

Study Guide

Administrative and Budgetary Committee

GaLMUN XIX



Table of Contents

I. Welcoming letter	3
II. Introduction to the committee	4
III. Key terms	5
IV. Overview of the topic	7
V. Past actions	9
VI. Current situation	13
VII. Legal framework	17
VIII. Main actors	19
VIII. Points to be addressed	21
IX. Further reading	22
X. Bibliography	22

I. Welcoming letter

Esteemed delegates of the Administrative and Budgetary Committee,

Welcome to the XIXth edition of GalMUN! We hope that in the future you will look back fondly on these few days of heated debates and shared effort. Our aim as your chairpersons is to guide you along your journey in this committee with the help of this document, our trusty gavel and plenty of constructive feedback.

The Study Guide acts as a general introduction to this topic. It is by no means an exhaustive work of documentation on said topic, and it should serve only as the starting point of your research. We heavily encourage you to find out as much as you can about the topic yourself. Allocating enough time into research of the topic area, problems that may arise, potential solutions and other countries' stances is a surefire way to have productive debates.

Remember that collaboration is the key to progressing the discussion forward and writing a solid resolution. Your main focus during the debates should be to get your point across clearly and efficiently to your fellow delegates and to communicate together in order to reach a consensus among delegations with similar stances.

For those at the beginning of their MUN journeys, and anyone who is struggling to make their voice heard in the committee room, do not be afraid to take initiative! Every time you raise your placard, every following speech gets a little bit easier. Everyone in the room is here for the same reasons as you: to develop their skills and find out more about the world in the process. Take advantage of this opportunity and get involved as much as possible.

In accordance with the diplomatic setting, a certain degree of decorum is expected. Be respectful to your fellow delegates by following the dress code and maintaining the proper degree of formality.

That being said, we wish you luck and hope you will have a wonderful time at GalMUN 2024! If the need arises, do not hesitate to contact us.

Kind regards,

Cristian Macovei & Celeste Arhire

Chairpersons of the GalMUN XIX Administrative & Budgetary Committee

II. Introduction to the committee

The Administrative and Budgetary Committee is the Committee of the General Assembly which tackles matters relating to the internal financial mechanisms of the United Nations.

Based on its reports, the General Assembly considers and approves the budget of the Organization, as well as all financial and budgetary arrangements of specialised agencies, providing recommendations.

Also known as the Fifth Committee, one of its most important responsibilities is considering urgent matters relating to the financing of peacekeeping missions authorised by the Security Council.

The effective functioning of the Committee is mandatory for assuring and enabling increased efficiency, accountability and transparency within the UN system, when referring to administrative matters. Through the responsible allocation of funds and resources to various programmes and initiatives, it aligns the budget of the Organization with its larger mandate and objectives, all the while safeguarding financial integrity and promoting an essential policy of consensus.

III. Key terms

Resource allocation = apportionment of productive assets among different uses; resource allocation arises as an issue due to the contrast between the limited supply of society and the usually limitless wants and needs of humans; resource allocation is an essential component for ensuring the efficiency of any organisation

AI (Artificial Intelligence) = the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings; the term is frequently applied to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalise, or learn from past experience.

Blockchain = system in which a record of transactions, especially those made in a cryptocurrency, is maintained across computers that are linked in a peer-to-peer network (= sharing files without a central server)

Regular (programme) budget = budget which covers the mandated activities of the UN Secretariat at Headquarters and at the Offices Away from Headquarters (OAHs), duty stations, the Regional Commissions, special political missions, and various information centres; voluntary contributions, complement assessed contributions and are the sole source of funding for UN funds and programmes; UN agencies, however, are financed by a mix of assessed and voluntary contributions.

Advisory Committee on Administrative and Budgetary Questions (ACABQ) = subsidiary organ of the General Assembly that is tasked with examining the budget submitted by the Secretary General as well as advising the Assembly on administrative and financial matters referred to it.

PBI (Programme budget implication) = statement detailing the administrative, financial and programmatic changes that the adoption of a draft resolution would entail; once a PBI is issued, ACABQ will provide its observations and recommendations for the Fifth Committee to consider.

Digital currency = any currency, money, or money-like asset that is primarily managed, stored or exchanged on digital computer systems, especially over the internet; types of digital currencies include cryptocurrency, virtual currency and central bank digital currency; digital

currency may be recorded on a distributed database on the internet, a centralised electronic computer database owned by a company or bank, within digital files or even on a stored-value card

Liquidity crisis = financial situation characterised by a lack of cash or easily-convertible-to-cash assets on hand across many businesses or financial institutions simultaneously

IV. Overview of the topic

It is impossible for the UN to accomplish its aim of maintaining international peace and security, promoting social progress and human rights without first effectively administering its funds and resources. Such a manner of management implies a sustained effort to improve transparency, efficiency and accountability in its financial practices, which in turn means keeping pace with the recent technological developments.

In this context, transparency and accountability are closely related, meaning that financial transactions and the reason they have been carried out should be open to the scrutiny of a larger public than only the individuals who decided or conducted them. In this manner, abuse of power becomes much more difficult and mismanagement of resources becomes easily noticeable.

UN system finances

Based on financial statistics¹ from the UN System Chief Executives Board for Coordination (CEB), the site provides a basic overview of revenue and expenses across virtually all UN System organisations. Sourced from audited financial statements, the UN System-wide data is aligned with the *Data Standards for UN System-Wide Reporting of Financial Data.*²

UN Secretariat expenses

Based on the UN Secretariat Annual Report³, the site also offers an overview of the expenses of the UN Secretariat by General Assembly priority and organisational entity. Sourced from data published in the UN Secretariat Programme Budget and audited financial statements, these figures are designed to provide a simplified view of UN Secretariat expenses to the general public, complementing the budget and audit information.

Other transparency resources

The site also offers links to transparency portals and annual reports of virtually all UN System organisations, alongside links to core transparency portals for the UN System and the UN Secretariat.

¹ <https://unsceb.org/financial-statistics>

² <https://unsceb.org/data-standards-united-nations-system-wide-reporting-financial-data>

³ <https://un.org/annualreport>

Based on the UN Secretariat Annual Report, *these dashboards*⁴ provide a basic *overview of revenue*⁵ and expenses across virtually all UN System organisations. CEB statistics form the basis of *Reports on the Financial Situation of the UN System to the General Assembly*⁶ and *Reports on the Operational Activities for Development*⁷.

In the general sense, because resources are scarce, the purpose of increased efficiency is to make certain that all available funds are handled in a way that achieves the greatest productivity, which can be measured in countless ways. The UN operates with financial limitations, resulting in a careful budgeting process that must decide the optimal placement of efforts to most quickly fulfil its mandate, with minimum waste. The main constraints faced consist of:

1. dependency on donors, especially on the major contributors (e.g. The United States, China, Japan, and Germany) meaning that delayed payments from Member States affect the organisation's cash flow, hindering the timely implementation of programs;
2. high administrative costs; the overheads (e.g. salaries, office maintenance, and technology infrastructure) are always going to consume a part of the UN's budget;
3. unpredictable expenses, for peacekeeping operations in particular, due to the constantly changing situation on the field that may require rapid intervention;
4. an ever-growing pool of global issues that cannot be holistically addressed by the UN without exceeding the organisation's budget, resulting in a need to prioritise certain initiatives over others;

⁴ <https://open.un.org/un-secretariat-financials/expenditure>

⁵ <https://open.un.org/un-systems-financials/revenue>

⁶

https://unsceb.org/reports?field_mechanism%5B92%5D=92&date_from=&date_to=&field_report%5B14%5D=14&op=Filter&sorting=most_recent&form_build_id=form-1bQkQGz5LiXd_OcEk3SH7E8RcdQq1kPC2ZuPdkWXF9g&form_id=reports_filter_form#reports-filter-form

⁷ <https://www.un.org/ecosoc/en/content/what-oas>

The UN has two primary funding types:

1. the regular budget: includes administrative costs, development programs, and specialised agencies; Member States contribute based on their economic capacity, evaluated through the scale of assessments which consider, amongst others, estimated gross national income and a maximum rate of 22%;
2. the peacekeeping budget: finances peacekeeping operations and is determined in the same manner, but additionally overseen by the Security Council;

Succinctly, the budgeting process begins with planning and preparation, when the Secretariat develops the budget based on estimated targeted revenue and expenses, incorporating planned improvements and budget requests from various UN entities. Then, Member States review and negotiate the proposed budget during sessions of the General Assembly and approve it. Other parties involved are the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which provides expert financial advice, and The Fifth Committee of the General Assembly which scrutinises and decisively approves the budget for the following year. This cycle runs from July 1 to June 30 and involves reviewing, and finalising the budget. Fundamentally, the UN emphasises results-based budgeting and reporting, linking financial allocations to measurable outcomes, a policy which increases efficiency.

Due to the intricacy of the UN system, which stems from its structure of multiple specialised agencies, funds and programmes, it is no easy feat to steward and allocate the amount of diverse resources the Organization has at its disposal. The hurdles that this fragmentation poses and most need to be addressed are inefficiency, duplication of effort, and a lack of coordination and oversight at an organisational level, *which are unfortunately common complaints of the UN, especially in multilateral aid situations such as the war in Ukraine*⁸. Taking into consideration the current geopolitical context where arising challenges make equitable distribution and impact difficult to achieve, the question of whether the use of technology can facilitate management is more relevant than ever.

The recent developments in technology, mainly blockchain, artificial intelligence programs and other innovations encompassed by fintech, could potentially have a great scope of usage for financial reporting and analysis within the UN. Accuracy and objectivity are the chief characteristics of data-driven decision making, which is facilitated by new automated programs, and partially eliminates human bias and self-interest.

⁸ <https://www.crisisgroup.org/global/sb11-ten-challenges-un-2023-2024>

However, the implementation of such novel technologies would require a cohesive and elaborate strategy because of the many risks it poses. Vulnerability to hacker attacks, privacy concerns, ethical considerations, scalability issues and a lack of interoperability are some of the difficulties that the UN system would have to undertake and solve in order to maintain credibility and reliability.

V. Past actions

Finances and resource management

During *the 6th meeting of the Seventy-Eighth Session*⁹, the Group of 77 (largest coalition within the UN, consisting of 134 developing countries, including China) expressed its concerns over the decreasing rate of collection of budget contributions, only 64% at the end of September. The worst offenders of missing contributions are also the biggest contributors, namely the United States and China. This has been dubbed the *liquidity crisis*¹⁰, and has resulted in extraordinary measures, such as hiring freezes and restricted spending, due to unpredictable cash flow patterns and adversely affecting mandate delivery. In other words, the UN budget is becoming increasingly unstable and is in an ever-growing deficit and, as a result, it cannot properly fulfil its duties.

According to *Geneva Solutions*¹¹, the Office of the High Commissioner for Human Rights (OHCHR) is particularly strained by the liquidity crisis, facing understaffing and increasing workloads amid worsening human rights crises globally. Along with the aforementioned hiring freeze and general budget cuts, vacancies in human rights bodies and travel restrictions further exacerbate the situation, impacting ongoing investigations into human rights abuses in various countries. The Independent Investigative Mechanism for Myanmar, for example, is operating with significant staff vacancies, hindering its ability to conduct crucial investigations. Similarly, expert committees overseeing states' compliance with international human rights law are stretched thin, with staff reporting increased workloads and compromised quality of work.

To address staffing shortages, the UN has increasingly relied on temporary contracts, but fears persist that temporary staff may be among the first to be let go. Additionally, the OHCHR is facing challenges in providing technical assistance to national authorities, delaying important initiatives such as assessing the human rights impact of historical events. Budgetary constraints have also led to cuts in activities and resources, including limiting country visits by UN experts and reducing support for criminal cases. These measures have raised concerns about the credibility and efficiency of the UN's human rights system, with

⁹ <https://press.un.org/en/2023/gaab4430.doc.htm>

¹⁰ <https://www.un.org/pqa/78/2024/01/30/letter-from-president-general-assembly-on-liquidity-crisis/>

¹¹

<https://genevasolutions.news/human-rights/exclusive-un-human-rights-branch-under-stress-amid-liquidity-crunch>

experts warning that the funding crisis threatens to undermine the organisation's ability to monitor and address human rights violations effectively.

*According to the Human Rights Watch*¹², a cash crunch and hiring freeze at the United Nations threaten to hinder UN human rights investigations in places like Sudan, Ukraine, and Syria. UN Secretary-General Antonio Guterres warned UN member countries on January 25 that if those with outstanding dues do not pay up soon, the UN will be broke by August. In the meantime, the UN would take various cost-cutting measures, including reducing the number of meetings and lowering energy expenses at UN headquarters. The UN's regular budget for 2024, which doesn't include peacekeeping and some other UN activities, is US\$3.6 billion.

Member States emphasised the importance of financial discipline and adherence to budgetary regulations, as well as the need for transparency and accountability in financial management in order to optimise the utilisation of resources. While holding Member States accountable is not within the powers of technology, there are solutions available to mitigate the current crisis. Optimising the utilisation of resources is one of the key uses of AI in finance. AI promises considerable benefits, such as the more efficient delivery of financial services at a lower cost, doing a better job with less staff.

The Centre for Economic Policy Research (CEPR) proposes six questions to ask when evaluating the use of AI for regulatory purposes:

- Does the AI engine have enough data?
- Are the rules immutable?
- Can we give AI clear objectives?
- Does the authority the AI works for make decisions on its own?
- Can we attribute responsibility for misbehaviour and mistakes?
- Are the consequences of mistakes catastrophic?

¹² <https://www.hrw.org/news/2024/02/13/uns-financial-troubles-jeopardize-critical-human-rights-work>

This table highlights some noteworthy possible uses of AI within the UN: it may safely be used for risk management and forecasting the routine needs of the organisation, enabling it to make more efficient use of its ever-thinning resources, but using it in high-stakes scenarios such as severe financial issues and global crises is off the table. Therefore, automation may help mitigate some of the shortcomings of the UN

Task	Data	Mutability	Objectives	Authority	Responsibility	Consequences
Fraud/Compliance Consumer protection	Ample	Very low	Clear	Single	Mostly clear	Small
Micro risk management Routine forecasting	Ample	Very low	Mostly clear	Single	Clear	Moderate
Criminality Terrorism	Limited	Very low	Mostly clear	Multiple	Moderate	Moderate
Nation state attacks	Limited	Full	Complex	Multiple	Moderate	Very severe
Resolution of small bank failure	Limited	Partial	Clear	Mostly single	Mostly clear	Moderate
Resolution of large bank failure Severe market turmoil	Rare	Full	Complex	Multiple	Often unclear	Severe
Management of global systemic crises	Very rare or not available	Full	Complex & conflicting	Multiple & international	Unclear even ex-post	Very severe

budget and stretch it out for longer, but it is by no means a fix-all solution. The current liquidation crisis is caused by the behaviour of Member States around contributions to the budget, and technology cannot change that.

Human resources

In *the 26th meeting of the Seventy-Seventh Session*¹³ of the Fifth Committee, speakers [...] called on colleagues to help the Secretariat rejuvenate the Organization by creating a more efficient, agile and dynamic system for managing thousands of employees around the globe, while chiding each other for failing to agree in the past five years on ways to overhaul the human resources system. In other words, the majority of delegations, including the United States, China and the African Group, have advocated for a change in the United Nations' human resources system. Most problems cited fall under the categories of: the need for equitable geographical representation; the limited number of entry-level opportunities and the career advancement barriers for staff.

This highlights several areas where newer technologies and automation might be implemented:

1. Regarding the lack of geographical representation, there are two main possible solutions which make use of AI:
 - o An impartial and theoretically objective system that evaluates candidates solely based on their abilities, disregarding their geographical background; this

¹³ <https://press.un.org/en/2023/gaab4415.doc.htm>

solution attempts to counteract discrimination in hiring, if that is taken to be the root cause of geographical disparity, but if the underrepresented areas have less qualified candidates, they would be ranked lower in the system, in which case this solution may not fully address the issue;

- A system designed to recruit new employees in a way that promotes geographical parity, by hiring proportionally to the geographical makeup of the world, for example: since there are approximately the same number of people living in Spain as in Uganda, then the ratio of Spanish to Ugandan employees should ideally be 1:1; however, such a system, while it does promote a more diverse workforce in the UN, might unintentionally lead to the recruitment of underqualified candidates.
2. Regarding the career advancement barriers for staff, new technology may be used to automate the promotion process; while this may be more objective, in terms of trying to fix issues in the given data set, such a system might not consider factors such as personal circumstances and unquantifiable skills (e.g. leadership) which may result in employee dissatisfaction.

VI. Current situation

At the moment,, the worsening liquidities crisis threatens to harm programme delivery, resulting in the Organization's inability to deliver on its mandates, which include, amongst others, critical human rights work. In this context, it has become key to consider the implementation of measures that optimise utilisation of funds, translating to maximum results from an increasingly limited pool of resources.

Blockchain is currently most widely known for enabling cryptocurrencies by making secure peer-to-peer financial transactions possible without the intervention of intermediaries, such as brokerages, exchanges, or banks. Its transparable and immutable ledger, which prevents tampering, also makes it fit for supply chain management, where it is used for tracking the flow of goods. Furthermore, smart contracts, defined as self-executing computer programs that automatically executes the terms of a contract without the involvement of third parties, make use of blockchain technology. However, as the number of transactions and applications increases, the ability of a blockchain network to process and validate them quickly is impaired, thus making it a resource-intensive process, leading to congestion. Other issues that may arise concern high energy consumption, security breaches, a lack of interoperability and a high level of technical expertise required to implement and maintain.

AI is used for analysing large volumes of data to uncover patterns, trends, and insights much faster than humans, producing quick and accurate output, which makes it useful for risk assessment. In addition, due to its ability to analyse large volumes of transactional data in real-time, AI can be employed for fraud detection and prevention, for instance, unauthorised transactions. Such programs can also be trained for predictive analytics, all the while maintaining a low cost of operation because of task automation. The main drawback is a lack of transparency and explanation, particularly in deep learning algorithms, regarding why it might make biased or unsafe decisions and which particular set of data lead to that output. Moreover, it poses other challenges such as assuring data privacy and a lack of coherent legal framework for its working at an international level.

Other recent technological developments that have particular uses in financial management are fintech (financial technology) and regtech (regulatory technology) solutions. The former is used to describe technology that seeks to improve and automate delivery and use of financial services, including open banking, mobile payments and digital wallets. The latter is

the management of regulatory processes within the financial industry through technology, its main functions being monitoring transactions that take place online in real-time, reporting, and compliance. Both entail cybersecurity and operational risks and data privacy issues.

Some of these advancements have already been individually implemented within the UN in areas not relating to internal management, for instance the Impact AI project aims to improve the ability of the UN World Food Programme (WFP) to respond to emergencies caused by natural disasters by better understanding the impact on affected communities via the application of machine learning and AI. Another instance is the WFP's Building Blocks initiative, which was introduced in 2017 and functions with the help of blockchain technology and biometric data, specifically iris recognition. It enables the tracking, coordination and delivery of multiple types of assistance, including cash, food, water and medicine, and has saved about \$2.5 million in bank fees on millions of transactions, according to the WFP. On the other hand it has caused controversy because of the sensitive data it requires from vulnerable groups, potentially exposing it to surveillance and commercial exploitation.

One of the entities within the UN that has its scope of activity in the field of technology is the Office of Information and Communications Technology (OICT). It is responsible for defining strategic direction for ICT in the Secretariat and provides oversight of ICT programmes, systems, applications and decision-making. More importantly, the OICT's stated strategic goals include *providing access to frontier technologies*, cybersecurity measures and making certain of the proper implementation of all ICT and data-related projects, in collaboration with UN agencies and departments.

What potential technological reforms seek to bring about is the simplification of most of the fund and resource management processes, without intermediaries or extensive human labour. When harmonised, it makes all UN agencies and programmes receive funds based on objective data on performance and budgetary requirements in a timely manner, thereby promoting efficiency in program delivery for each and every initiative of the UN.

While there have been steps taken towards better fund and resource management, in order to overcome the challenges the complex UN system faces, the viability of implementing emerging technologies, their potential advantages and drawbacks, should be thoroughly examined. Chiefly, efficiency, transparency and accountability should be strengthened as to better address international issues through the lens of the Sustainable Development Goals.

VII. Legal framework

Umoja¹⁴

Umoja, which means 'unity' in Kiswahili, is the United Nations' administrative reform initiative, which involves a complete re-work of the way the organisation manages its administration, in both business processes and Information Technology solutions.

Following approval by the General Assembly in December 2020, the Enterprise Resource Planning Solution Division (ERPSD) was established on 1 January 2021. Its primary objectives being to oversee Umoja.

Umoja has six main goals/projects:

- **Strategic Planning, Budgeting and Performance Management¹⁵**: Leveraging a diverse suite of products, Strategic Planning, Budgeting and Performance Management will give managers new tools to plan top-down and bottom-up, proactively track deliverables and key performance indicators, and blend internal and external data to communicate the results of programmes to diverse stakeholders.
- **Implementing Partner Management**: New capabilities for managing the entire life-cycle of dealing with implementing partners (UN agencies, NGOs, etc.) as well as beneficiaries of grant-awards, by allowing them online access to apply for partnership, request payments, report progress, and submit documentation.
- **Fundraising and Donor Relationship Management¹⁶**: Fundraising will facilitate managing donor relations, launching and managing appeals for voluntary contributions and integrate with existing functionality for managing contribution agreements.
- **Supply Chain Management**: Transportation Management will improve the management of the movement of troops, contingent-owned and UN owned equipment, and vendor deliveries. Demand Planning and Supply Network Planning will introduce demand and supply planning tools and the optimization of inventory,

¹⁴ <https://umoja.un.org/about>

¹⁵ <https://umoja.un.org/content/sppm>

¹⁶ <https://umoja.un.org/content/fr>

including safety stocks. UE2 Track and Trace will enable tracking and tracing the location of all UN assets.

- **Conference and Event Management¹⁷**: Meeting Participant Management will enable self-service registration and approvals, streamline access to premises including through passes on mobile devices, and facilitate communications with participants before, during and after events for the thousands of participants in over 33,500 UN conferences and events every year. Current Meetings Management Systems will also be integrated gradually.
- **Uniformed Capabilities Management¹⁸**: The Uniformed Capabilities Management (UCM) solution will consolidate multiple non-integrated systems to provide an end-to-end solution for payments to Troops and Police Contributing Countries, including for contingent-owned equipment.

United Nations Resource Management System (UNRMS)¹⁹

UNRMS is a comprehensive resource management system for sustainable development that is expected to be future-facing. It will support stakeholders in various goals, including aiding the incorporation of a circular economy wherever possible. The critical objective of UNRMS is to support *the United Nations Decade of Action²⁰* for accelerating sustainable solutions for resource management. UNRMS will consider various resources not as isolated or independent sectors but as part of the whole resource base of an area, region or country.

According to its own website, UNRMS is designed to be a/an:

- Global voluntary system for resource management to be used by governments, industry, investors, and civil society;
- Innovative integrated resource management framework for resources such as minerals, petroleum, renewable energy sources, nuclear resources, anthropogenic resources, geological storage and groundwater to support the development of policies and regulations in the sustainable management and advancement of the Sustainable Development Goals (SDGs);

¹⁷ <https://umoja.un.org/content/cem>

¹⁸ <https://umoja.un.org/content/ucms>

¹⁹ <https://unece.org/sustainable-energy/unfc-and-sustainable-resource-management/unrms>

²⁰

<https://www.un.org/sustainabledevelopment/decade-of-action/#:~:text=2020%20needs%20to%20usher%20in.and%20closing%20the%20finance%20gap>

- Comprehensive information framework and methodology to support resource progression applicable for programme, portfolio, project and asset-level management;
- Sustainability framework to aid the financing of resource sectors;
- System for local and indigenous communities for evaluating and assessing projects against stated environmental-social-economic objectives;
- Scheme for long-term considerations of commercial and policy aspects of projects;
- Design of conditions for the industry to harness the integrative dynamic capabilities;
- Support kit for projects to help align with applicable regulations;
- Instrument to support sustainability and financial reporting.

UNRMS includes the fundamental principles and requirements of resource management for sustainable development. The system will also have tools to assist in analysis and decision-making.

VIII. Main actors

Kingdom of Denmark

Denmark is a developed country and one of the founding nations of both the United Nations and NATO. It is one of the world's most digitalised countries and has the highest usage of digital services in the EU. Most transactions are cashless, and almost all interaction with the Danish authorities takes place online. In 2018 and 2020, Denmark ranked number 1 in the UN E-Government Survey, which includes 193 countries and ranks them according to how digital their public sector is. According to its Agency for Digital Government, the Danish National Strategy for Artificial Intelligence seeks to create a framework for businesses, researchers, and public authorities to enable them to better exploit the potential of AI with a high level of responsibility.

Japan

Japan is one of the world's foremost manufacturing countries and traders of goods and is a global financial leader. In terms of UN contributions, it is the third largest financial contributor after the United States and China. The Japanese electronics industry is one of the largest in the world, though the share of Japanese electronics companies has significantly declined from its peak due to competition from South Korea, Taiwan, China, and the United States. In terms of technology use in legal matters, Japan's minister for Digital Transformation, Taro Kono, announced the *"war on floppy discs"*²¹ in August 2022. Before the recent law changes, about 1,900 government procedures required the use of obsolete disk formats, including floppy disks, CDs, and MiniDiscs, for submissions from citizens and businesses.

People's Republic of China

The PRC, as the second largest contributor to the UN regular budget and the largest troop contributing country among the permanent members of the Security Council, has shown its support for the work of the UN. Furthermore, it has called for continuous improvements of the UN's financial situation and strengthening of budget management. In regards to technological innovation, China has been making significant strides in recent years investing

²¹

<https://arstechnica.com/information-technology/2022/08/japan-declares-war-on-floppy-disks-for-government-use/>

in artificial intelligence, 5G technology and the creation of the Blockchain-based Network. However, it has also made use of them for purposes such as surveillance through AI-powered monitoring systems, mass data collection and social repression.

United States of America

The United States holds a significant position within the UN as one of five permanent members of the Security Council and the host of its headquarters. Since the organisation's establishment, the US has been one of its main driving forces and its chief funder, having contributed more than \$18 billion in 2022 alone, accounting for one-third of the collective budget. Historically, the US has demonstrated support for technological innovations within the country, resulting in its current position as one of the most important technology hubs in the world. More recently, the Digital Government Strategy, launched in 2012, plans to ensure that as the government adjusts to this new digital world, we seize the opportunity to procure and manage devices, applications, and data in smart, secure, and affordable ways.

IX. Points to be addressed

- What are the associated risks with each implemented (or to be implemented) technology? How can these be mitigated?
- Are the introduced technologies solving pre-existing problems? If not, what arguments can be made for them to be implemented?
- Should the United Nations follow the actions of another country which is focusing its efforts on further digitalising itself (e.g. Denmark)?
- How can cyberattacks be prevented?
- How cost-effective would measures to integrate new technologies be?
- How can data leaks be prevented?
- Why is the United Nations system so slow to progress in matters of its own operation?
- To which extent should humans be involved in automated processes? Alternatively, how important is human input as opposed to full automation?
- Should human resource tasks (e.g. hiring new employees) be automated?
- Should blockchain technology be involved in the United Nations financial system?

X. Further reading

<https://youtu.be/msMVxJTZSpC>

<https://cepr.org/voxeu/columns/artificial-intelligence-and-financial-stability>

<https://www.un.org/en/ga/fifth/faq.shtml#7>

<https://en.digst.dk/>

<https://umoja.un.org/news/introducing-enterprise-resource-planning-solution-division>

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<https://www.britannica.com/technology/artificial-intelligence>

https://unhabitat.org/sites/default/files/2021/01/11._budget_and_finance_at_the_united_nationsedit.pdf

<https://www.britannica.com/money/allocation-of-resources>

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<https://peacekeeping.un.org/en/how-we-are-funded>

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<https://www.cfr.org/article/funding-united-nations-what-impact-do-us-contributions-have-un-agencies-and-programs>

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