



STUDY GUIDE IMF

*"Establishing a Framework to Counter the Financial Impact of
Climate Displacement"*



INTRODUCTION TO THE COMMITTEE

1. Council and topic

Welcome to PIMUN 2022 and the International Monetary Fund (IMF), a technical and challenging but intellectually rewarding committee. During our four days together, you will learn how to implement viable economic and financial solutions to ensure the well being of every single country on the topic of “Establishing a framework to counter the financial impact of climate displacement”

This topic is extremely important in a context where international organizations, governments and individuals are becoming more and more concerned about the consequences of climate change. Climate displacement has unfortunately become a reality with millions of individuals leaving their homes. This entails that on top of finding solutions to climate displacement’s origins, solutions must be found for its consequences. The IMF can do so on the financial stage. In this committee, you will be able to understand how game theory can be implemented in bilateral and multilateral relations; the difficulty of defending the economic and diplomatic interests of a country, be it a less developed country (LDCs), a more developed country (MDCs), or an OECD country; the difficulty of attaining a consensus with countries that have different perceptions; and the consequences of a Nash equilibrium (or worst possible scenario) if international cooperation around climate change is not obtained. ¹

MUNs are the perfect occasion to surpass oneself and understand a diplomat’s role during international conferences because delegates must follow the standpoint of the country they represent and never their personal one. PIMUN 2022 is a popular European and international MUN, that will push you to expand your horizons and find innovative and diplomatic ways to attain a consensus. With 300 other delegates from all educational backgrounds, you are sure to have fun during this one-of-a-kind experience. If this is your first MUN, congratulations for taking this step and welcome to the MUN family; if you are a MUN veteran, thank you for joining us and sharing your knowledge. Remember that no matter your level, you are all essential parts of the debate, so don’t hesitate to speak up and participate, you might be surprised by what you are capable of. Embrace this experience to the fullest, make friends, ask questions, and learn in a

¹ Game theory is a framework presenting different solutions depending on how competing actors behave.

friendly environment. We are very pleased to have you here with us! Looking forward to hearing you all debate!

2. Introduction to the Chairs

Chair

My name is Maria Bolotnikov, and I am thrilled to be your Chair for the International Monetary Fund Committee at PIMUN 2022. I am a second year Master student in the *Magistère de Relations Internationales et Action à l'Étranger* at the Paris 1 Panthéon-Sorbonne University. My MUN experience dates to 2016 when I was still in high school. Since then, I have become addicted to the world of international relations, negotiations and diplomacy and have made it my mission to participate in all the conferences that I could possibly find. Nonetheless, as much fun as it is being a delegate, my favorite part of MUNs is being a training officer in the *Sorbonne Organisation des Nations Unies*. There is nothing better than transmitting to other students one's love for debate. My objective is for all of you, our wonderful delegates, to feel comfortable, learn and especially enjoy yourselves. If you have any questions, don't hesitate to send me an email: maria.bolotnikov964@gmail.com

A fun fact about myself is that I am a huge karaoke lover. Give me a microphone, and colorful lights and I will sing my heart out... but not with the best voice, so for the brave souls that are willing to accompany me, bring earplugs...

Maria Bolotnikov

ESTABLISHING A FRAMEWORK TO COUNTER THE FINANCIAL IMPACT OF CLIMATE DISPLACEMENT

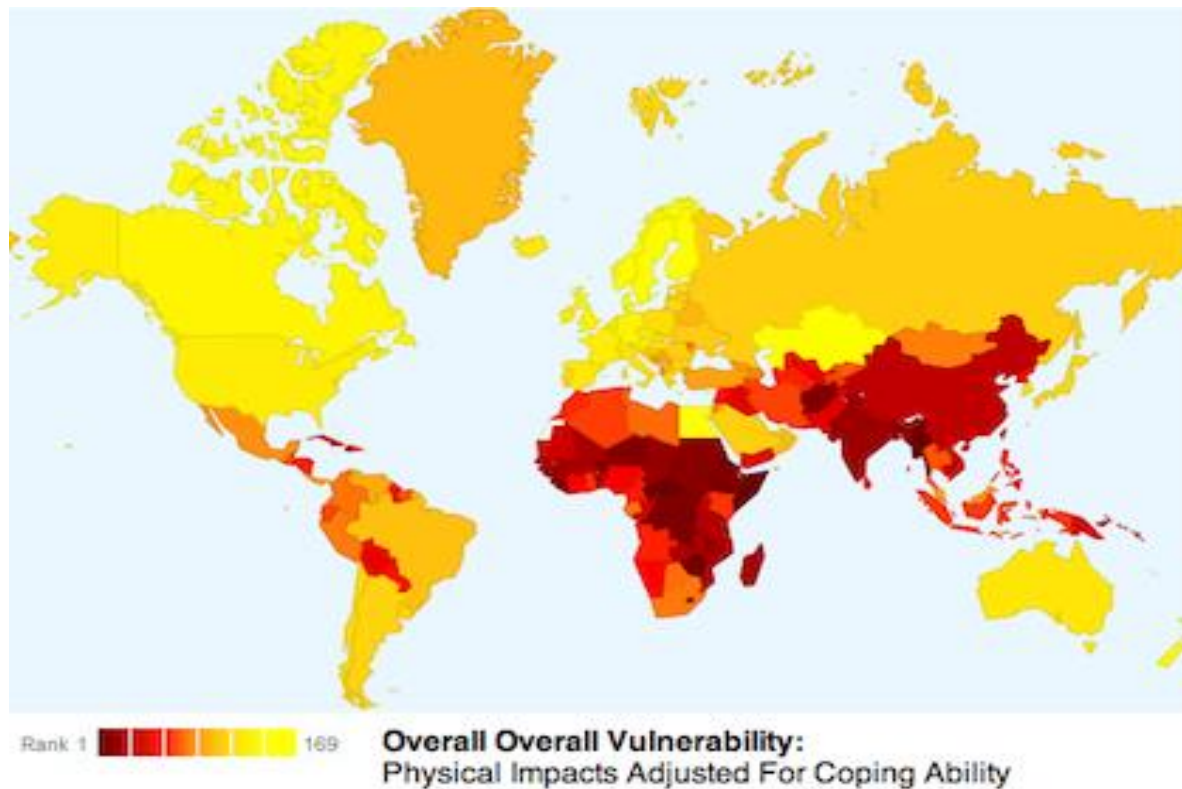


Figure 2

1. Introduction to the Committee

The IMF was conceived in July 1944 at the United Nations Bretton Woods Conference in New Hampshire, United States. The 44 countries in attendance aimed to create a mechanism for international economic cooperation in order to prevent a repeat of the competitive currency devaluations that led to the Great Depression in the 1930s. The IMF's primary goal is to maintain the international monetary system's stability, which includes the exchange rate and international payment systems that enable countries and their people to transact with one another. International monetary cooperation and financial stability are promoted by the International Monetary Fund. Other than that, IMF also helps to minimize global poverty by facilitating foreign trade, promoting

² Center for Global Development. (n.d.). Mapping the impacts of climate change [Map]. University of Colorado Boulder - Environmental Center - Division of Student Affairs. <https://www.colorado.edu/center/energyclimate-justice/general-energy-climate-info/climate-change/climate-justice>

jobs and long-term economic development. The 190 member countries rule and hold the IMF accountable.³

The IMF uses a formal framework known as surveillance to track member country policies as well as national, regional, and global economic and financial developments in order to preserve stability and avoid crises in the international monetary system. The IMF provides advice to member countries and promotes policies designed to foster economic stability, reduce vulnerability to economic and financial crises, and raise living standards.⁴ Other than that, IMF also provides a number of regional economic outlooks, as well as periodic assessments of global prospects in its World Economic Outlook, financial markets in its Global Financial Stability Report, public finance trends in its Fiscal Monitor, and external positions of the largest economies in its External Sector Report.⁵

The IMF's primary duty is to provide loans to member countries that are experiencing or may be experiencing balance-of-payments problems. Individual country adjustment programs are developed in close collaboration with the IMF and financed by the IMF, with continued financial support contingent on successful implementation of these changes. In April 2009, the IMF improved its lending ability and authorized a major overhaul of its financial support structures in response to the global economic crisis, with additional reforms implemented in subsequent years. These reforms improved the IMF's crisis-prevention toolkit, helping it to better adapt instruments to meet the needs of individual member countries and bolstering its capacity to reduce contagion during systemic crises.⁶

The IMF provides technical assistance and training to member countries in order to help them develop their economic structures and human capacities. This includes, for example, designing and implementing more effective policies for taxation and administration, expenditure management, monetary and exchange rate policies, banking and financial system supervision and regulation, legislative frameworks, and economic statistics.⁷

³ “The IMF at a Glance.” IMF, March, 2021. <https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance> .

⁴ Ibid.

⁵ Ibid.

⁶ “The IMF at a Glance.” IMF, March, 2021. <https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance> .

⁷ Ibid.

IMF financial resources are primarily derived from member quotas. The quota of a member represents its size and place in the global economy. The IMF performs quota checks on a regular basis. The 14th Review, which ended in 2010 and went into effect in 2016, increased quota capital to SDR 477 billion (approximately US\$687 billion). The 15th Review was concluded in 2020 with no increase in quota.⁸

The International Monetary Fund (IMF) is accountable to the governments of its member countries. The Board of Governors, which consists of one governor and one alternate governor from each member country, usually top officials from the central bank or finance ministry, sits at the top of the organization's organizational structure. At the IMF - World Bank Annual Meetings, the Board of Governors meets once a year. The International Monetary and Financial Committee, or IMFC, is made up of 24 governors who advise the IMF's Executive Board on the regulation and management of the international monetary and financial system. The IMF's day-to-day operations are overseen by a 24-member Executive Board that serves the entire membership and is assisted by IMF staff.⁹

2. Introduction to the Topic

2.1. Contextualization

Ocean levels are rising, droughts are destroying crops, hurricanes become more and more ravaging, extreme rainfalls are creating perilous landslides... we call these phenomena climate stressors, and they are, but a few examples of what climate change brings about.

When these natural disasters get mixed with human life and human settlements, economic and social vulnerabilities are to be expected. This leads not only to food scarcity and conflict but also loss of livelihoods, weakened governments, economic stagnation, and finally displacement. In regions like Central Asia and the Caucasus, countries have suffered great Gross Domestic Product (GDP) losses going up to 5.5 percentage points, because of climate change.¹⁰ How can the causal link between GDP loss and climate change, and the related-vicious circle be broken

⁸ Ibid.

⁹ Ibid.

¹⁰ Shalal, A. S. (2022). Climate-related disasters pose “major” growth threat in Middle East, Central Asia - IMF. Reuters. <https://www.reuters.com/business/environment/climate-related-disasters-pose-major-growth-threat-middle-east-central-asia-imf-2022-03-30/>

down? Droughts and extreme temperatures ruin crops, resources become scarcer, sectors lose their business and eventually close, the population that lived thanks to these activities falls into a poverty trap and life becomes unlivable. If governments are unable to adapt and become a security net for their citizens by offering viable solutions, then the fragilized population will look for a new place to call home. In 2020 alone, the number of displaced people linked to the consequences of climate change tripled those who ran away from conflict.¹¹

These displacements entail consequences on all levels and especially on humanitarian, economic and financial ones. By 2050, areas like Sub-Saharan Africa, South Asia and Latin America, will count tens of millions of displaced individuals.¹² They represent the most vulnerable regions in the world. It is important to note, that most displacements start by being internal and when this is no longer possible, they transform into regional or even international displacements.

2.2. IMF's role

Some questions that automatically arise around this topic are the following: how to ensure the well-being of the displaced individuals? How is it possible to facilitate their integration within the host communities? How can countries create viable economic solutions to attain stability? How can financial consequences caused by climate change be mitigated? How can the loss of activity in a certain area be compensated? What is the IMF's role in all of this?

In today's day and age, the International Monetary Fund plays a fundamental role in the issue of climate change and conflict refugees and aids countries economically to offset the consequences of loss of activity. Why? Because the IMF's main objective is to achieve monetary cooperation to ensure global economic stability. In practice this supposes that the IMF gives out loans to stabilize countries' balance of payments to reduce global poverty and secure a positive climate for trade. When the ailments of displaced people and climate change are not properly tackled, this leads to considerable macroeconomic deficiencies, pauperization of the population, the rise in inequalities and hence a degradation of the Gini coefficient which contributes to

¹¹ Internal Displacement Monitoring Centre. (n.d.). Global Report on Internal Displacement 2021. Retrieved April 11, 2022, from <https://www.internal-displacement.org/global-report/grid2021/>

¹² Rigaud KK, De Sherbinin A, Jones B, Bergmann J, Clement V, Ober K et al (2018) "Groundswell: Preparing for internal climate migration," The World Bank, Washington, D.C., (<https://openknowledge.worldbank.org/handle/10986/29461>)

increasing global poverty; hence the IMF would be going against its mandate if these topics were not properly tackled.

Therefore, the IMF, composed of 190 member countries, can and should play a major role in implementing a framework to limit the financial impacts of climate displacement, help all stakeholders, reduce the risk of economic degradation and therefore the creation of a vicious circle.

The framework that the delegates will have to implement will be a new one since the current ones focus on refugees and climate change... however, in international law there is no such thing as a “climate refugee”. Although in practice, the term “climate refugee” is commonly used, we should refrain from using this term during our committee sessions. This is due to the fact that the 1951 Convention qualifies a refugee as a person outside their country of nationality, fearing persecution because of their nationality, membership to a particular social group or political opinion and is unable or unwilling to avail themselves of the protection of that country, or to return there, for fear of persecution.¹³ While the definition of “climate refugee” does not evolve, we should only use this term if the climate flight is linked to a conflict allowing for the fear of persecution to exist.

2.3. Financial consequences linked to climate displacements

These displacements from a point A to a point B, be they internal, regional or international lead to several financial consequences.

Climate displacements entail that economic activities slowly die down and in the worst cases, the region can even turn into a ghost town. This is what happened in several towns on the Gulf Coast in the United States: towns got wiped out once the rising sea levels devoured the region and destroyed the last resources available.¹⁴ Countries can therefore lose sectors of activity which could have terrible backlash if the activity benefited several regions through commerce, on top of reducing a country’s GDP. Products and services becoming scarcer, prizes would soar and given that not all countries have a strong Government, it would not always be possible to create subventions for basic needs, which would in turn push more people to abandon their homes.

¹³ UNHCR. (n.d.). The 1951 Refugee Convention. Retrieved April 11, 2022, from <https://www.unhcr.org/1951-refugee-convention.html>

¹⁴ Cusick, D. C. (2020). Climate Helped Turn These 5 Places into Ghost Towns. Scientific American. <https://www.scientificamerican.com/article/climate-helped-turn-these-5-places-into-ghost-towns/>

Climate disasters may also lead to the erosion of local financial institutions: insurances would have to close after paying all of their clients back; local stocks might also be strongly affected, leading to the possibility that a financial crisis might spill over into the real economy.¹⁵

It is also important to note that displacements will be done by two types of demographics: those that have the means and have predicted the slow destruction of their territory or vulnerable populations that must leave in a hurry because everything they know has been destroyed. This distinction is crucial. In the first case the displaced individuals will push the economy of the host region or country and have also a positive effect on productivity: an influx of 1 percentage point of displaced individuals leads to a 1% growth in productivity in 5 years. In the second case however the lack of preparedness of the individuals does not allow for such a clear positive distinction to be drawn.¹⁶ Host countries and host regions need funding to relieve themselves from the budgetary pressure that becomes associated with climate displacement: creating jobs, giving accommodation, etc.¹⁷

All this leads to the following conclusion: all countries affected by climate change and climate displacement would need funding, loans and grants to somehow overcome the negative financial effects. This would work by the IMF giving out more loans to the affected countries.

3. Identification of problems

Several problems arise around this topic. Some are not problems specific to the topic but they are issues that must be considered when debating the creation of a new framework within the International Monetary Fund.

1) **Loan conditions.** The IMF gives out loans to countries. These loans are financed thanks to the 190 countries that give the institution a yearly quota that depends on the country's GDP: the higher the GDP, the higher the quota which in turn means more decision-making power. When

¹⁵ International Monetary Fund, & Rother, Pierre, Lombardo, Herrala, Toffano, Roos, Auclair, Manasseh, B. R. G. P. D. L. R. H. P. T. E. R. G. A. K. M. (2016, September). The Economic Impact of Conflicts and the Refugee Crisis in the Middle East and North Africa. <https://www.imf.org/external/pubs/ft/sdn/2016/sdn1608.pdf>

¹⁶ Engler, MacDonald, Piazza, Sher, P. E. M. M. D. R. P. G. S. & International Monetary Fund. (2020, June 19). L'immigration dans les pays avancés peut accélérer la croissance. International Monetary Fund. Retrieved April 13, 2022, from <https://www.imf.org/fr/News/Articles/2020/06/19/blog-weo-chapter4-migration-to-advanced-economies-can-raise-growth?fbclid=IwAR2Dd38axxHJfgCaoLY2urCoeQ7792eB0q5E4RB8dTHEYQVSZsNEFzJMQVQ>

¹⁷ Auyezov, O. A. (2021). Afghanistan's economic collapse could prompt refugee crisis - IMF. Reuters. <https://www.reuters.com/world/asia-pacific/afghanistans-economic-collapse-could-prompt-refugee-crisis-imf-2021-10-19/> - "A large influx of refugees could put a burden on public resources in refugee-hosting countries, fuel labor market pressures, and lead to social tensions, underscoring the need for assistance from the international community,"

implementing the new framework, it is necessary to know if member States are expected to pay a larger quota each year to compensate the financial consequences or should quotas remain the same and then be redistributed. Unfortunately, some countries are more affected than others by climate change and climate change displacement whereas others still have a certain margin, which can lead to free-rider behaviour.

Why would an IMF country member accept to invest every year so that a solution can be found for a problem that doesn't yet affect their territory or doesn't affect it substantially? Countries with a strong nationalist fibre or countries with a government that still doesn't perceive the urgency of the situation, might not accept going that extra mile. A viable solution for every single country should be found while being sufficiently strong to make a difference.

The questions to resolve this problem are: how would loans be intelligently allocated and what would be the conditions for the payback? Should there be different types of loans depending on the country? Should there be grants? In the light of sustainability-linked loans, could interests depend on the right use of the allocated funds?

2) Finding the right balance between needs and contributions. How to ensure the equilibrium of funding needs and funding capacities between states facing climate displacements differently? Some need funds to adapt their economies to prevent forced displacement, some have interests in financing fragile countries to prevent climate displacement at one's border and some need exceptional funding to guarantee the proper and timely response to an immigration flow due to extreme weather conditions, etc. Creating a multilateral framework to match funding would lead to efficiency and more fairness. In the urgency, some countries might end up bearing the cost for other countries that would act as free-riders arguing they are not concerned by climate displacement, but they would benefit from the proper management of immigration flows of neighbouring countries. How can free-riders be avoided? How to guarantee that all countries participate equally?

3) Interrelation between climate displacement and conflict. When climate displacements occur, and the displaced population ends up in a region or a country that is poor and lacks resources, this may lead to conflict. This situation has occurred on numerous occasions.

For instance, in Syria, between 2007-2010 a long drought ruined the wheat crops that the government had planted. This led part of the rural population to migrate into the cities which at that point were already overcrowded... this sparked conflicts which lead people to migrate to neighbouring countries.¹⁸ Katharine J. Mach will go as far as to say that twenty per cent of armed conflicts originate from climate change and an exodus of people.¹⁹ And what is more she will argue that this has been the case for the last hundred years.

It is therefore important to know that there is a distinction between environmental displacement and conflict displacement, however, they are tightly linked together. It would be a shame for a draft resolution to mention the environmental displacement without understanding the bigger picture.

4) The last issue to be wary of is **debt-trap diplomacy**. If the IMF does not manage to allocate loans properly or if the framework created doesn't answer properly to the financial expectations of the affected countries, countries may start creating bilateral relations with each other. Bilateral relations are a normal occurrence, notwithstanding, when a lending country starts giving out loans to another country with the objective of making the borrower country become a victim of unsustainable debt, then this leads to a grave impact.

The underlying problems are linked to the IMF's way of functioning. They are not the main issues, but it is important to think about these when trying to decide what the framework should be like. These are the criticisms of the IMF's *modus operandi*.

The institution has long been considered an arsonist firefighter... unfortunately its position in fighting against climate change is not free of criticism. This is because although it makes sure to distribute financial aid/loans to countries that must battle the consequences of climate change, it also gives counsel that perpetrates climate change. For instance, out of the 600 annual reports done by the IMF between 2015 and 2021, one third pushed countries to use fossil energies and in some cases even to export coal to countries like China. The irony is that the countries asking for counsel

¹⁸ International Monetary Fund. (2022, March). Feeling the Heat, Adapting to Climate Change in the Middle East and Central Asia. <https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2022/03/25/Feeling-the-Heat-Adapting-to-Climate-Change-in-the-Middle-East-and-Central-Asia-464856>

¹⁹ Mach, K. J. M. (2019). Climate as a Risk Factor for Armed Conflict. In Climate as a Risk Factor for Armed Conflict (pp. 193–196). Nature.

in these annual reports were highly affected by the consequences of climate change: Uganda, Ghana, Tanzania, etc.²⁰ Before the new framework is implemented to avoid the financial backlash of climate displacement, it is necessary to review the initial system which enhances climate change.

This is not the only thing that causes a problem with the IMF's operating system. It is also important to understand that the IMF has a specific way of giving out loans which is based on the IMF conditionality. These conditions can be very strict, and if the loans is allocated, they can push countries to implement austerity measures to pay the loan back. It is therefore important to think about the consequences of implementing austere measures in countries that need to invest to make their economy flourish.

4. Past actions

The IMF has implemented several frameworks to battle the negative effects of climate change. One of the main objectives is to “put climate at the heart of our work—from country, regional, and global economic surveillance to capacity building, to helping small island states with fiscal strategies that build resilience”.²¹

The IMF is highly involved in the protection of the 17 Sustainable Development Goals since their implementation in 2015. Most of the actions that can be mentioned are those linked to the facilitation of giving out loans to victim countries and ensuring that their economy can become durable. Amongst these specific measures, one can count the creation of the Rapid Credit Facility, allowing for LICs to borrow funds from the IMF with a zero per cent interest rate in the case that their balance of payment is deficient. The institution has also received in 2021, 650 billion dollars in Special Drawing Rights which are intended to be distributed amongst countries to enhance their liquidity and allow them to invest in the sectors that need it the most.

Furthermore, the IMF works in close proximity with the World Bank and the United Nations and provides counsel to countries on how to attain a durable economy. It has also implemented a safety net to ensure that in the case of an emergency, countries may still get funds. In 2017, a joint

²⁰ Hiault, R. H. (2021). Climat : le FMI critiqué pour ses conseils à ses pays membres. Les Echos.

<https://www.lesechos.fr/monde/enjeux-internationaux/climat-le-fmi-critique-pour-ses-conseils-a-ses-pays-membres-1340891?fbclid=IwAR3g0Dx02dkiodxvjbTU-dNU7vFljq3ZbwzIsXz7shjJY5J7ofBYm1n6o-A>

²¹ International Monetary Fund. (n.d.). We joined Cop26 to build support for climate action. Retrieved April 15, 2022, from <https://www.imf.org/en/Topics/climate-change/COP26-page#:~:text=Back%20to%20Top-.What%20is%20the%20IMF%20doing%20to%20help%20tackle%20climate%20change,fiscal%20strategies%20that%20build%20resilience.>

effort between the International Monetary Fund and the World Bank created an assessment named Climate Change Policy Assessments (CCPA). This assessment aimed at creating macro-economic solutions in countries affected by climate change that would make them financially attractive to private investors. Parallel to this, the IMF has become involved in COP26 and has even been manoeuvring to advise on climate strategies to policymakers.²²

On a practical note, the IMF hires climate experts that verify the feasibility of the programs that are recommended and also make sure that the loans that are given out are sufficient to implement the intended plan.

However, the framework that has to be implemented in this committee to counter the financial impacts of climate displacement is a new one within the IMF, there is no particular paper having tackled this topic head-on. To complement this lack of resources, here are some decisions that have been taken on the international scene by organisms like the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Framework Convention on Climate Change (UNFCCC), amongst many others.

As one might observe from the list of agreements that are listed below, 2015 was a year of great mobilization to implement policies against climate change.

The UNFCCC is at the origin of the Paris Agreement and in 2015 this document requested through its paragraph III article 49 for recommendations to “avert, minimize and address displacement related to the adverse impacts of climate change”.²³ Article 49 marked the establishment of the Task Force on Displacement, a milestone in the definition of climate change displacement.²⁴ The Executive Committee of the Warsaw International Mechanism for Loss and Damage became the caretaker of this article 49 by implementing and safeguarding it on an international scale.

That same year the General Assembly adopted the Sendai Framework for Disaster Risk Reduction 2015-2030. This document pushed the international community to “ensure rapid and effective response to disasters and related displacement”.²⁵ The 2030 Agenda for Sustainable

²² *Ibid*

²³ UNFCCC. (2016). Paris Agreement – p. 38 https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf

²⁴ UNFCCC (n.d.) Task Force on Displacement, <https://unfccc.int/process/bodies/constituted-bodies/WIMExCom/TFD#eq-4>

²⁵ United Nations World Conference on Disaster Risk Reduction (June 2015). 69/283. Sendai Framework for Disaster Risk Reduction 2015–2030 – p.17

Development took one step further and pushed the rhetoric that climate change is a great challenge and its consequences “undermine the ability of achieving sustainable development”.²⁶

In 2018, the United Nations General Assembly implemented the Global Compact on Refugees, a project overseen by UNHCR. This particular document offered a holistic approach for implementing a solution that made all countries share responsibility for the fate of climate displaced individuals through four main objectives with two that interest this committee: easing the pressure on host countries and finding solutions for displaced individuals to become self-reliant and be part of the economy.²⁷

The committee will have to use an intersection of all these agreements and give them the economic and financial background that all of them lack.

5. Solutions

There are several points that draft resolutions should have in mind when trying to attain a consensus.

The first part that is crucial to tackle is what should the funding given out by the IMF be used for. Some ideas are the following:

Funds should help host countries create new jobs, provide services and accommodations, help with the administrative costs, etc. Transitory countries should manage the following activities: ensuring safe and timely displacements, giving out temporary accommodation at the border and helping with administrative paperwork. Lastly, countries that suffer from emigration can use this funding to adapt their societies and reduce those flows. Without external help, and the IMF’s intervention, local resources may prove insufficient to guarantee the well-being of the citizens and the newly arrived ones and would suppose a high public budgetary cost. This external help will lead to countries having more debt, however, a new framework would allow discussing how this debt should be paid back.

<https://www.preventionweb.net/files/resolutions/N1516716.pdf>

²⁶ United Nations General Assembly. (2015, September). Transforming our world: the 2030 Agenda for Sustainable Development. United Nations Department of Economic and Social Affairs Sustainable Development.

https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

²⁷ United Nations. (2018). *Global Compact on Refugees*. <https://www.unhcr.org/5c658aed4>

Secondly, the framework should make sure that no free-rider country would benefit from other countries investing in the climate displacement solution without participating in accordance with its capabilities. Its governance would also ensure the timely approval of funds allocation to answer the possibly quick needs related to extreme weather events. The financial capacity of the framework should be strong enough to answer the financial impact of climate change. It should ensure the efficiency of funds' use to tackle the problem while taking into account both a global view and the situation of each country.

Thirdly, the framework should provide countries with sufficiently bearable loans conditions to avoid them falling into debt traps. The solution lies in the questions of debt-forgiveness, different levels of interest rates for the loans, compound interests, etc.

6. Bloc positions

For this particular topic, creating bloc positions, might not be the best solution since all countries will be affected, in the short or long term by climate change displacement. Therefore, stakeholders can be characterized through a temporality analysis and a risk factor analysis:

- Countries that have regions that are already facing displacement linked to climate change (countries located on the Equator, for example)
- Neighboring countries that are accepting displaced individuals
- Countries that are not yet as affected and are not situated close to the hot spots

Given that bloc positions are not precisely defined, as long as you explain properly your position, it will be accepted.

7. QARMA: Questions A Resolution Must Answer

Here are 5 questions that a draft resolution should answer.

1) What are the financial risks linked to environmental/climate displacement? The topic guide scratches the surface of what are the financial risks, it is up to you to dig deeper. (Inflation, the balance of payments, economic growth, etc.)

2) What are the concrete tools that the IMF can use from its arsenal to verify that the solutions offered are viable? What are the methods that the IMF should use to reduce its conditionality over loans?

3) How to convince countries that might not see the urgency of the crisis to invest in this framework?

4) How can the IMF produce a solution that is sufficiently interesting to the borrowing countries? How can the IMF avoid being bypassed by other actors?

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