binding emissions reduction commitments for developed countries while imposing no equivalent binding commitments on developing countries, a distinction justified by the principle of Common But Differentiated Responsibilities enshrined in the United Nations Framework Convention on Climate Change and The Rio Declaration. The Kyoto framework's differential treatment of developed and developing countries created friction between the two. Developed country industries subject to binding emissions limits faced cost disadvantages compared to developing country competitors operating without equivalent constraints.

The theoretical response to carbon leakage concerns was the border carbon adjustment, a trade measure that would impose equivalent carbon cost that domestic producers paid on imported goods thereby eliminating the competitive disadvantage of domestic environmental regulation and removing the incentive to relocate production to less regulated areas. The concept was discussed through the 2000s but remained theoretical rather than implemented.

The Paris Agreement of 2015 made border carbon adjustments more rather than less likely to be implemented. By replacing the Kyoto Protocol's binding top-down emissions targets with voluntary nationally determined contributions the Paris Agreement created a framework in which countries determined their own climate ambition. Countries with higher ambition faced higher costs. The competitive disadvantage of high-ambition domestic regulation was built into the Paris framework.

The European Union's response to this architecture was the Carbon Border Adjustment Mechanism announced as part of the European Green Deal in 2019 which is scheduled for full implementation in 2026.

Status Quo:
The CBAM's implementation has produced a global policy response whose scale and speed reflects the measure's perceived significance as a precedent.

The United Kingdom announced its intention to implement a CBAM by 2027 following closely the EU's design and sectoral coverage. Canada has been exploring border carbon adjustment mechanisms as a complement to its domestic carbon pricing system. The United States has seen proposals for border carbon adjustments introduced in Congress though none has yet advanced to legislation. Several other jurisdictions including Japan and South Korea are at earlier stages of policy development.

The developing world's response has been consistently critical. India, which is one of the largest exporters of CBAM-covered goods to the European Union particularly in steel and aluminium, has described the CBAM as a trade barrier and has raised the matter through the World Trade Organization. China, Brazil, South Africa and a coalition of developing countries have argued that the CBAM violates the principle of Common But Differentiated Responsibilities and imposes costs on developing countries that are disproportionate to their historical contribution to climate change.

The legal status of the CBAM under WTO rules remains genuinely contested. The General Agreement on Tariffs and Trade's Article XX provides exceptions for measures necessary to protect human health or to conserve exhaustible natural resources but the conditions under which those exceptions apply to a measure like the CBAM are disputed. The WTO has never adjudicated a border carbon adjustment case of this design and the outcome of any future dispute settlement proceeding is uncertain.

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UNCTAD's 2021 analysis estimated that the CBAM would reduce developing country exports in covered sectors by 1.4% to 2.4% a figure that translates to an estimated USD 10.2 billion in income losses for developing economies, with country-level exposure varying dramatically based on export composition. The distributional consequences falling most heavily on countries least responsible for historical emissions and least capable of financing the low-carbon transition that would reduce their CBAM exposure have been the central concern of developing country delegations in international forums.

CASE STUDY
India

THE SITUATION

India is the world's second largest steel producer and among the top exporters of steel and aluminium to the European Union. Its exposure to the CBAM is among the highest of any developing country the World Bank's Relative CBAM Exposure Index places India at 18.92%, meaning nearly one-fifth of its CBAM-affected exports are directed toward the EU market.

Indian steel is significantly more carbon-intensive than European steel. Approximately 55-60% of Indian production uses coal-based blast furnaces compared to Europe's higher proportion of electric arc furnace production. The carbon intensity differential reflects India's stage of industrial development, its domestic resource endowment and its energy infrastructure factors that cannot be changed on the timeline that CBAM implementation demands.

THE CBAM IMPACT

Indian steel exporters face estimated CBAM certificate costs of €20-35 per tonne, a potentially decisive competitive disadvantage in a commodity market where price competition between suppliers is measured in single-digit euro differences. UNCTAD's 2021 analysis estimated India could face export losses of USD 1 to 1.7 billion in energy-intensive goods under full CBAM implementation. The compliance infrastructure that CBAM reporting requires emissions monitoring, third-party verification, administrative reporting imposes additional costs regardless of carbon intensity, falling particularly heavily on smaller Indian producers for whom EU export may become commercially unviable before the certificate cost is even calculated.

THE DEVELOPMENT TENSION:

India's steel sector supports infrastructure development, manufacturing growth and employment central to its economic trajectory. India's per-capita CO_2 emissions are approximately 1.9 tonnes per year compared to the EU average of 6.8 tonnes. Its historical contribution to global greenhouse gas concentrations is a fraction of the EU's. The CBAM imposes on Indian producers a carbon price calibrated to EU emissions measures, EU economic development levels and EU historical responsibility without adjustment for these fundamental differences. The injustice India's position shows is that the CBAM asks it to pay the price of a problem it did not create, on a timeline that does not support its development needs, through a unilateral mechanism that bypasses the multilateral frameworks specifically designed to manage exactly this distributional question.

THE RESPONSE:

India filed a formal WTO consultation request against the EU CBAM in July 2023, the first formal legal challenge to the measure arguing violation of Most Favored Nation and National Treatment principles. Domestically it has been accelerating renewable energy adoption in its industrial sector and supporting green hydrogen research for steel production. However large-scale decarbonization of Indian steel is estimated to take decades. The gap between the transition timeline and CBAM's 2026 full implementation date is the policy problem no domestic response can bridge in the available time.

CASE STUDY
Bangladesh

THE SITUATION

Bangladesh is one of the world's largest garment exporters. The EU absorbs approximately 60% of its total garment exports. The garment sector accounts for approximately 84% of Bangladesh's total export earnings and employs four million workers, the primary pathway out of agricultural poverty for millions of rural women. Garments are not directly covered by the CBAM. Bangladesh therefore faces no direct certificate purchase obligations, but formal exclusion does not mean Bangladesh won't be impacted by CBAM.

THE CBAM IMPACT

Bangladesh's exposure operates through two channels. First, garment manufacturing depends on steel and aluminium for factory construction and machinery as CBAM costs rise for these inputs, those costs eventually reach Bangladeshi manufacturers. Second and more significantly, European garment buyers facing their own EU sustainability reporting obligations pass carbon footprint requirements and sustainability audits down to their Bangladeshi suppliers. This creates compliance costs, emissions measurement, third-party verification, administrative reporting that mirror direct CBAM exposure without any of its protections.

THE DEVELOPMENT TENSION:

Bangladesh's economy depends almost entirely on maintaining competitive garment access to the EU market. The compliance costs that EU sustainability regulations impose fall on manufacturers operating on thin margins with limited capacity to absorb additional expenses.

Bangladesh is among the world's most climate-vulnerable countries its low-lying geography makes it acutely exposed to sea level rise and cyclone intensification. Yet its per-capita emissions are just 0.6 tonnes per year, less than one-tenth of the EU average. Ironically the costs of EU climate regulation fall on the country least responsible for the problem and most vulnerable to its consequences.

THE RESPONSE:

Bangladesh has advocated through multilateral forums for developing country exemptions, climate finance and technology transfer. Domestically its garment industry has begun building carbon footprint measurement capacity not by choice but because EU market access increasingly requires it but similar to India, this process is estimated to take decades which resulted from the fourth UN Conference on the LDCs, held in May 2011 the Mauritius Strategy on the Programme of Action for the Sustainable Development of SIDS, adopted by the UN Confer- ence on Small Islands held in Port Louis, Mauritius, in January 2005 and the Almatı Programme of Action, that was adopted in August 2003 by the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institu- tions on Transit Transport Co-operation. UNCTAD emphasizes the importance of providing financial access to developing countries. In July 2015 the Third International Conference on Financing for Development, convened in Addis Ababa, Ethiopia, determined to strengthen UNCTAD's role as the UN's focal point of activities relating to trade and development, including finance, technology, investment and sustainable development.

PAST ACTIONS

International Frameworks

THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE AND THE PRINCIPLE OF COMMON BUT DIFFERENTIATED RESPONSIBILITIES

The UNFCCC adopted in 1992 established the foundational principle that all countries share responsibility for addressing climate change but that the nature and extent of that responsibility differs based on historical contributions to the problem and current capacity to address it. This principle Common But Differentiated Responsibilities and Respective Capabilities has been the organizing concept of international climate governance for three decades and is directly implicated in the CBAM debate. Developing countries argue that the CBAM effectively reverses CBDR by imposing on them climate costs that the principle was specifically designed to defer requiring developing countries to internalize carbon prices equivalent to those in developed country carbon markets regardless of their historical emissions, their current development needs or their capacity to finance the transition to low-carbon production. Developed countries implementing CBAMs argue that the measure is consistent with CBDR because it does not require developing countries to adopt any particular domestic policy — it simply ensures that goods entering the European market reflect their true carbon cost and it provides credit for carbon prices already paid in the country of production.

THE WORLD TRADE ORGANIZATION

The WTO framework is the primary international legal constraint on CBAMs and the primary forum in which developing countries have challenged the measure.

The General Agreement on Tariffs and Trade's core principles like the Most Favored Nation treatment, National Treatment and the prohibition on quantitative restrictions all potentially apply to CBAMs. The MFN principle requires that trade measures not discriminate between trading partners. National Treatment requires that imported goods be treated no less favorably than domestically produced goods. CBAM's design attempts to comply with National Treatment by imposing the same carbon cost on imports that domestic producers pay but the MFN question whether the CBAM discriminates between exporters based on their domestic carbon pricing policies is more complex.

India filed a formal request for consultations with the European Union at the WTO in July 2023 challenging the CBAM's consistency with WTO obligations. This was the first formal WTO challenge to the measure and its progression through WTO dispute settlement procedures will be closely watched.

UNCTAD'S ROLE

UNCTAD has been the primary UN body providing analytical support to developing countries on the CBAM's trade and development implications. Its 2021 report on the potential impact of the EU CBAM on developing country exports provided the foundational analysis that has informed developing country positions in international negotiations. UNCTAD has consistently advocated for the inclusion of developing country concerns in the design of any border carbon adjustment and has proposed alternative mechanisms including enhanced climate finance, technology transfer and capacity building as complements or alternatives to border carbon adjustments.

Regional Action

THE EUROPEAN UNION

The EU's CBAM represents the most advanced regional implementation of border carbon adjustment. The legislative history is instructive about the political dynamics of the measure.

The European Green Deal announced in December 2019 included the CBAM as a component of the broader Fit for 55 package, a set of legislative measures designed to reduce EU greenhouse gas emissions by at least 55 percent by 2030 relative to 1990 levels. The CBAM was explicitly framed as both an environmental measure preventing carbon leakage as the EU tightened its ETS ambition and a competitiveness measure ensuring that European industries subject to carbon costs were not undercut by imports from less regulated competitors.

The European Parliament and Council reached agreement on the CBAM regulation in December 2022. The regulation entered into force in May 2023 and the transitional reporting phase began in October 2023.

The EU has engaged in extensive diplomatic outreach to trading partners about the CBAM including establishing technical assistance programs to help developing country exporters measure and report embedded carbon in their products. Critics argue these programs are inadequate relative to the compliance costs that the CBAM will impose.

AFRICAN UNION

The African Union has been one of the most consistently vocal regional bodies opposing the CBAM. The AU's position reflects the particular vulnerability of African economies, many of which are significant exporters of mineral resources and metals that are either directly covered by the CBAM or whose processing involves carbon-intensive inputs combined with Africa's minimal historical contribution to global greenhouse gas emissions. The AU has called for the CBAM to be redesigned to exempt least developed countries and has linked the measure to broader demands for climate finance, technology transfer and capacity building that would enable African producers to decarbonize their production rather than simply facing export penalties.

ASEAN

The Association of Southeast Asian Nations has expressed concerns about the CBAM through various ministerial statements while stopping short of the formal WTO challenge that India has pursued. ASEAN member states have varying levels of exposure to the CBAM. Vietnam and Indonesia are among the most exposed given their export profiles in steel and aluminium and the regional grouping has struggled to develop a unified position reflecting these differences in national exposure.

FURTHER RESEARCH

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19. The ASEAN Free Trade Agreement: impact on trade flows and external trade barriers

20. EU CARBON BORDER ADJUSTMENTS AND WTO LAW, PART TWO

Relevant UNCTAD Publications:

- Commodity Price Bulletin (Monthly):
https://unctad.org/topic/commodities/commodity-price-bulletin

- Commodities and Development Report:
https://unctad.org/publication/commodities-and-development-report

- Economic Development in Africa Report:
https://unctad.org/publication/economic-development-africa-report

- Trade and Development Report:
https://unctad.org/publication/trade-and-development-report

- World Investment Report:
https://unctad.org/publication/world-investment-report

- Abstracts, Reviews and Other Reports (Publications Search):
https://unctad.org/publications

RULES OF PROCEDURE
(UN-USA)

Rules of Procedure Procedure is a vital aspect of Model UN. In committee, there are very specific guidelines that must be adhered to when one wants to make an action. Parliamentary procedure is the language through which you will communicate during the conference.
Please note: This will be repeated in the orientation session and on the first day of the conference.

MOTIONS

A motion is used in committee when a delegate wants to have an act passed that affects the entire committee. Like the name suggests, "motion," as in "moving," means that you are "moving" towards action, or "moving" the committee in a certain direction.

a) MOTION TO OPEN THE SPEAKERS LIST

Context: This motion is used when a delegate wants to start a new speakers list the chair will then call on delegates who want to be added to the list.
When: This is used at the beginning of the conference when a speakers list has to be opened to set the agenda, called the 'General Speakers List' or GSL. It can also be used later on in a conference to create a new speaker list whenever there is a new topic of discussion or if the delegate deems it necessary to have a speakers list, called the 'Provisional Speakers List'.
*"The delegate of *Your portfolio* would like to raise a motion to open the General Speaker's List"*

b) MOTION TO SET THE AGENDA

Context: This is used to set the order in which the topics will be debated; there will be two speakers for and two speakers against the motion.

When: As the committee only has one agenda, it would be set as 'Addressing the Gaza Strip Dispute' by the discretion of the Executive Board.

*"The delegate of *Your portfolio* would like to raise a motion to set the agenda as —-"*

c) MOTION FOR A MODERATED CAUCUS

Context: This motion is employed when a delegate wants to start a moderated caucus. A moderated caucus refers to the form of debate where delegates raise their placards and the chair recognizes a delegate to speak for a specified amount of time on a specified sub-topic of the agenda.

When: A moderated caucus can be called after the chair asks if there are any motions on the floor, When a delegate calls for a moderated caucus, they also must specify their allocation, the length of the caucus, the length of each speaking time, and the purpose of the caucus for example, "The delegate of India motions for a ten-minute moderated caucus with a thirty second speaking time for the purpose of discussingeducation in India." A rhetorical moderated caucus topic would be looked down upon
by the executive board.

*"The delegate of *Your portfolio* would like to raise a motion to suspend formal debate and move into a moderated caucus on the topic —---, for 15/20/30 minutes with individual speakers' time being 45/60 seconds."*

d) MOTION FOR AN UNMODERATED CAUCUS

Context: This motion is utilized when one wants to start an unmoderated caucus. An unmoderated caucus refers to the form of debate where delegates are allowed to discuss amongst each other in groups regarding any topic.

When: An unmoderated caucus can be called after the chair asks if there are any motions on the floor.

*"The delegate of *Your portfolio* would like to raise a motion to suspend formal debate and move into an unmoderated caucus for — minutes*

e) MOTION TO INTRODUCE WORKING PAPERS, RESOLUTIONS & AMENDMENTS

Context: This motion is used when a delegate wants to introduce (meaning read it to the committee and make it an official document) the working papers/ resolutions/amendments.

When:This motion is used after all the working paper/resolution/amendment has been submitted to the dias, and the dias has permitted the delegates to raise this motion. When you move to introduce the documents, you also must specify the order in which they would be presented (eg: Motion to introduce the draft resolutions in the order 1.0, 2.0 and 3.0)

f) MOTION TO CLOSE DEBATE AND MOVE INTO VOTING PROCEDURE

Context: This motion is used if a delegate wants to end debate on a topic and move into voting procedure there will be two speakers for and two against this motion.

When: This motion can be used any time (but it will not be taken seriously unless an

ample amount of debate on the issue has occurred).

g) MOTION FOR A ROLL CALL VOTE

When: The motion is used during the voting procedure and automatically adopted, with the chair's approval or raised by a delegate in the motion to move into the voting procedure.

Recommendation by the Executive Board: The ways one can vote during a roll call vote are yes, no, yes with rights, no with rights, abstain, and pass. If a delegate votes yes, it means he/she/they is in favor of the resolution. If delegate votes no, it means the delegate is against the resolution. If a delegate abstains, it means he/she/they does not wish to cast a vote on the resolution. If a delegate votes yes/no with rights, it means the delegate wishes to explain his/her vote. The delegate, upon completion of the roll call vote, will receive a thirty-second speech. If a delegate votes yes/no withrights it usually means that the delegate would like to explain why he/she/they is voting against their country's position or against what the country was arguing for during debate. If a delegate passes, it means that the delegate is unsure of how to vote and will be called upon at the end of the roll call vote. Please note that if a delegate passes, he/she/they cannot vote with rights

h) MOTION TO RECESS

Context: This motion is used to suspend debate at the end of each committee session.

When: At the end of each committee session, once the chair says that he/she/they
would take a motion to Recess.

i) MOTION TO ADJOURN

Context: This motion is used to end the last committee session, ending the conference.

When: The motion is used at the end of the last committee session, once the chair says that he/she/they would take a motion to adjourn.

POINTS

In general, points are a way to ask a question in committee or bring something of non substantive importance to the committee's attention.

a) POINT OF PARLIAMENTARY INQUIRY

Context: This point is used when a delegate is unsure of or wants a clarification of a rule or committee procedure; it can also be used if a delegate has a non-substantive question (such as "point of parliamentary inquiry, what is the topic of the moderated caucus?").

When: This point can be used any time when the chair is taking points from the floor.

b) POINT OF PERSONAL PRIVILEGE

Context: This point is used when a delegate's ability to participate in a committee is impaired. For example, one could use this point if it is difficult to hear the speaker.

When: This point can be used anytime, even during another delegates' speech.

Recommendation by the Executive Board: It is also looked unfavorable if this point is used simply to interrupt or set other delegates on guard during their speeches. The point shall only be used during a delegate's speech in case of audibility issues.

c) POINT OF INFORMATION (POI)

Context: This is used when a delegate has a substantive question for a speaker during formal debate(GSL/PSL).

When: This point can be used any time the chair says that questions are in order.

d) POINT OF ORDER

Context: A delegate can raise a point of order when there is a violation of the rules of procedure. The chair will decide whether there is a violation immediately, and if there is, then the violation is corrected or stopped. Traditionally, point of orders are also accepted to point out a factual inaccuracy on a delegate's speech

NOTE: UNHRC WILL BE ACCEPTING FACTUAL INACCURACIES ON A SPEECH AS A POINT OF ORDER

YIELDS AND COMMENTS

a) YIELD TO CHAIR

Context: After the completion of a speakers list speech, a delegate may yield to the chair. This means that the chair will absorb the time remaining in the speech (meaning nothing will happen with any time remaining)

When: After a speech on the speakers list

b) YIELD TO QUESTIONS (POIs)

Context: After the completion of a speakers list speech, a delegate may yield to questions. This means that with the remaining time, the chair will call upon other delegates to ask the delegate giving the speech questions that must pertain to the speech that was just given.

When: After a speech on the speakers list.

c) YIELD TO ANOTHER DELEGATE

Context: After the completion of a speakers list speech, a delegate may yield to another delegate. This means that with the time remaining in the speech, another delegate will be able to elaborate on the ideas that the first delegate presented and the second speaker may not talk about a topic the first speaker did not mention.

d) YIELD TO COMMENTS

Context: After the completion of a speakers list speech, a delegate may yield to comments. This means that 2 thirty-second speeches can be made by any delegate (the chair will call on two delegates who wish to make comments). Note that the comment must pertain to the original speech.

When: A delegate yields to comments after a speech on the speakers list. Comment: If a delegate fails to yield after a speakers list speech, then 2 thirty-second comments are in order. If a speaker fails to yield, a delegate can motion to comment. These comments can be made by any delegate in the committee.

RIGHT OF REPLY VS. RIGHT TO REPLY

a) RIGHT TO REPLY

Context: If a member of the committee makes a personal attack on another delegate, then the pending delegate is permitted a 'Right to Reply' to the delegate. However, if an attack is made on a delegate's position, the delegate does not receive a right of reply, meaning "Country A has an uncomfortably bright shirt..." would deserve a right of reply.

When: A right to reply is requested directly after the personal attack is made Comment.

b) RIGHT OF REPLY

Context: A delegate whose country's national integrity or sovereignty has been contested, may require Right of Reply. The Chairpersons may decide to give a certain time limit to the Delegate to respond and to rule whether the Right of Reply is in order. The decision of the Chairs is not subject to appeal.

When: Eg. Delegate of China says to Delegate of India: "The Indian government has an expansive history of feeding terrorism and profiting off of trade from illicit substances". Then, if the Chair grants the Delegate of India a Right of Reply, the delegate receives 30-60 seconds to verbally reply to the claims made by the Delegate of China. The chair makes the ultimate ruling as to whether or not the delegate in question deserves a right of reply

DOCUMENTATION

Documentation Guideline for Draft Resolution

The two days of deliberation, discussions, diplomacy and lobbying are ultimately directed towards reaching a consensus and forming a resolution, known as the Draft Resolution (DR) that delineates how the Member States must tackle the various issues of the agenda. A good Draft Resolution requires a well-rounded approach to the agenda and must be supported with a realistic framework for implementation. Delegates must ensure that all solutions proposed during committee or presented in the Draft Resolution fall within the purview of the mandate of the United Nations Conference on Trade and Development

Each clause begins with a present participle, called a preambulatory phrase which is italicized and the clause always ends with a comma. These clauses can include references to the UN charter, citations of past UN resolutions or treaties on the agenda, acknowledgment of statements made by the Secretary-General or a UN body or agency, recognition of the efforts of regional or non-governmental organizations, and general statements on the topic and its importance

THE FORMAT OF THE DR AND MORE INFORMATION, REGARDING THE MAXIMUM NUMBER OF AUTHORS FOR WORKING PAPERS AND OTHER SPECIFICS, WILL BE GIVEN TO THE DELEGATES IN THE COMMITTEE.

PREAMBULATORY PHRASE

Each clause begins with a present participle, called a preambulatory phrase which is italicized and the clause always ends with a comma. These clauses can include references to the UN charter, citations of past UN resolutions or treaties on the agenda, acknowledgment of statements made by the Secretary-General or a UN body or agency, recognition of the efforts of regional or non-governmental organizations, and general statements on the topic and its importance.

SOME SAMPLE PREAMBULATORY PHRASES ARE:

Affirming /Alarmed by /Approving / Bearing in mind / Believing / Confident / Deeply concerned / Deeply conscious / Deeply disturbed / Deeply regretting Expecting / Emphasizing / Fulfilling / Fully aware of / In appreciation /Further recalling / Guided by / Having examined / Having received / Keeping in mind / Noting with deep concern / Noting with satisfaction / Further noting / Observing / Reaffirming / Realizing / Recognising / Recalling / Referring / Seeking / Taking into consideration / Taking note / Viewing with appreciation / Believing / Regretting / Considering / Expressing its discontent / Further realizing / Having deliberated / Noting further-Desiring

OPERATIVE CLAUSES:

Operative clauses are meant to offer solutions to issues addressed during the procession of the committee. These clauses are action-oriented and should include both an underlined verb at the beginning of the sentence followed by the proposed solution. Each clause should follow the following principles.

1. Clauses must be numbered
2. Each clause should support another and continue to build your solution
3. Add details to your clauses in order to have a complete solution
4. Operative clauses must be punctuated by a semicolon, with the exception of the last operative clause which should end with a period.

SOME SAMPLE OPERATIVE PHRASES ARE:

Accepts / Affirms /Considers / Draws attention / Endorses / Expresses/ Expresses its hope / Further invites / Further reminds / Reminds / Invites/ Suggests / Regrets / Further requests / Proclaims / Reaffirms / Expects/ Advises / Further recommends / Strongly suggests / Stresses /Notes-Further encourages

**There is a set ratio between the preambulatory and operative clauses, often 2:1.

About Individual Documentation:

The Executive Board welcomes ONLY Solution Papers and Memorandum of Understanding once asked the EB panel for request, yet there is no compulsion for all delegates to submit this documentation.

CLOSING REMARKS

Closing Remarks by the Executive Board

Delegates, we are delighted to initiate this committee and anticipate a highly collaborative, debate centric and solution-oriented two-day session. Our collective effort will be focused on the development of robust and innovative strategies to address the complex before us.

We place great emphasis on upholding the foreign policy of the nation you represent, therefore, we stress that you consume the correct information on the topics you expand your knowledge on during the committee sessions. Do not rely on information produced by incoherent and sensationalising websites. We would highly recommend the delegates to seek the resources mentioned in the background guide as it would build a concrete understanding of the agenda.

It is expected that delegates form their unique interpretations by individual research and participate in dialogue not through useless addition of data, rather, feasible solutions to eradicate the issue at hand. It is ill-advised that delegates limit the scope of their research to simply state facts regarding the agenda instead of deconstructing the true depth and complexity of the agenda.

We scorn displays of disrespect, impolite language and indecent behaviour towards fellow delegates, faculty or the student body. The use of artificial intelligence and internet usage during the committee when prohibited is unacceptable. Such behaviour calls for the right of the Executive Board to report the delegate and even debarment. That being said, we hope that you take a brimming pile of fond memories, do not hesitate while learning from your peers and sharing your knowledge together in a healthy mix of global dialogue and discourse.

We look forward to seeing all of you shortly and wish you the best of luck for the conference!

Yours Sincerely,

The Executive Board,

United Nations Conference on Trade and Development