



## **International Monetary Fund**

President: Daniela Martinez Latisnere

Moderator: Ana Lucía Estrada López

Conference officer: Regina Pacheco Aguilar



"Knowledge is power. Information is liberating.  
Education is the premise of progress."  
- Kofi Annan

Esteemed delegates,

It is an honor and a privilege to extend the warmest welcome to TOLMUN 2023. On behalf of Tecnológico de Monterrey and the Organizing Committee, we greet you and express our gratitude for being a part of our Model United Nations 2023.

TOLMUN has always been a unique opportunity for you, the leaders of tomorrow, to explore and address the most important and compelling global challenges of our time. Over the next few days, you will have the chance to represent different nations and play a crucial role in seeking solutions to complex international problems, harnessing the power of research and debate.

There is no doubt that the most significant aspect of a model is all of you, the delegates. Your enthusiasm for participation fosters a diplomatic and competitive environment. The best delegates are those who are committed to their goals, who advocate for their positions, and, above all, those who drive forward the ideas that will contribute to building a better world. We understand that debating and defending a position can be demanding, but your effort and willingness to do so make a difference.

The primary objective is for you to enrich yourselves with an experience that broadens your perspective on the world we live in. As delegates, you will develop diplomatic skills, make connections, and foster that much-needed spirit of global awareness in today's world. This experience will shape you as individuals and contribute to your academic and, more importantly, personal development. Although the challenges, stress, and debates may be demanding, we assure you that in the end, it will all be rewarding.

Never cease to participate, debate, listen, and, above all, learn.

On behalf of the entire organizing committee, thank you very much for your valuable participation in TOLMUN 2023. Good luck, delegates, and we wish you great success.

Sincerely,

**Juan Pablo Sánchez Saldívar**  
Secretario General

**Valeria Tapia Morales**  
Subsecretaria General



Dear delegates,

First and foremost, we greet and send you our gratitude for accompanying us in this Model; on behalf of the International Monetary Fund Committee, we welcome you to TOLMUN 2023.

It is a pleasure for us to know that we have delegates like yourself, people who seek to make a change by expressing their ideas and opinions, as well as being open to listening to those of others. The United Nations Models are an opportunity that will allow you to develop investigative, oratorical, argumentative, and social skills. You will learn how to use your differences, abilities, and powers to solve problems on a global scale, for the well-being of all.

During these days we expect and hope that you are able to see how much the world is changing on a global scale by representing other delegations. For this, you need to have some skill level, since not always one as a person agrees with the decisions that other delegations make. However, it's crucial to defend these ideas or decisions in order to have better solutions.

The committee depends on the cooperation and goodwill of all its Member States. Since each state has unique interests and concerns, resolutions are difficult to draft, negotiate and approve, so we hope to create a safe space to voice all the solutions. Each step of the process requires creativity and diplomacy on your part to find a main resolution. Therefore, we look for the delegations to act in the best interests of their group with respect, responsibility, and effectiveness.

We would like to express our acknowledgment to you for taking the time to be part of this year's model and especially on the committee of the International Monetary Fund, where we hope you can have the opportunity to open your perspective and your way of thinking about these global problems that we are currently going through. We hope that this experience will encourage all of you to take the initiative to be part of the solutions to global problems and voice all these creative ideas outside this United Nations Model.

We are honored to have all of you as part of this model and we hope you can encourage young people to follow and improve your steps, starting by being part of the United Nations models. We are looking forward to meeting you and hearing your ideas for solving international problems.

Sincerely,

President, Daniela Martínez Latisnere  
Moderator, Ana Lucía Estrada Lopez  
Conference officer, Regina Pacheco Aguilar



## ABOUT THE COMMITTEE

The International Monetary Fund “works to achieve sustainable and prosperity for all of its 190 member countries”. It has the goal of fostering global monetary cooperation, securing financial stability, facilitating international trade, promoting high employment and sustainable economic growth, and reducing poverty around the world, by monitoring and analyzing global economic and financial developments, as well as policies made by its member countries.

The IMF was created in 1944 at the United Nations Monetary and Financial Conference, also known as the Bretton Woods Conference, held in Bretton Woods, New Hampshire, USA. It was to establish a cooperative international monetary system that would promote exchange rate stability, economic recovery, and global financial stability in the aftermath of the tumultuous economic events of the early 20th century, such as the Great Depression.

The IMF operates as a cooperative organization with member countries. It monitors economies, provides financial aid with conditions, offers technical expertise, conducts economic research, and facilitates global coordination on monetary matters. It supports development efforts in low-income countries and operates through a governance system where decisions are made collectively based on countries financial contributions.

The IMF is governed by its member countries, each of which holds shares in the organization based on its economic size. The decisions of the IMF are made collectively, with larger economies having more influence due to their larger shares. The Managing Director, appointed by the Executive Board, leads the day-to-day operations of the IMF.

Some of the problematics the International Monetary Fund issues are; lack of transparency, governance imbalances, as well as, lack of accountability and effectiveness in some decisions made by the government. Critics argue that its policies sometimes prioritize short-term stability over long-term development, and that its economic ideology may lead to volatility.

Nevertheless, the IMF has implemented various resolutions to address criticisms and improve its operations. These include introducing more flexible policy frameworks, incorporating social spending safeguards, reforming governance for better representation, enhancing transparency through data standards, streamlining policy conditions, shifting focus towards crisis prevention, researching income inequality, engaging with civil society for diverse perspectives, expanding technical assistance, and collaborating with organizations like the World Bank on development initiatives. These changes reflect the IMF's commitment to adapt and better serve its member countries and the global economy.



In the 1997 Asian Financial Crisis, the IMF provided financial aid to stabilize currencies like the Thai baht and restore investors in countries such as Thailand, Indonesia, and South Korea. This aid came with conditions for implementing reforms that aimed to address fiscal issues, strengthen financial regulations, and enhance banking systems.

In conclusion, the International Monetary Fund occupies a vital role in the global economic scene, with its interventions and policies significantly impacting member countries financial stability and development trajectories. Through measures such as introducing flexible policies, enhancing transparency, and engaging with diverse stakeholders, the IMF is actively working to evolve and better serve the interests of its member nations, aiming to impact a balance between stability and sustainable, long-term growth in the interconnected global economy.

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## TOPIC A

### Greener economies in the Caucasus and Central Asia.

A green economy according to the United Nations is defined as “low carbon, resource efficient and socially inclusive”. These types of economies reduce carbon emission and for consequence they help in the climate change, and they also prioritize economic growth. They involve economic, social and environmental aspects. Expanding the use of renewable energy such as solar, hydroelectric, geothermal or wind, makes us rely less on fossil fuels and helps with the environment. Both the Caucasus and Central Asia have an enriched diversity, so they all have potential for this type of energy generation.

According to the OCDE, in 2003, the Ministers of Environment of the 12 countries of Eastern Europe, Caucasus and Central Asia (EECCA), together with their partners in the “Environment for Europe” process, adopted the EECCA Environment Strategy. The Strategy aims to promote sustainable development through environmental policy reform and environmental partnerships.

The Caucasus Nature Fund also known as the CNF, is an organization that helps preserve the vital biodiversity in these regions they as well “support the development of management plans, biodiversity monitoring systems and sustainable economic development through ecotourism programs” (Caucasus Nature Fund, 2019). The European Bank for Reconstruction and Development (EBRD) supports green projects and investments in the region, “All our activities will be aligned with the Paris Agreement from the end of 2022, and we plan to be a majority green bank by 2025” (European Bank for Reconstruction and Development, 2022).

Even though Asia has environmental potential for this type of economy, this region it’s also home of the world's poor, according to the Asian Development Bank, there are 263 million living on less than \$1.90 a day and 1.1 billion on less than \$3.20 a day (ADB, 2021), which affects in certain aspects the goal for a greener economy. We also have to mention the lack of openness in certain countries, and the fact that many of these countries don’t have access to the world ocean, which also affects the international investors in these types of regions. In the other hand the Caucasus, according to the European Bank, is presenting some of their highest growth rates in years, but the reports also said that this current growth is driven by temporary factors and it can easily be reversed.

According to the International Monetary Fund (IMF) “income levels and living standards in the Caucasus and Central Asia (CCA) have improved but remain well below the levels of emerging Europe” (International Monetary Fund, 2023), we also have to take into account that this has also been affected by the conflict between Russia and Ukraine, they also suggest the strengthening of the economic resilience as well as the fact that the region needs a grow model.



Central Asian countries proposed digital transformation for sustainable development, the UNECE mentions that they “have committed to stepping-up their efforts to enhance national innovation policies as well as regional cooperation and integration on innovation and technology under the “SPECA Innovation Strategy for Sustainable Development” (adopted in 2019) and the “Asia-Pacific Information Superhighway Action Plan 2022-2026” they promoted the digital cooperation and integration in the sub-region.

In essence, a green economy, defined as low carbon, resource-efficient, and socially inclusive, holds the potential to simultaneously combat climate change, drive economic growth, and ensure social equity. Renewable energy adoption, for example, the Caucasus and Central Asia, offers a way to reduce carbon emissions and induce environmental sustainability. Initiatives such as the EECCA Environment Strategy, supported by the Caucasus Nature Fund and the European Bank for Reconstruction and Development, are in charge of making it happen. Between complexities, the pursuit of a green economy remains a vital direction for the Caucasus and Central Asia regions to forge a prosperous and balanced future.

#### Key questions

1. What is the position of your delegation regarding “greener economies”?
2. Is your delegation under the SPECA Innovation Strategy for Sustainable Development?
3. How does the economy of these regions affect your delegation?

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## TOPIC B

### Formulation of policies to face the reduction in economic growth due to political and social tensions in Latin America.

In Latin America due to political and social tensions, addressing a reduction in economic growth requires a multifaceted approach that takes into account the complex interplay of economic, political and social factors. Several Latin American countries have experienced or are currently experiencing political tensions that could impact their economic growth.

Last year these economies held up well despite the shocks from Russia's invasion of Ukraine and global interest rate hikes. In 2022, the region's economy expanded by nearly 4%, employment recovered strongly, and a rebound in the service sector due to pandemic damage. Due to early and determined efforts of central banks as well as lower global prices of food and energy pressures are receding in many countries. However, core inflation in Brazil, Mexico and Chile remains high around 8%, Colombia with higher levels and lower in Peru. Growth this year is poised to slow just 2%, amid higher interest rates and falling commodity prices. The slowing generation of jobs, consumer spending on goods and services, trading partners growth held back particularly the United States and the euro area. Furthermore, in all likelihood reducing the inflation to central bank's be a protracted process that is subject to risks, including increasing in wage pressures.

Based on a public analysis in six economies of thousands of households (Colombia, Finland, France, Kenya, Mexico and Senegal), it showed that inflation mid-2021 and mid-2022 impacted through 3 main channels: their income, wages, transfers or pensions, their consumption patterns, liabilities and their assets.

Japan has grappled with persistent low inflation for years, prompting the government and the central bank to implement a range of policies to combat deflationary pressures and stimulate economic growth. Some of the key policies and strategies used by Japan to address inflation include a pursued aggressive monetary easing by the Bank of Japan, which involves massive purchases of government bonds and other assets to increase the money supply and encourage borrowing and spending, Japan has also introduced negative rates on excess reserves held by financial institutions at the central bank, encouraging banks to lend more money to consumers and businesses, thereby boosting economic activity. Debating the effectiveness of these policies involves assessing their impact on inflation, economic growth, consumer behavior and overall economic stability. Moreover, considering the long-standing challenges that Japan faces, the effectiveness of these policies may vary over time and require ongoing adaptation.



As well in response to the 2008 financial crisis, the United States implemented policies such as the American Recovery and Reinvestment Act, involving fiscal stimulus through tax cuts and increased public spending on infrastructure. The government stabilized the financial sector by providing support to troubled institutions and implemented expansionary monetary policies, including lowering interest rates and quantitative easing. Assistance was extended to the automobile and housing industries, and regulatory reforms like the Dodd-Frank Act were introduced. These measures aimed to counter the economic downturn, stabilize markets, and stimulate recovery.

Political and social tensions in Latin America can impede economic growth by deterring investment due to uncertainty, reducing consumer and business confidence, disrupting productive activities, and increasing borrowing costs. These tensions can also lead to policy paralysis, brain drain, trade disruptions, fiscal pressures, and credit rating downgrades. To mitigate these effects, governments should prioritize stability, transparent policies, social inclusion, and investor confidence, while fostering an environment conducive to economic growth.

Key questions:

1. How does your delegation form part of this problem?
2. In a regional approach, how has your delegation helped or approached a situation similar to this?
3. What economic issues and crises has your delegation had, and how do they deal with it?
4. Which political tensions does your delegation face that creates an obstacle to reduce inflation?
5. Has your delegation taken any action on this issue?



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## CONTACT

President, Daniela Martínez Latisnere  
[A01770746@tec.mx](mailto:A01770746@tec.mx)

NOTE: the position paper must be sent to this contact.  
Submission date for review: between September 26 and 29.

Submission date to meet the requirement: before the first session on October 5.