MIDWEST MODEL UNITED NATIONS

GENERAL ASSEMBLY SECOND COMMITTEE

TOPIC GUIDE

Topic Guides are prepared by MMUN volunteer staff and are meant to provide basic background information on each of the committees and the topics on their agenda. Delegates should conduct outside research in order to fully prepare for negotiations in committee.

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MIDWEST MODEL UNITED NATIONS

General Assembly Second Committee

Committee Mandate

Chapter IV of the United Nations Charter empowered the UN General Assembly (UNGA) to create subsidiary organs to further its founding principles of peace and security, human rights; and development.[1] Accordingly, in 1946, the UNGA established six subsidiary committees to deliberate on pressing issues in specialized settings.[2]

The Second Committee of the UNGA, also known as the Economic and Financial Committee, was established for Member States to cooperate on global economic and development issues.[3] The 77th Session of the UNGA Second Committee has various priorities it will consider.[4] These include macroeconomic policy, financing for development, sustainable development, globalization, and interdependence; eradication of poverty, operational activities for development agricultural development, food security and nutrition; information and communications technologies for development; and implementation of the New Urban Agenda.[5] The array of topics represents the issues the body has determined need further debate in a comprehensive and, ideally, unanimous manner. The topics also provide opportunities for interorganizational and interstate cooperation.

Membership

Every UN Member State, as well as each Observer State, has a seat within the UNGA Second Committee.[6] Since the beginning of the 77th Session, which began on 13 September 2022, the body has been chaired by Her Excellency Lachezara Stoeva of Bulgaria, who will hold the gavel until the 78th session. The Vice-Chairs of the body include Ahmed Magdy of Egypt, Abdulrahman Abdulaziz Al-Thani of Qatar, and Vladamir Budhu of Trinidad and Tobago.[7] Additionally, Member States may assign advisers, technical advisers, experts or persons of similar status to these committees in accordance with Rule 100 of the Rules and Procedures of the General Assembly.[8]

Reporting

The UNGA Second Committee has five bodies that report to it on an annual basis.

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[1] United Nations. "Charter of the United Nations". 1945
[2] United Nations. "Resolutions adopted by the General Assembly during the 1st part of its 1st session from 10 January to 14 February 1946," 1946
[3] United Nations. "Economic and Financial Committee (Second Committee)." 2022.
[4] Ibid
[5] Ibid
[6] United Nations. "Membership of the Main Committees of the General Assembly." 2022. A/INF/77/2/Rev.1
[7] United Nations. "Economic and Financial Committee (Second Committee)." 2022.
[8] United Nations. "Main Committees." 2022

These include the UN Environment Assembly of the UN Environment Programme, the
three Governing Councils of the three Rio Conventions (Biodiversity, Climate Change, and Desertification), and the UN Human Settlements Programme (UN Habitat) report to the UNGA through the Second Committee.[9] Similarly, the Second Committee produces and submits reports to the General Assembly to review during its plenary session for the various agenda items assigned to it. Reports to the UNGA include which meeting the agenda item was considered, summarize the committee's consideration of the item, report the Member States' votes, if applicable, on draft texts, and transmit the final version of the draft resolutions or decisions recommended to the UNGA plenary for adoption.[10]

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[9] The Permanent Mission of Switzerland to the United Nations. "The GA Handbook: A Pratical Guide to the United Nations General Assembly. 2017

[10] Ibid

MIDWEST MODEL UNITED NATIONS

General Assembly Second Committee

Topic A: Sustainable Tourism

Introduction

"We need to work with nature, not against it."

- *David Attenborough*

Tourism is one of the most significant economic sectors, contributing to trade, employment, development, and foreign exchange across the world.[1] Tourism has been linked to social, economic, and environmental improvement for many Member States, especially in the developing world.[2] This is demonstrated through the construction and development of hotels, restaurants, infrastructure, and cultural attractions that can benefit both local communities and visitors. As a result, tourism has been recognized as a significant contributor to achieving several Sustainable Development Goals (SDGs), including but not limited to SDGs 8, 12, and 14.[3]

Sustainable Development Goal 8 seeks to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, with target 8.9 calling on Member States to implement policies that promote sustainable tourism, creating jobs and promoting local culture and products.[4] Similarly, SDG 12 Target 12.b calls for the development and implementation of tools that monitor sustainable development impacts from sustainable tourism.[5] Finally, Target 14.7 recognizes the benefits tourism has on Small Island Developing States (SIDS) and Least Developed Countries (LDCs) in increasing the sustainable use of marine resources.[6]

While tourism can be a significant contributor to a country's economy, the economic benefits generated by tourism can also cause impacts to the local culture, the way of living, and the environment.[7] Economies that are now heavily dependent on tourism struggle to provide diverse employment opportunities outside of the sector, leaving workers vulnerable to seasonal demand and external economic shocks.[8] Additionally, tourism has contributed to the increasing costs of living causing economic distortions, inefficient resource allocation, and the displacement of local communities.[9] These pressures affect relations between local communities and visitors, with residents noting tourism as the culprit of overcrowding, environmental

[1] United Nations Department of Economic and Social Affairs, "Sustainable tourism."
[2] Ibid.
[3] Ibid.
[4] United Nations Department of Economic and Social Affairs. "Goal 8: Decent Work and Economic Growth."
[5] United Nations Department of Economic and Social Affairs. "Goal 12: Responsible Consumption and Production."
[6] United Nations Department of Economic and Social Affairs. "Goal 14: Life Below Water."
[7] United Nations General Assembly. "Global Code of Ethics for Tourism". United Nations. A/RES/56/212. 2002.
[8] United Nations Department of Economic and Social Affairs. "World Economic Situation and Prospects 2026". United Nations. 2026.
[9] Inez Low, "The Economic Challenges of Over versus Under Tourism," Columbia Economic Review, October 21, 2025.

degradation, rising cost of living, and the loss of cultural identity.[10] This has created resentment towards tourists and in many cases, intersects with the overall attitude towards foreigners and migrants.[11]

Background

The concept of sustainable tourism can be traced back to the development of sustainable development in the 1990s. In 1992, the United Nations Conference on Environment and Development (UNCED) was held in Rio de Janeiro, Brazil.[12] The conference brought together representatives from governments, non-government organizations (NGOs) and scientists to address the relationship between socio-economic development and environmental protection. One of its major outcomes was *Agenda 21*: a global plan of action that called for sustainable development to be implemented at the international, national, and local levels.[13] Although tourism was not specifically mentioned within *Agenda 21*, the sector's growing economic importance and its dependence on natural resources led tourism to become increasingly incorporated into the international sustainable development agenda.[14]

During the 1997 review of *Agenda 21*, the United Nations General Assembly called for further consideration of tourism within the sustainable development agenda and requested the Commission on Sustainable Development (CSD) to develop an international program of work on sustainable tourism.[15] In 1999, the CSD adopted an international work program on tourism and sustainable development. This program encouraged Member States to develop national strategies for sustainable tourism. According to the CSD, these strategies should involve local and indigenous communities in tourism planning and decision-making, promote a framework for small and medium-sized enterprises, and ensure that the economic benefits of tourism are effectively shared with host communities.[16]

The United Nations continued to expand its focus on tourism following the adoption of the international work program on tourism and sustainable development.[17] The General Assembly designated 2002 as the International Year of Ecotourism while the World Summit on Sustainable Development in Johannesburg further incorporated sustainable tourism into the implementation of the international sustainable development agenda.[18] These initiatives increasingly recognized that tourism could

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[10] Songyi Kim and Youngeun Kang, "Why Do Residents in an Overtourism Destination Develop Anti-Tourist Attitudes? An Exploration of Residents' Experience through the Lens of the Community-Based Tourism," Asia Pacific Journal of Tourism Research 25, no. 8 (2020): 858–76.
[11] Songyi Kim and Youngeun Kang, "Why Do Residents in an Overtourism Destination Develop Anti-Tourist Attitudes? An Exploration of Residents' Experience through the Lens of the Community-Based Tourism," Asia Pacific Journal of Tourism Research 25, no. 8 (2020): 858–76.
[12] United Nations. "United Nations Conference on Environment and Development, Rio de Janeiro, Brazil, 3–14 June 1992."
[13] Ibid.
[14] Ibid.
[15] United Nations Commission on Sustainable Development. "Decision 7/3: Tourism and Sustainable Development." April 1999.
[16] Ibid.
[17] Ibid.
[18] United Nations Division for Sustainable Development. "Sustainable Tourism."

contribute to poverty reduction and economic development while also requiring policies that protected natural resources and local communities.[19]

Sustainable tourism became further integrated into the international development framework with the adoption of the *2030 Agenda for Sustainable Development* in 2015.[20] More specifically, tourism was incorporated into SDG Targets 8.9, 12.b, and 14.7, connecting the sector with job creation, local culture and products, sustainable consumption and production, and economic opportunities for SIDS and LDCs.[21] Following the General Assembly's adoption ofA/RES/ 70/193, 2017 was proclaimed as the International Year of Sustainable Tourism for Development. This resolution recognized sustainable tourism's potential in economic growth, poverty eradication, environmental protection, and the improvement of livelihoods, especially for developing countries.[22] These developments established sustainable tourism as an issue of economic development, social inclusion, and international cooperation.[23]

Current Situation

The COVID-19 pandemic significantly disrupted the global tourism industry and demonstrated the vulnerability of Member States with economies dependent on international travel.[24] Fortunately, international tourism has since recovered. In 2024, approximately 1.4 billion international tourists traveled internationally, representing a recovery of 99 percent of pre-pandemic levels and an 11 percent increase from 2023.[25] The recovery has restored employment, revenue, and economic opportunities for many Member States, but it has also renewed concerns regarding the long-term sustainability of the sector.[26] While tourist arrivals have returned to pre-pandemic levels, Member States continue to face challenges involving tourism dependence, employment conditions, environmental concerns, and the equitable distribution of tourism revenue.[27]

Tourism Dependence

Although the recovery of international tourism provides opportunities for economic development, its benefits remain unevenly distributed.[28] This issue is prevalent in many SIDS, where tourism represents a major component for many island States' national economies. For many SIDS Member States, tourism accounts for more than 30 percent of gross domestic product (GDP), demonstrating both the economic opportunities created by the sector and the vulnerability associated with

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[19] United Nations Division for Sustainable Development. "Sustainable Tourism."
[20] United Nations General Assembly. "Transforming our world: the 2030 Agenda for Sustainable Development." United Nations. A/RES/70/1. 2015.
[21] United Nations Department of Economic and Social Affairs, "Sustainable tourism."
[22] United Nations General Assembly. "International Year of Sustainable Tourism for Development, 2017." A/RES/70/193. December 22, 2015.
[23] Ibid.
[24] UN Trade and Development; United Nations World Tourism Organization. "Global Economy Could Lose Over $4 Trillion Due to COVID-19 Impact on Tourism." 2021.
[25] UN Tourism. "International Tourism Recovers Pre-Pandemic Levels in 2024." January 20, 2025.
[26] United Nations. "The Sustainable Development Goals Report 2026." 2026.
[27] United Nations General Assembly. "Promotion of sustainable and resilient tourism, including ecotourism, for poverty eradication and environmental protection". United Nations. A/RES/79/220. 2024.
[28] United Nations Department of Economic and Social Affairs. "About SIDS4.

dependence on visitors.[29] As a result, external shocks such as pandemics, natural disasters, climate change, and economic downturns can have devastating consequences, extending beyond the tourism industry into employment, government revenue, and local businesses.[30]

Economic inclusion also remains a challenge within the tourism workforce. Tourism provides employment opportunities for millions of workers ranging from women, youth, migrants, and workers from diverse socio-economic backgrounds.[31] On the other hand, employment within the sector is also associated with seasonality, informality, low wages, and lack of opportunities for career advancement.[32] Consequently, the expansion of tourism does not automatically guarantee inclusive economic development. Member States face the challenge of strengthening local businesses, workforce training, employment protections, and economic diversification while maintaining the investment and international connectivity necessary for tourism to remain economically competitive.[33]

Environmental Sustainability

The recovery and continued expansion of international tourism have also renewed concerns regarding the environmental sustainability of the sector. Tourism relies heavily on natural and cultural resources, particularly in coastal and island regions. At the same time, tourism has also contributed to pollution, resource consumption, and pressure on already vulnerable ecosystems. SIDS Member States are particularly affected by these challenges, where climate change, rise in sea levels, extreme weather events, and damage to biodiversity threaten both local communities and the natural resources that tourism industries depend on.[34]

In response, international efforts have recently emphasized resilience alongside sustainability. The Antigua and Barbuda Agenda for SIDS, adopted in 2024, calls for resilient and sustainable tourism that minimizes pollution and waste, protects biodiversity and cultural diversity, strengthens relations between tourism and other sectors, supports workers, and promotes investment in cultural heritage.[35] However, significant differences remain in Member States' capacity to implement sustainable tourism. By 2024, only 56 percent of countries had compiled at least one of the internationally agreed statistical tools used to monitor tourism sustainability, with particularly low levels among SIDS and LDCs.[36] These differences demonstrate that achieving sustainable tourism depends not only on establishing international goals,

[29] United Nations Department of Economic and Social Affairs. “About SIDS4.
[30] Ibid.
[31] Lucie Servoz, Valentina Stoevska, and Bolormaa Tumurchudur-Klok. “Tourism Jobs in the Aftermath of the Pandemic: Skills and Labour in Short Supply.” ILOSTAT. September 26, 2025.
[32] Ibid.
[33] United Nations General Assembly. “Promotion of sustainable and resilient tourism, including ecotourism, for poverty eradication and environmental protection”. United Nations. A/RES/79/220. 2024.
[34] United Nations. “Small islands on the frontlines of catastrophic climate crisis, crippling debt, exacting heavy toll on development gains.” May 27, 2024.
[35] United Nations Department of Economic and Social Affairs. “Small Island Developing States.”
[36] United Nations Statistics Division. “Goal 12: Ensure Sustainable Consumption and Production Patterns.” The Sustainable Development Goals Report 2026. 2026.

but also on providing Member States with the financing, institutional capacity, technology, and data necessary to implement them.[37]

Case Study: Ceuta, Spain

The Spanish enclave of Ceuta provides an example of how tourism can be affected by broader social, economic, and political instability.[38] Ceuta is an autonomous Spanish city located on the northern coast of Africa bordering Morocco. In addition to the city Melilla, Ceuta is one of the European Union's only land borders with Africa. Its geographic position has provided opportunities for tourism and cross-border economic activity but has also made the city a major transit point for migrants attempting to enter the European Union.[39]

Tensions intensified in July 2026, when tens of thousands of migrants entered Ceuta from Morocco.[40] The sudden arrival of migrants overwhelmed the city's infrastructure and prompted the Spanish government to deploy additional police, military, and other security resources to the city.[41] Additionally, it has resulted in tensions between locals and foreigners living in or visiting Ceuta. The unrest as a result has affected Ceuta's tourism industry, leading to travel advisories recommending visitors to reconsider travel to Ceuta.[42] Instability surrounding migration and border security can therefore create challenges in attracting visitors and maintaining the image of a safe and accessible destination.[43]

The consequences of the crisis have also extended beyond Ceuta and Spain. Following the mass arrivals, Italy temporarily reintroduced border controls for certain travelers arriving from Spain, citing concerns that irregular migrants entering Ceuta would subsequently travel elsewhere within Europe.[44] The Italian government stated that the measures were temporary and sought to minimize their effects on tourism during the summer travel season. Nevertheless, the decision demonstrated how instability surrounding a tourism destination can develop into a wider issue affecting international mobility and relations between Member States.[45]

The situation in Ceuta demonstrates that sustainable tourism is influenced by multiple factors including migration, security, infrastructure, and international relations.[46] Therefore, communities dependent on tourism are highly vulnerable when global crises or travel restrictions disrupt the flow of visitors. At the same time, responses intended to address these challenges can themselves affect tourism and

[37] Michael Francis Gore, and Ahmed Eljechtimi. “Spain says migrants are returning from Ceuta after 57 die in border rush.” Reuters. July 31, 2026.
[38] Michael Francis Gore, and Ahmed Eljechtimi. “Spain says migrants are returning from Ceuta after 57 die in border rush.” Reuters. July 31, 2026.
[39] Michael Francis Gore, and Ahmed Eljechtimi. “Spain says migrants are returning from Ceuta after 57 die in border rush.” Reuters. July 31, 2026.
[40] Ibid
[41] Ibid.
[42] U.S. Department of State. “Spain.”
[43] Ibid.
[44] Reuters. “Italy reimposes border controls on Spain after Ceuta migrant surge.” July 31, 2026.
[45] Ibid.
[46] Ibid.

regional mobility.[47] Ceuta demonstrates the importance of considering economic resilience, social stability, and environmental sustainability when Member States use tourism as a strategy for economic development.[48]

Future Outlook

As international tourism continues to develop, the future of the sector will increasingly depend on the ability of Member States to balance economic growth with social inclusion, environmental protection, and resilience.[49] While the Sustainable Development Goals provide a framework for promoting sustainable tourism, challenges involving unequal economic benefits, working conditions, environmental degradation, cultural preservation, and vulnerability to external crises remain.[50] Future international efforts may therefore focus on strengthening locally owned businesses, improving workforce training and working conditions, protecting natural and cultural resources, and diversifying tourism-dependent economies to increase their resilience to economic, environmental, and political disruptions. International cooperation may also play an important role in providing developing countries with financing, technical assistance, and improved methods of measuring the economic, social, and environmental impacts of tourism. The General Assembly is not simply addressing how to increase international tourism, but rather how Member States can ensure that continued growth contributes to inclusive economic development with respect to local communities and environments.[51]

Focus Questions

- How much does tourism play a role in your State's economy?
- Does your State have any figures or movements in favor of or against tourism?
- How have your State's people been affected by increases in tourism?
- What methods has your State pursued to promote sustainable tourism?
- Does your State's position on sustainable tourism conflict with that of another State? What actions could help resolve these differences?

[47] Reuters. "Italy reimposes border controls on Spain after Ceuta migrant surge." July 31, 2026.
[48] Ibid.
[49] United Nations Department of Economic and Social Affairs. "Sustainable tourism."
[50] Ibid.
[51] Ibid.

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MIDWEST MODEL UNITED NATIONS

General Assembly Second Committee

Topic B: Digital Financial Inclusion and Digital Currency

Introduction

"The evolution of policy for the development of an equitable global information society should be co-ordinated internationally to ensure the sharing of information and resources."

- *Nelson Mandela*

Digital financial inclusion refers to the process of ensuring that individuals and businesses in all communities, including those historically excluded from traditional banking, can access and use affordable, formal financial services delivered through digital channels.[1] These can include various modes of mobile financing, digital identification systems, insurance, and government-to-person benefit transfers, and remittance platforms.[2] Effective digital financial inclusion therefore requires affordable connectivity, interoperable systems, consumer and data protections, digital and financial literacy, and policies that remove barriers for underserved populations.[3] Providing such services and making them accessible to all often require different approaches. Without concerted efforts on inclusive design and consumer protections, these initiatives could reinforce existing inequalities.[4]

Equitable access to digital currency programs can strengthen the resilience of communities worldwide and contribute to progress toward the 2030 Sustainable Development Goals (SDGs).[5] It can support SDG 1 by making emergency assistance and social-protection payments faster and more reliable. It advances SDG 5 by helping women receive and control income directly. It promotes SDG 8 by enabling small enterprises to access financial services and participate more fully in the formal economy. It also supports SDG 9 through the expansion of digital payment systems and infrastructure, and SDG 10 by reducing practical barriers to financial services for underserved populations.[6]

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[1] Economic and Social Commission for Western Asia. "Financial Inclusiveness Report". United Nations. E/ESCWA/CL3. 2025.
[2] UNCTAD. "Technology and Innovation Report". United Nations, UNCTAD/TIR/2025. 2025.
[3] United Nations General Assembly. "Information and communications technologies for sustainable development." A/RES/79/194. 2024.
[4] Financial Stability Institute. "Digitalisation and innovation – opportunities and risks for financial health". Bank for International Settlements. 2026.
[5] Ibid.
[6] Ibid.

Central Bank Digital Currencies (CBDCs) have emerged as a second and increasingly debated instrument for advancing these goals.[7] A 2025 United Nations Development Programme (UNDP) report on digital currencies finds that CBDCs can expand financial inclusion by lowering identification and transaction costs for excluded populations. However, they can do so sustainably only when supported by reliable digital identification and payment infrastructure, strong data protections, and digital-literacy programs.[8] Digital currency, like digital financial services more broadly, is therefore dependent upon respective policies at all levels, an area the Second Committee is well suited to address.

Background

The international community's formal engagement with financial inclusion took shape in 2015, when three General Assembly outcomes converged within months of one another. In July, Member States adopted the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, committing to work toward "full and equal access to formal financial services for all".[9] Two months later, the General Assembly adopted the 2030 Agenda for Sustainable Development, embedding financial access directly into the SDG framework. Target 8.10 calls on states to "strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all."[10] By that December, the Assembly consolidated this momentum into resolution A/RES/70/189 dedicated specifically to the topic.[11] “Financial inclusion for sustainable development” recognizes digital financial services as a central mechanism for expanding access and calls on Member States to strengthen the regulatory and capacity-building frameworks needed to make digital finance both safe and inclusive.

Meaningful access is a central aspect for the achievement of financial inclusion. The General Assembly has addressed this through recurring resolutions on information and communications technologies for sustainable development. Their 2023 resolution, A/RES/78/132, was followed in 2024 by A/RES/79/194.[12];[13] These resolutions highlight that the digital divide is growing between developed and developing countries, particularly in availability, affordability, quality of access, and use.[14] Digital

[7] United Nations Development Programme, Global Centre for Technology, Innovation and Sustainable Development. "Driving Financial Inclusion Through Central Bank Digital Currencies: A Methodology for CBDC Implementation." 2025.
[8] Ibid.
[9] United Nations General Assembly. "Addis Ababa Action Agenda of the Third International Conference on Financing for Development." A/RES/69/313. 2015.
[10] United Nations General Assembly. "Transforming our world: the 2030 Agenda for Sustainable Development." United Nations. A/RES/70/1. 2015.
[11] United Nations General Assembly. "Financial inclusion for sustainable development." A/RES/70/189. 2015.
[12] United Nations General Assembly. "Information and communications technologies for sustainable development." A/RES/78/132. 2023.
[13] United Nations General Assembly. "Information and communications technologies for sustainable development." A/RES/79/194. 2024.
[14] Ibid.

finance has also become far more common in these countries. Since 2011, the share of adults in low- and middle-income countries who have sent or received a digital payment has increased by 28 percentage points. During the same period, the share of adults saving money through a bank, other formal financial institution, or mobile-money account has risen by 23 percentage points[15].

The growth of digital financial services has also raised questions about the role of digital currencies in advancing financial inclusion. Central bank digital currencies (CBDCs), which are digital forms of a country's official currency issued by its central bank, and privately issued digital currencies may offer new ways to transfer funds, reduce transaction costs, and expand access to financial services, particularly in communities with limited access to traditional banking.[16;17] However, these technologies also present challenges related to cybersecurity, consumer protection, financial stability, and the privacy of personal financial data.[18] Individuals without reliable internet access, digital literacy, or appropriate devices may remain excluded from these systems, potentially reinforcing existing inequalities.[19] For Member States, the challenge is therefore to establish regulatory frameworks that encourage innovation while ensuring that digital financial systems remain accessible, secure, and accountable. International cooperation will be important in developing standards for cross-border payments, protecting consumers, and ensuring that the expansion of digital currencies supports, rather than undermines, the broader goal of equitable financial inclusion.[20;21]

Current Situation

Digital financial inclusion has increasingly become a question not only of access to financial services, but also of whether those services improve people's long-term financial well-being.[22] The Financial Stability Institute's 2026 brief, Digitalisation and Innovation: Opportunities and Risks for Financial Health, finds that digital innovations can help individuals access payments, credit, savings, and insurance, manage financial obligations, and prepare for unexpected expenses. However, these benefits are accompanied by growing risks, including online scams, financial fraud, overindebtedness among digital borrowers, and unsuitable investment products. As a result, increased adoption of digital financial services does not necessarily translate into improved financial health, and some countries have experienced deteriorating

[15] Consultative Group to Assist the Poor. “Innovation for Inclusion”. CGAP/World Bank. 2026.
[16] Auer, Raphael. “The technology of retail central bank digital currency.” BIS. 2020.
[17] International Monetary Fund. “Central bank digital currencies for cross-border payments.” International Monetary Fund. 2021.
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[21] International Monetary Fund. “Central bank digital currencies for cross-border payments.” International Monetary Fund. 2021.
[22] Financial Stability Institute. “Digitalisation and innovation – opportunities and risks for financial health”. Bank for International Settlements. 2026.

financial health indicators despite greater use of digital technologies.[23] The 2023 edition of Igniting SDG Progress Through Digital Financial Inclusion similarly emphasizes the importance of responsible digital finance in advancing the Sustainable Development Goals, including poverty reduction, gender equality, and economic resilience.[24] These developments highlight the need for governments to pursue inclusive innovation under public-interest governance, ensuring that financial technologies are designed around people's needs and supported by effective consumer protections, financial education, and appropriate regulatory oversight.

At the same time, the sustainability and resilience of digital financial systems remain important considerations for the international community. UNCTAD's Digital Economy Report 2024 emphasizes that the benefits and costs of digitalization are distributed unevenly, with developing countries often bearing disproportionate environmental costs while capturing fewer economic benefits.[25] Applied to digital finance, these disparities reinforce the importance of developing accessible, affordable, and resilient public digital infrastructure. Governments must also preserve individual choice by ensuring that digital payments and currencies supplement, rather than abruptly replace, cash. [26]A rapid transition to entirely digital systems could disadvantage people without reliable internet access, suitable devices, or the digital skills needed to use financial services, while leaving communities vulnerable to power outages, cyberattacks, and technical failures.[27] Accordingly, Member States face the challenge of promoting innovation while maintaining reliable alternatives, strengthening cybersecurity and consumer protections, and ensuring that financial systems remain accessible during disruptions. International cooperation will be essential to establish public-interest governance that balances technological progress with financial stability, individual autonomy, and equitable access.[28]

Financial Inclusion as a Contested Development Model

Many of the resolutions and reports discussed generally discuss digital financial inclusion through the perspective of technical and policy challenges. However, growing attention has been placed upon whether expanding access through digital channels produces universally beneficial outcomes. Fintech-led inclusion initiatives in the Global South can generate new forms of dependency.[29] Since many digital

[23] Financial Stability Institute. “Digitalisation and innovation – opportunities and risks for financial health”. Bank for International Settlements. 2026.
[24] United Nations Secretary General’s Special Advocate for Inclusive Finance for Development. “Igniting SDG Progress Through Digital Financial Inclusion.” Better Than Cash Alliance. 2023.
[25] United Nations Trade and Development. “Digital Economy Report.” UNCTAD. 2024.
[26] Department of Economic and Social Affairs. “Breaking through to a better future for all.” United Nations Statistics Division. 2023.
[27] Ibid.
[28] Ibid.
[29] Quevedo-Vega, Camila, et al.. “Innovation for Inclusion: A roadmap for inclusive finance policy to navigate rapid technological change”. CGAP/World Bank. 2026.

financial platforms are owned and controlled outside the jurisdictions where their users reside, they can extract user data and exercise algorithmic control over credit and risk decisions with little accountability to local regulators.[30] This ownership structure allows a small number of platforms to dominate national payment infrastructure, constraining the policy autonomy of the states in which they operate.[31]

UNCTAD has raised a related concern from a monetary policy angle. Its 2023 policy review recognized that the large-scale substitution of a country's national currency by crypto assets or other digital currency instruments could undermine monetary sovereignty, weaken the effectiveness of capital controls, and threaten financial stability.[32] These risks are unequally distributed, where developing countries whose financial systems tend to be narrower and less regulated are more vulnerable. Compounding this fact, the Consultative Group to Assist the Poor (CGAP) has noted that alternative data sources increasingly used to assess creditworthiness, such as location history or employment gaps, can function as proxies for race or gender and reproduce unfair bias against already marginalized groups if left unaddressed.[33]

Overall, the obstacles inherent to digital financial inclusion are not limited to gaps in implementation and equitable accessibility. Therefore Member States should consider who bears the financial and informational risk as access expands, and how this is related to and recognized at the structural level.

Cross-Border Payments and International Financial Inequality

Cross-border payments are an important component of digital financial inclusion, particularly for migrant workers, families receiving remittances, and small businesses participating in international trade. Traditional international transfers can involve high fees, lengthy processing times, and multiple financial intermediaries, placing a disproportionate burden on individuals in low- and middle-income countries. Digital payment platforms and emerging technologies, including CBDCs, may offer opportunities to reduce transaction costs, accelerate settlement, and improve access to international financial services.[34] The G20 has made improving cross-border payments a policy priority, establishing targets to make international transfers faster, cheaper, more transparent, and more accessible. However, progress remains uneven, as differences in national payment infrastructure, regulatory frameworks, and access to financial services continue to limit the benefits of digital innovation.[35]

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[30] UNCTAD. “Crypto assets and central bank digital currencies potential implications for developing countries”. United Nations. UNCTAD/GDS/2023/1. 2023.
[31] Ibid.
[32] Ibid.
[33] Quevedo-Vega, Camila, et al.. “Innovation for Inclusion: A roadmap for inclusive finance policy to navigate rapid technological change”. CGAP/World Bank. 2026.
[34] Financial Stability Board. “G20 Targets for Enhancing Cross-border Payments.” Financial Stability Board. 2026.
[35] Financial Stability Board. “Cross-border Payments.” Financial Stability Board. 2026.

Despite these commitments, significant barriers remain. The World Bank reported that the global average cost of sending a remittance was approximately 6.36 percent in its September 2025 update, more than double the United Nations Sustainable Development Goal target of 3 percent by 2030.[36] In response, the G20 Roadmap for Enhancing Cross-Border Payments established targets for reducing costs, improving transaction speeds, expanding access, and increasing transparency, with most targets set for the end of 2027.[37] Central bank digital currencies and interoperable payment systems may contribute to these goals, but their success depends on international coordination, compatible technical standards, and regulatory cooperation across jurisdictions.[38] Member States must therefore consider how to prevent fragmented payment networks, protect users from fraud and financial crime, and ensure that lower-income countries can participate in emerging financial infrastructure. Achieving equitable cross-border payments will require balancing innovation with financial stability, national regulatory priorities, and the needs of individuals who depend on affordable international transfers.[39]

Future Outlook

Looking ahead, the international community must recognize that meaningful digital financial inclusion depends on the quality of access, rather than simply the presence of internet coverage. General Assembly resolution A/RES/78/132 emphasizes the importance of affordable and reliable connectivity, digital skills training, local-language content, capacity-building, and accessibility for persons with disabilities in overcoming digital and knowledge divides.[40] These priorities should inform future policies on digital finance, including access to appropriate devices, digital and financial literacy, accessible financial interfaces, gender-disaggregated data collection, and nondiscriminatory account-opening requirements.[41] At the same time, the United Nations Development Programme's 2025 report on CBDCs highlights their potential to support financial inclusion among unbanked communities and improve the integration of least developed countries into the global economy, provided they are designed around human needs and incorporated into broader national development strategies.[42] However, CBDCs should remain a national policy choice rather than a universal mandate, with governments carefully

[36] The World Bank. “Remittance Prices Worldwide”. The World Bank. 2025.
[37] Financial Stability Board. “G20 Roadmap for Enhancing Cross-border Payments.” Financial Stability Board. 2024.
[38] Bank for International Settlements' Committee on Payments and Market Infrastructures, the BIS Innovation Hub, the International Monetary Fund (IMF) and the World Bank. “Options for access to and interoperability of CBDCs for cross-border payments.” BIS. 2022.
[39] Ibid.
[40] United Nations General Assembly. "Information and communications technologies for sustainable development." A/RES/78/132. 2023.
[41] Ibid.
[42] United Nations Development Programme, Global Centre for Technology, Innovation and Sustainable Development. "Driving Financial Inclusion Through Central Bank Digital Currencies: A Methodology for CBDC Implementation." 2025.

assessing their potential effects on privacy, cybersecurity, banking stability, offline access, cross-border payments, and monetary sovereignty before implementation.[43] Ultimately, delegates must work toward a future in which technological innovation serves the public interest, safeguards individual choice, and leaves no community behind. The success of digital financial inclusion should not be measured by how many people enter a digital system, but by whether every person has a genuine, safe, and equitable opportunity to benefit from it.

Focus Questions

- Should digital financial inclusion be treated primarily as a private-sector fintech opportunity, a public-service and social-protection tool, or a combination of both?

- How can LDCs finance the connectivity, electricity, digital-ID, cybersecurity, payments, and regulatory systems needed before digital finance can reach underserved communities?

- What protections should exist for privacy, data ownership, fraud prevention, algorithmic discrimination, transparent fees, fair lending, consumer redress, and financial literacy?

- How can Member States protect cash access and offline alternatives so digitization does not exclude people without devices, IDs, literacy, connectivity, or trust in digital systems?

- What international support is appropriate for countries considering CBDCs, including technical assistance, interoperability standards, cybersecurity support, and assessments of financial-stability risks?

[43] United Nations Development Programme, Global Centre for Technology, Innovation and Sustainable Development. "Driving Financial Inclusion Through Central Bank Digital Currencies: A Methodology for CBDC Implementation." 2025.

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