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Chaired by Isabelle Tseng

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Asia Cooperation Dialogue (ACD)

Topic A: Energy Security

Topic B: Increasing Financial Cooperation

Committee Overview

The Asia Cooperation Dialogue (ACD) is an Asian-wide cooperation framework inaugurated in June of 2002 in Chan-am, Thailand. It is the first continent-wide forum established in Asia with the “key principle of consolidating Asia’s strengths and fortify its competitiveness with the rest of the world through the maximization of its rich diversity and resources.”¹ It began with the 18 founding member countries of Bahrain, Bangladesh, Brunei Darussalam, Cambodia, China, India, Indonesia, Japan, Republic of Korea, Lao PDR, Malaysia, Myanmar, Pakistan, Philippines, Qatar, Singapore, Thailand, and Vietnam. Aiming to incorporate every Asian country, ACD has grown into an Asian community of 34 countries with the addition of Afghanistan, Bhutan, Iran, Kazakhstan, Kuwait, Kyrgyz Republic, Mongolia, Nepal, Oman, Russia, Saudi Arabia, Sri Lanka, Tajikistan, Turkey, United Arab Emirates, and Uzbekistan.² Altogether, these member countries geographically encompass Central, East, West, South, and Southeast Asia.

Unique to this committee is its informal, voluntary and non-institutional approach. Rather than overlapping with other cooperation efforts, ACD aims to fill in the gaps through two dimensions of open

dialogue and focused projects. On the dialogue dimension, member countries take turns to host annual ACD Ministerial Meetings, ACD Summits and other voluntary tasks force gatherings with focused agendas. On the sidelines of the UN General Assembly, Foreign Ministers also meet to review ACD cooperation and magnify Asia’s presence on the international stage.³ On the projects dimension, member countries organically become prime or co-prime movers to drive their chosen areas of cooperation and to develop projects to advance Asia’s interests. The perks of ACD being a forum instead of an organization means that the choice and adoption of projects do not require consensus from all or the majority of ACD countries.⁴

Since its inception, ACD has identified 20 priority areas for cooperation.⁵ During this session, the Asian Cooperation Dialogue will focus on two of its priority areas, namely Energy Security and Increasing Financial Cooperation. Through constructive open discussions and the development of project proposals, this committee strives to find new common grounds to unify member countries. The challenge is to address the new range of vulnerabilities Asian countries face and propose resolutions at their comfort level.

¹ *About ACD* (Asia Cooperation Dialogue), <http://www.acd-dialogue.org/about-acd.html>.

² *Ibid.*

³ *Ibid.*

⁴ *Cross border Infrastructure, ACD*, (Asia Integration Border) <https://aric.adb.org/initiative/asia-cooperation-dialogue>.

⁵ *Ibid.*



Topic A: *Energy Security*

Introduction

Energy security is broadly defined as “uninterrupted availability of energy sources at an affordable price.”⁶ Though each country may have different priorities, each fundamentally seeks to ensure reliable, affordable and perhaps clean energy. In the short term, the ability to rapidly fulfill sudden energy demands is important. For the long term, the focus is on energy investments and cooperation for energy security. Recognizing climate change and a growing population, there is newfound anxiety over the sufficiency of resources to supply the world’s future energy needs. Hence, the catalyst to investigating sustainable energy.

Global reliance on oil and natural gas, is a risk in energy security. Oil security is affected by price fluctuations and risks like natural disasters.⁷ Adequate emergency response and oil reserves in place can offset potential oil crises. Natural gas security relates to unpredictable events too, such as damaging weather and geopolitical tensions.⁸ Establishing new policies within this interdependent, globalized market can prevent an oversupply of natural gas.⁹ Electricity security has become more essential with the emergence of the digital era and heavy dependency of technology in daily lives. Incorporating renewable energy sources into existing systems can provide a steady supply of electricity. Countries need

to be prepared for sudden changes in energy conditions and have contingency plans to address emerging risks. ACD forums can examine emergency preparation and responses by other agencies such as the International Energy Agency (IEA). IEA holds response exercises (EREs) to train countries on how to effectively respond to a major global oil supply on the market.¹⁰ Also, to not exhaust limited energy resources, countries have the obligation to regulate energy demand and supply for the sake of future generation’s energy security.

Historical Background

During World War I, with the intention to make the British Navy ships faster than its German counterparts, Winston Churchill surprisingly shifted the power source from coal to oil. This relied on insecure oil supplies from Persia rather than the coal from Wales.¹¹ Since Churchill’s historic decision, energy security has repeatedly emerged as an important question of national strategy. In recent decades, the paradigm has shifted to include many new factors and governments now recognize that energy security is not just a local issue, but one that has implications on a country’s foreign relations.¹²

Asia is the largest continent, spanning 29.4% of the land area in the world and, as of 2019, accounts for 60.7% of the total global population from its 48

⁶ *Energy Security*, (The International Energy Agency, 2019), <https://www.iea.org/topics/energysecurity/>.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Daniel Yergin, *Ensuring Energy Security*, (United Nations, 2006), https://www.un.org/ga/61/second/daniel_yergin_energysecurity.pdf

¹² Ibid.

countries.¹³ Its past decades of rapid economic and social growth spurred an exponential increase in demand for energy. Achieving energy security is essential for Asia's long-term stability and prosperity, yet it is a challenge that no single country can resolve on its own. Energy security has been at the forefront of discussions at the Asia Cooperation Dialogue among policymakers and thought leaders. Concurrently, Asia faces pressures from the international community to achieve environmental sustainability in its energy choices. In this narrative, there has been a special focus at ACD on cooperation in Energy with Bahrain, China, Indonesia, Kazakhstan, Qatar, and The Philippines as prime and co-prime movers.

On 13 January 2004, the first meeting of the ACD working group on energy security was held in Manama, the Kingdom of Bahrain and the second meeting was held in Makati City, the Republic of the Philippines on 19-20 May 2004. Consensus points were reached at the end of the meetings marked as the Qingdao Initiative. The participating 22 countries stressed the need for a secure, stable, and sustainable demand and supply of energy.¹⁴ Markets and politics dictate energy prices. After the Persian Gulf War, concerns over energy security seemed to recede only to face a spike in prices due to substantial increase in global oil demand triggered in particular by China and India.

China, India, and other countries' demand from the global energy supply

continues to grow. During the 1970s, North America consumed twice the amount of oil Asia had been consuming.¹⁵ However, it was discovered last year that for the first time ever, Asia's oil consumption was higher than North America's. Asia's energy demands are predicted to continue to grow and account for half of the rise in global consumption by 2024.¹⁶ Asia's huge energy demand was apparent, in 2004, when the region underwent a "demand shock."¹⁷ Global petroleum consumption rates were the highest that year and China's demand grew by 16 percent since the previous year.¹⁸ Many countries increased their gas consumption that year and their demands resulted in the "tightest oil market in three decades."¹⁹ There was barely any excess oil produced to supply to countries needing more oil.

Contemporary Conditions

Accessibility to Energy

As global energy demands continue to increase, energy supplies are starting to decrease. Countries are trying to find ways to meet their personal energy needs, yet at the same time, around 65 million people are still living without electricity.²⁰ Lack of access to energy is shown to contribute to poverty and hunger. Hence, energy accessibility across all areas around the world is a pressing energy security issue that needs to be discussed.

The United Nations Development Programme (UNDP) describes energy poverty as the "inability to cook with

¹³ Bridgat, *List of all Countries in Asia*, (Bridgat, 2019), <https://countries.bridgat.com/asian-countries/>.

¹⁴ Ministry of Foreign Affairs of Thailand. "Progress Report on ACD Cooperation Projects", (ACD, 2004).

¹⁵ Daniel Yergin, *Ensuring Energy Security*, (Foreign Affairs, 2006), <https://www.foreignaffairs.com/articles/2006-03-01/ensuring-energy-security>.

¹⁶ *Demand from Asia is Set to Power the Growth of the Global Gas Industry Over the Next Five Years*, (IEA, 2019),

<https://www.iea.org/newsroom/news/2019/june/demand-from-asia-is-set-to-power-the-growth-of-the-global-gas-industry-over-the-n.html>.

¹⁷ Daniel Yergin, *Ensuring Energy Security*, (Foreign Affairs, 2006), <https://www.foreignaffairs.com/articles/2006-03-01/ensuring-energy-security>.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ *Southeast Asia Energy Outlook 2017*, (IEA, 2019), <https://www.iea.org/southeastasia/>.

modern cooking fuels and the lack of bare minimum of electric lighting for reading or for other household activities.”²¹ As mentioned, a large percentage of the global population lacks access to reliable electricity that allows them to carry out daily tasks. Because of this, energy impoverished individuals are forced to implement traditional means of energy usage in their lives, often impacting individuals’ health and the environment. According to the Asian Development Bank, energy access leads to four consequences: poverty, death, gender inequality, and environmental degradation.²²

Poverty and lack of access to energy are directly related as lack of electricity limits job opportunities and activities that could be done to improve an individual’s overall quality of life.

As indoor air pollution continues to increase due to lack of energy resources in impoverished areas, the event is becoming a serious public health concern. Indoor air pollution is the result of traditional usage of energy such as through burning wood and involves directly combusting fuels within the household to cook or for warmth. Victims of energy poverty lack the electricity that would allow them to refrigerate food and interfere with a community’s access to medical care. Indoor air pollutants are said to be 60 times more harmful than the outdoors of city centres in North America and Europe.²³ Women who are performing daily household chores are subject to spend three to seven hours a day in the kitchen.²⁴

That being said, indoor air pollution is ranked fourth amongst the top leading causes of death around the world.²⁵

In addition to affecting poverty and death, lack of energy access impacts gender health and available educational opportunities. Energy poverty mostly targets women through consequences such as physical injuries, collecting fuel, or caring for sick children. Educational opportunities are correlated with how much time is needed outside of school. If individuals are stuck taking care of the household and collecting fuel, there may be an increase in absenteeism in school. Increase in absenteeism is also related to the illnesses caused by such physical injuries or indoor air pollution.

Traditional methods of energy usage require biomass to be burned every day. Natural resources are becoming scarce with increased deforestation, desertification, and land degradation.²⁶ Wood supplies or modern fuels are typically burned and used for energy, but biomass fuels are common in rural areas across developing nations for cooking and heating.²⁷ While natural resources are running out due to biomass fuels, the gas released has a huge impact on climate change. Greenhouse gases such as methane and carbon dioxide are constantly being released as biomass continues to be burned in areas without reliable electricity.²⁸

Lack of accessibility to reliable electricity has been shown to lead to detrimental effects on individual victims. It has been shown to lead to economic, health,

²¹ Benjamin K. Sovacool, *Energy Access and Energy Security in Asia and the Pacific*, (Asia Development Bank, 2013),

<https://www.adb.org/sites/default/files/publication/31154/ewp-383.pdf>.

²² Ibid.

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Hanaan, Jordan & Donev, Jason. “Deforestation”, (University of Calgary, 2019).

²⁷ Koning et al. “Biomass fuel combustion and health”, *Bulletin of the World Health Organization* 63, no. 1 (1985): 11-26.

²⁸ U.S. Energy Information Administration. “Biomass and the environment,” (EIA, 2019).

<https://www.eia.gov/energyexplained/biomass/biomass-and-the-environment.php>

social and environmental issues such as poverty, death, gender inequality, and environmental degradation, respectively. Organizations such as UNDP are identifying victims of energy poverty and hope to orient their energy services towards specific groups of individuals, opening up doors to more reliable, efficient electricity. Effective programs are promoting community participation in movements to improve energy accessibility and establishing renewable energy systems.

The Actuality of Climate Change

Natural disasters induced by climate change have offered a new perspective on energy. Despite international efforts to warn consumers and producers about the effects of global warming and pollution, our practices continue to harm the environment at an unprecedented rate. In the last thirty years, the frequency of natural disasters has increased threefold.²⁹ Recent droughts and hurricanes are a testament to this fact. Consequently, major blackout events in the past decade have also increased around the world.³⁰ In the aftermath of these catastrophes, energy security is threatened because of damage to electricity delivery infrastructure, and loss of electricity transmission subsequently cripples all other industry. The extent of economic and social damage done to a country depended most on the extensiveness of emergency response plans in place.³¹

To reduce the damage done by natural disasters, the global community is taking steps now to reduce its

environmental footprint, while also ensuring that no citizens in vulnerable geographic areas are receiving a disproportionately low level of energy resources. In 2018, Asia was named as the driving force for renewable energy sector accounting for one fifth of the global energy investment.³²



Figure 1: Workers inspect a solar power plant in a Chinese province.³³

Past United Nations and International Action

In 2010, the UN General Assembly declared 2012 the “International Year of Sustainable Energy for All.”³⁴ The year after, UN resolutions to promote regional cooperation for enhanced energy security and actions for the sustainable use of energy in Asia were adopted.³⁵ Energy cooperation among Asian countries serves to widen access to energy in the least developed countries and small islands. For major Asian consumers and suppliers, it has also implied investments in the development of renewable sources of energy for energy security and efforts towards the continent’s overall sustainable development. The

²⁹ *A Complex Nexus*, (International Organization for Migration, 2015), www.iom.int/complex-nexus.

³⁰ Organization for Security and Co-operation in Europe. “Protecting Electricity Networks from Natural Hazards,” (OSCE, 2016).

³¹ *Ibid.*

³² Nick Butler, *Asia the driving force in the Energy Business*, (Financial Times, 2018),

<https://www.ft.com/content/8f82d2d6-8a8e-11e8-bf9e-8771d5404543>.

³³ *Ibid.*

³⁴ *Resolution*, (ECOSOC, 2011), <https://www.un.org/ecosoc/sites/www.un.org/ecosoc/files/documents/2011/res-2011.14.pdf>.

³⁵ *Ibid.*

Economic and Social Council (ECOSOC), after endorsing those resolutions, annexed a request for a 2013 energy forum at the ministerial level initiating the start of checkpoints for progress achieved in addressing energy security challenges at the national, regional and household levels pertaining.³⁶ In Asia, half a billion citizens in poorer living conditions still do not have access to modern affordable energy.³⁷ The UN urged the sharing of information among countries to analyze existing management of energy demands, identify supply-side constraints and the impact of price volatility and potential disruptions to energy supply.³⁸

In 2015, the adoption of the UN 2030 Agenda was a landmark achievement. Launched by a UN Summit in New York, it is a shared global commitment to eradicate poverty in all its forms and vision towards sustainable development. The 2030 Agenda is a plan of action for people, planet and prosperity envisaging “a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination”.³⁹ To march towards this ambitious mission of leaving no one behind, the UN established 17 UN Sustainable Development Goals (SDG). The SDG Goal 7 is to “ensure access to affordable, reliable, sustainable and modern energy for all.”⁴⁰ Further SDG Goal 7 states the following:⁴¹

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency

7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology

7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support

In the latest 2019 progress report, a regional road map for implementing the 2030 Agenda in Asia and the Pacific was created to facilitate regional cooperation.⁴² Agreement was reached at the 73th Commission Session of the UN Economic and Social Commission for Asia and the Pacific (ESCAP), one of the five regional commissions under the jurisdiction of ECOSOC.⁴³ The road map further identified 11 priority areas for regions in Asia and the Pacific to work together to implement the 2030 Agenda and incorporated a progress assessment methodology.⁴⁴ Energy was on

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ *Transforming our world: the 2030 Agenda for Sustainable Development*, (UN Sustainable Development Goals, 2015), <https://sustainabledevelopment.un.org/post2015/transformingourworld>.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² General Assembly, *Regional Road Map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific: Progress Report 2019*, (UN ESCAP, 2019),

<https://www.unescap.org/resources/regional-road-map-implementing-2030-agenda-sustainable-development-asia-and-pacific>.

⁴³ Ibid.

⁴⁴ ECOSOC, *Strengthening regional cooperation for sustainable energy development in Asia and the Pacific*, (UN ESCAP, 2017), https://www.unescap.org/commission/73/document/E73_RES_8E.pdf.

this list of the 11 priority areas for cooperation with a need to accelerate its implementation targets of international clean energy cooperation, energy infrastructure, scientific and technological capacity, fossil-fuel subsidies, needs of developing countries, international cooperation and transfer of technologies.

Questions a Resolution Must Address

1. *What are the main energy security concerns in the delegate's country?*

Research the historical background and contemporary conditions of energy security and existing policies in the delegate's country. What are the major energy concerns and priorities? What has been already done to address and solve them? Who are the major stakeholders and powerhouse for energy security in the delegate's country? Countries' concerns will vary with their size, geographical location, natural resources, history and current politics.

2. *How can regional collaboration through ACD benefit participating countries and be a catalyst to enhance communications between nations?*

Understand why the Asian Cooperation Dialogue was formed and what the benefits are for countries that participate. How can communication and collaboration among Asian countries be mediated in order to promote effective energy security across all nations?

3. *How can ACD address Asia's rapid growth in oil consumption?*

Asia's oil demand has increased by 280% since the 1970s.⁴⁵ High oil demands are coming particularly from China, India, and Japan. Last year, it was reported that China had a higher oil consumption than the United States. Although there have been efforts to improve countries' economic models, more needs to be done to prevent the increase in oil consumption in Asia.

4. *What systems or policies can be implemented to regulate the amount of energy used per country?*

While Asia's energy demand continues to increase, around 65 million people are living without electricity.⁴⁶ This scenario displays the need for policies to be established in order to ensure that countries are all equally benefitting from the global energy source.

5. *How can countries collaborate with other nations to fulfill the 2030 UN Sustainable Development Goals on energy?*

The UN Sustainable Development Goal Seven is to ensure that countries will have access to "affordable, reliable, sustainable, and modern energy."⁴⁷ Despite ongoing efforts, around 800 million people still remain without access to electricity that are necessary for daily life activities such as cooking or lighting.⁴⁸ What plans of actions can be made to accomplish these goals by 2030?

⁴⁵ Rober Rapier, *Asia's Insatiable Oil Demand*, (Forbes, 2018), <https://www.forbes.com/sites/rrapier/2018/07/19/asias-insatiable-oil-demand/#575bed596e3a>.

⁴⁶ *Southeast Asia Energy Outlook 2017*, (IEA, 2019), <https://www.iea.org/southeastasia/>.

⁴⁷ *Sustainable Development Goal 7*, (UN, 2019), <https://sustainabledevelopment.un.org/sdg7>.

⁴⁸ Ibid.

6. *How can Asia improve its renewable energy efforts?*

China is one of the world's largest investors in renewable energy, but the Asia-Pacific region is predicted to account for two-thirds of global energy use by 2040.⁴⁹ Asia needs to find environmental alternative energy solutions that will be able to remove Asia countries as top global energy users.

7. *What compromises and concessions will ACD member countries need to make for energy security resolution?*

The ACD member countries consists of some of the world's largest energy consumers and some of the world's largest energy producers. With the presence of such impactful players in the energy market, it is important to consider their positions. How can members form a resolution that will be able to benefit all different countries from different economic backgrounds?

8. *How is energy security a key factor in peace and economic prosperity in the digital era?*

As global energy demands continue to increase, energy supplies start to decrease. Advancement in technology is opening up doors to alternative energy solutions. Countries are coming up with innovative technology to supply their economy. How are these advancements contributing to countries' energy security?

⁴⁹ *The World Banks on Sunshine, UN says in a renewable energy report*, (UN News, 2018), <https://news.un.org/en/story/2018/04/1006651>.

Bloc Positions

■ East Asian Nations

(People's Republic of China, Republic of Korea, Japan, Mongolia)

East Asia's global energy demands is expected to rise the most out of any other region in the world as its economy continues to grow. These countries rely largely on petroleum from Russia and the Middle East, natural gas, and coal – in fact, over 80% of Japan's energy needs are met through Middle Eastern oil imports. Most notably, China is one of the world's largest energy consumers, with their main source of energy coming from the country's abundance of coal. Its developing economy and spiking population are driving China to invest in more renewable energy and partner with other large energy consuming countries. Improving national energy independence is crucial for East Asian states, with a finite oil supply, fluctuating hydrocarbon prices, and conflicts in the Middle East threatening the security of imported energy. Nations like China and Mongolia have massive hydroelectric potential, but continued development of these structures must strike a balance between meeting energy demands and mitigating environmental damage. A switch to renewable energy could provide these nations with greater security in energy supply, but this process will take time and massive investment. An Asian "super-grid" currently connects China, Mongolia, Korea, Japan, and India to increase efficiency in energy transmission.⁵⁰ Further negotiation

⁵⁰ "About ASG," (Renewable Energy Institute, 2019).

<https://www.renewable-ei.org/en/asg/about/>

⁵¹ *Kazakhstan: Executive Summary*, (EIA Beta, 2019),

<https://www.eia.gov/beta/international/analysis.php?iso=KAZ>

⁵² *Kazakhstan Energy Fact Sheet*, (IEA, 2017),

<https://www.eu4energy.iea.org/Documents/Kazakhstan-Info-FINAL.pdf>.

for greater connections should be considered against the backdrop of the region's varying national interests. Initiatives to decrease consumption, diversify energy sources and suppliers, and reevaluate energy trade routes (maritime and land) will be crucial discussion issues.

■ CIS Nations

(Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan)

The CIS region is home to abundant energy resources in the form of coal, oil, and gas, but these are unevenly distributed across nations. Some countries, like Kyrgyzstan and Tajikistan, have relied on imports to meet up to half of their energy needs, while others rely on energy export to support their economies. Kazakhstan is one of the largest energy producers in the world, second in Eurasia.⁵¹ Many countries in Asia rely on Kazakhstan's large oil abundance as Kazakhstan is producing twice the amount of energy supply they actually need.⁵² Kazakhstan has partnered with countries such as the United States to increase the country's renewable energy and develop the country's clean energy system.⁵³ Russia is the largest energy producer and accounts for 34 percent of EU gas imports.⁵⁴ The country also controls the world's largest natural gas reserves.⁵⁵ Its large contribution to Eurasia's energy supply is also corresponded with economic power. Russia has been less developed in its renewable energy plans. Uzbekistan is another major exporter of hydrocarbon fuel in the region.

⁵³ *U.S.-Kazakhstan Energy Partnership*, (U.S. Department of Energy)

<https://www.energy.gov/ia/international-affairs-initiatives/us-kazakhstan-energy-partnership>.

⁵⁴ Ole Gunnar Austvik, *The EU Energy Union, Energy Security, and Russian Gas*, (Harvard Kennedy School, 2015),

https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/Austvik_FNL.pdf.

⁵⁵ *Russia*, (The University of Texas at Austin),

<https://www.strausscenter.org/energy-and-security/russia.html>.

In addition to development of renewable energy sources and diversifying their energy mix, CIS states seek to implement more efficient energy technologies to meet their energy demands and reduce harmful pollution. Management of strategic energy reserves and energy conservation measures should also be considered.

▪ *The Middle East*

(Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, Turkey, United Arab Emirates)

The Middle East is well known for its oil exports, and threats to peace and security in the region subsequently threaten the energy security of nations around the world. More than half of the world's energy reserves are located in the region. Middle East states have a particular interest in increasing global cooperation on securing access to energy repositories and safely transporting fuels from their extraction site to the consumer. Nations must address the problem of aging transport infrastructure and develop new infrastructure to bypass dangerous transit corridors. Domestic and regional conflicts need to be resolved to secure reliable access to energy reserves and implement efficient production and usage. Technological progress on energy efficiency is also crucial to combat the rise of US shale oil. Middle Eastern states are also looking into energy diversification and alternatives to traditional oil – for example, Saudi Arabia is putting its efforts by integrating more

environmental alternatives into the energy economy, such as usage of solar power. Policy must navigate the complicated web of political tensions between Middle Eastern nations to succeed.

▪ *South Asia*

(Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka)

India has the second largest population in the world after China. Like China, India is another one of the world's largest energy consumers and depends most of its energy from coal import. Around 70 million people in India do not have access to energy, individuals mostly coming from rural areas.⁵⁶ Initiatives such as the National Solar Mission and the Energy Conservation Act are targeting to improve India's energy security.⁵⁷

▪ *Southeast Asia*

(Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam)

Thailand is a large producer of oil and natural gas, but is starting to largely depend on hydrocarbon imports to satisfy its energy demands. Recently, the country has been acknowledging the environmental impacts resulting from Thailand's high energy demand and are willing to adopt new means of technology to improve the energy sector.⁵⁸

⁵⁶ *India's Energy Security: Challenges, Policies, and Opportunities*, (Research Gate, 2015), https://www.researchgate.net/publication/280239226_India's_Energy_Security_Challenges_Policies_and_Opportunities.

⁵⁷ *Ibid.*

⁵⁸ Cheng-Sheng Hong, *Thailand's Renewable Energy Transitions: A Pathway to Realize Thailand 4.0*, (The Diplomat, 2019), <https://thediplomat.com/2019/03/thailands-renewable-energy-transitions-a-pathway-to-realize-thailand-4-0/>.

Conclusion

Since Churchill's historical switch of his warships' energy source, diversification has been the key to energy security. This still remains true today, but a wider and sustainable approach is now required. Moving forward, it is important to consider the actions, and inadequacy thereof, taken by Asia and the international community thus far. The Asia Cooperation Dialogue need to take into account the rapid evolution of the global energy trade, growing natural disasters, threats of terrorism, the integration of major new economies into the world market and supply-chain vulnerabilities such as political tensions. Historical trends in energy insecurities are also noteworthy and simply continue to persist in more camouflaged forms today. Foremost is the power of oil producing countries. Also, the influence of global

corporations and emphasis on profits over human rights has infiltrated most member countries, regardless of development. It is time for actors such as the ACD member countries to intervene and pinpoint acts of inequalities in policies, business practices and energy resource allocation. Asia must devote special attention to achieving UN sustainable energy development goals rather than be tempted by short term energy benefits. Otherwise, we will see marginalization of poorer communities at ever-increasing rates and the self-destruction of our planet as the UN recognize will be imminent with climate change without action. In the name of peace, human rights and a cleaner, more sustainable environment, we cannot emphasize enough the importance of energy security in Asia.



Topic B: *Increasing Financial Cooperation*

Introduction

Increasing Financial Cooperation is an important topic in an increasingly interconnected world. As the IMF states “Asia is a microcosm of the changes taking place in the global economy.”⁵⁹ As the world’s economies begin to increasingly integrate through global trade and foreign investments, cooperation is crucial to ensure financial success.

An important concept to distinguish is the difference between economic and financial policy. The aim of this topic is to address financial cooperation through financial policy within and between member nations. Economic policy looks into overall broad consumer trends and flows of money. Financial policy is much more specific in examining the distribution, management, creation, assets, and liabilities of money.

Increasing financial cooperation is important for several reasons. Financial cooperation will help ensure economic global security. In addition, increasing cooperation will also allow for stronger, interconnected trade. With the vast variety in states of economies, with some economies being relatively small and newly developed and others being well established for centuries, it’s crucial that there is a stable system to ensure fairness in interactions between the two. The IMF states that the

most successful Asian economies have had certain things in common. Among these are: domestic economic policies that promote savings and investment, including investment in human capital; a domestic environment that encourages innovation, entrepreneurship, the use of modern technology, and a speedy response to market signals; and outward-looking policies that expose domestic producers to foreign competition.⁶⁰ Therefore, these key characteristics are what Asian markets should strive for.

Historical Background

The multiple agreements passed during previous meetings of the ACD have had a few key economic focuses. Two of the commonly emphasized themes are strengthening local economies and strengthening the economic interactions between countries. The ACD initially called for increased international financial cooperation for several reasons. In the early 2000s⁶¹, many of the Asian economies in the ACD had weak economies and long-term finance solutions due to weak bond markets and underdeveloped capital. In 1997⁶², many large and small Asian economies were hit by a crisis beginning in Thailand. With the failure of the Thai baht leading to excessive capital flight, a chain reaction ensued in multiple Asian economies

⁵⁹ Michael Camdessus, *The Agenda for Global Financial Cooperation*, (IMF, 1997), https://www.imf.org/en/News/Articles/2015/09/28/04/53/s_pmds9708.

⁶⁰ https://www.imf.org/en/News/Articles/2015/09/28/04/53/s_pmds9708

⁶¹ <https://www.mei.edu/publications/asia-cooperation-dialogue-acd-progress-and-potential>

⁶² <https://www.mei.edu/publications/asia-cooperation-dialogue-acd-progress-and-potential>

including the economies of Hong Kong, South Korea, and the Philippines. This financial crisis led to a need for the development of a regional financial architecture. With regional financial architecture there could be greater stability in the case of an economic collapse in one sector or during periods of uncertainty in the global economy.

The development of the Asian bond market is a product of the financial cooperation that the ACD members have promoted. The Chiang Mai Initiative, implemented and monitored by the ASEAN+3 Macroeconomic Research Office, has created an expanding network of bilateral swap agreements between Asian nations.⁶³ In 2012, the Minister of Foreign Affairs of Thailand, Surapong Tovichakchaikul, stressed that the Asian bond market initiative should be re-assessed due to the growing Asian economic strength.⁶⁴

Given the diversity of all the Asian countries involved in the ACD it is important to focus on their individual histories and the histories of their relationships. While the ACD is relatively new, it is important to keep in mind past policies and reflect on the patterns of previous actions to determine how to act in the future.

Contemporary Conditions

Global Trade

Global trade is one of the largest activities in the world today. Trade is a useful tool for fostering new economic ties, strengthening existing economic ties, and strengthening individual economies. Global trade encompasses a multitude of terms and meanings. In a general and broad definition, global trade refers to the international trading of goods and services between nations. Global trade, however, is much more complex than just the transfer of goods and services, as it requires extensive negotiation, security, and financial management.

With global trade comes many long-lasting effects on nations involved. Increased trade usually has the potential to generate new technology, increase productivity and capital, foster a dynamic growing economy, and increase global ties.⁶⁵ Correlational studies have shown that countries with higher rates of GDP growth also tend to have higher rates of growth in trade as a share of output.⁶⁶ This is highly important as fostering GDP growth is crucial for further development on many of the member nations of the ACD. Increase in global trade also leads to further growth and a need for financial institutions within nation states to continue trade in the future. These institutions are critical in developing a dynamic established financial system within member nations. Some examples include China setting up the Asian Investment and Infrastructure Bank (AIIB) in Beijing, which has a capital of \$100 billion and the establishment of the Arab Bank for

⁶³AMRO (ASEAN +3 Macroeconomic Research Office).

“Overview of the CMIM,” (AMRO, 2019). <https://amro-asia.org/about-amro/amro-and-the-cmim/#overview>

⁶⁴ <https://www.mei.edu/publications/asia-cooperation-dialogue-acd-progress-and-potential>

⁶⁵ *Benefits of Trade*, (Office of the United States Trade Representative), <https://ustr.gov/about-us/benefits-trad>.

⁶⁶ Esteban Ortiz-Ospina, et al, *Trade and Globalization*, (Our World in Data, 2018), <https://ourworldindata.org/trade-and-globalization>.

International Development in Africa.⁶⁷ AIIB and the Arab Bank both are geared towards increasing financial fluidity and fostering more development projects within their nations.

The effects listed above are rather positive effects of global trade, but it is important to also keep in mind the barriers to trade that may hinder such positive effects, as policy should strive to eliminate these barriers. Furthermore, while global trade is often used as a tool to facilitate positive long-lasting relations between nations, it has also historically been used as a tool to end relations. Certain aspects of trade such as embargoes and tariffs have led to significantly weakened cooperation, ties, and growth. Around the world there are trade wars and constant trade negotiation, and it is important to examine both how financial systems are affected and how financial policy can alleviate these effects.

Microfinancing and Establishing Stable Financial Systems

In order to increase financial cooperation, it is important for countries to also have their own strong financial systems. To ensure smooth financial transactions and plans between differing countries, countries should strive to establish financial systems within their own countries first.

Within the ACD, there is a wide variety between the levels of development in each member state. Countries like China and Japan have had long-established powerful financial systems. Other countries are relatively new and still establishing their own financial systems. Within these smaller and newer economies are also economies

facing conflict. For example, Qatar currently faces trade blocks and sanctions. Iran historically has also faced numerous sanctions. How do members of the ACD effectively work around these challenges? Should the ACD strive to eliminate and work around these sanctions?

It is crucial for countries to strive to establish a stable economy. This includes that strive to rid economies of corruption. The average score of South Asian countries in the 2013 Corruption Perceptions Index – lower than any other sub-region in the world.⁶⁸ Without transparency within individual economies, there is little transparency between interacting economies. Transparency and reduced corruption are crucial to successful economic interactions. If Asian economies do not strive to eliminate corruption within their own economic systems, not only will this be a hinderance to Asian economic relations, but also to relations with non-Asian economies, as other countries will become reluctant to do business with these countries. Furthermore, corruption destructs all possibility of stability and long-lasting security of economic systems. Historically corruption often leads to wealth in the hands of a few for selfish causes. Corruption stunts all potential economic growth for a country as a whole.

To further expand Asian economies countries can look into microfinancing and other smaller fostering opportunities. One example of this that has started occurring in developing countries is microloans. Microloans are small loans given to small, local businesses in developing economies, fostering independence. These loans

⁶⁷ Hany Besada, *Global Trade & Financial Governance for Inclusive Development*, (UNOSSC, 2019), <https://www.unsouthsouth.org/2019/09/04/global-trade-financial-governance-for-inclusive-development/>.

⁶⁸ *Fighting Corruption in South Asia*, (Transparency International, 2014), https://www.transparency.org/news/feature/fighting_corruption_in_south_asia.

provide individuals with capital in the absence of access to traditional funding means, but are riskier for lenders due to a lack of collateral associated with the loan.⁶⁹

Past United Nations and International Actions

The Rise of Regionalism

In the aftermath of the Asian financial crisis that devastated regional and global markets from 1997 to 1999, key initiatives have been taken to improve the resilience of Asian monetary and economic systems. Analysis of the events that precipitated the financial crisis points overwhelmingly to a dangerous dependence on foreign investment and maturity mismatches in assets and liabilities.⁷⁰ Since the turn of the century, particular emphasis has been placed on improving risk management and building resilience against future crises. Asian nations have done so by building regional institutions for financial cooperation, supplementing existing support from international agencies like the World Bank and the International Monetary Fund (IMF).⁷¹

Several organizations and initiatives have been established to administer regional financial development and promote multilateral dialogue amongst Asian nations and with major economic partners abroad. ASEAN+3 (APT), which includes the ten members of the Association of Southeast Asian Nations plus the People's Republic of China (PRC), Japan, and the Republic of

Korea (ROK), has been key to building regional relationships since the late 1990s.⁷² Central to its efforts is the Chiang Mai Initiative (CMI), a regional currency swap agreement meant to serve as a financial safety net for its members. The CMI was created in 2000 as a network of bilateral agreements that built on the 1977 ASEAN Swap Arrangement (ASF), and has since been subject to revision and expansions. In 2009, the initiative moved beyond bilateral agreements into multilateralism and restructured as the CMIM, a currency reserve pool amounting to \$120 billion in total reserve currency that was doubled to \$240 billion in 2012.⁷³ In addition to the reserve pool, the CMIM manages a crisis prevention program to respond to immediate short-term needs. APT also oversees the ASEAN+3 Macroeconomic Research Office (AMRO), the Asian Bond Markets Initiative (ABMI), and the ASEAN Disaster Risk Financing and Insurance Program. A joint statement of APT finance ministers and central bank governors in 2017 reaffirmed the commitment of APT institutions to supporting “open and rules-based multilateral trade and investment systems” in order to “promote sustainable, balanced and inclusive growth and to enhance economic and financial resilience”.⁷⁴

The Executive Meeting of East Asia-Pacific Central Banks (EMEAP) was established in 1991 as a direct forum for communication between central banks of the East Asia and Pacific region. Eleven central

⁶⁹ Hayes, Adam. “What is Microlending and How Does It Work?”, (Dotdash, 2019).

<https://www.investopedia.com/articles/personal-finance/040715/what-microlending-and-how-does-it-work.asp>

⁷⁰ Jung, Jee-young, *Regional financial cooperation in Asia: challenges and path to development*, (Bank for International Settlements, 2008), <https://www.bis.org/publ/bppdf/bispap42d.pdf>

⁷¹ Ibid.

⁷² Ibid.

⁷³ “Chiang Mai Initiative: An Asian IMF?”, (Asian Century Institute, 2017),

<https://asiancenturyinstitute.com/economy/248-chiang-mai-initiative-an-asian-imf>

⁷⁴ *The Joint Statement of the 20th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting*, (ASEAN, 2017),

<https://asean.org/the-joint-statement-of-the-20th-asean3-finance-ministers-and-central-bank-governors-meeting/>

banks and monetary authorities are members, representing Australia, PRC, Hong Kong, Indonesia, Japan, ROK, Malaysia, New Zealand, the Philippines, Singapore, and Thailand. Outside of its regular Governors' and Deputies' Meetings, the EMEAP supervises three working groups and a meeting of IT directors. The working groups direct work on financial markets, bank regulatory frameworks, cross-border settlements, and crisis management for domestic businesses. They manage the Asian Bond Funds and work with supervisory organizations, both domestic and international, to set and implement banking best practices.⁷⁵

Finance for Development

Development funding has surfaced in recent decades as another frontier for regional financial cooperation. The Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), and other regional central banks have supported various initiatives to promote expansion of Asian bond markets, development of regional credit systems, and information sharing between Asian nations to supporting its members in meeting their funding needs for infrastructure projects.⁷⁶

The larger United Nations general membership has also demonstrated an interest in strengthening financial cooperation, particularly for the purposes of development. In 2002, the first International Conference on Financing for Development produced the Monterrey Consensus, acknowledging the need to effectively mobilize financial resources internationally

to meet the development goals of GA resolution 55/2 (Millennium Declaration). The Consensus emphasized a domestic strategy based on macroeconomic reform for high growth and price stability, good governance policies against inequality and corruption, regulatory transparency, and microfinancing for small and rural enterprises.⁷⁷ The Third International Conference on Financing for Development resulted in the Addis Ababa Action Agenda (AAAA), updating and expanding upon prior FFD documents to support the 2030 Agenda for Sustainable Development. Its outcome document was endorsed by GA resolution 69/313 in 2015. The Action Agenda proposes seven action areas of focus:

1. *mobilization and effective use of domestic public resources*
2. *alignment of private sector investment with development needs*
3. *increasing international cooperation and knowledge-sharing in issues of development*
4. *promoting open multilateral trade under the World Trade Organization (WTO)*
5. *supporting sustainable sovereign borrowing and improving resistance against debt crises*
6. *addressing systemic economic, social, and environmental challenges*
7. *increasing access to technology and new innovations*⁷⁸

⁷⁵ "About EMEAP", (EMEAP),

<http://www.emeap.org/index.php/about-emeap/>

⁷⁶ Angrick, Stefan, "20 Years After the Asian Financial Crisis, How has Financial Cooperation Evolved?", (The Diplomat, 2017), <https://thediplomat.com/2017/06/20-years-after-the-asian-financial-crisis-how-has-financial-cooperation-evolved/>

⁷⁷ *Monterrey Consensus of the International Conference on Financing for Development*, A/CONF.198/11 (2003),

<https://www.un.org/esa/ffd/wp-content/uploads/2014/09/MonterreyConsensus.pdf>

⁷⁸ *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, (ECOSOC FFD, 2015), https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

In order to oversee the development and implementation of the Agenda's goals, the Financing for Sustainable Development Office (FSDO) was established. The office organizes the biennial ECOSOC Development Cooperation Forum (DCF) to review progress and emerging trends in development policy, creating recommendations alongside the ECOSOC Financing for Development Forum (FfD Forum) which are taken into consideration by the High-level Political Forum on Sustainable Development (HLPF). At the annual HLPF, governments and major civil groups interface and report on progress made toward the 2030 Agenda goals, encouraging continued transparency and diversity of voices in the conversation surrounding development issues.⁷⁹ The

wide range of domestic capabilities, funding needs, and national interests continuously challenge international consensus on development policy.

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), one of five regional commissions under the UN Economic and Social Council, also provides an important forum for 53 member states and 9 associates. In 2015, ESCAP resolution 71/1 created a framework for regional financial cooperation with regard to development projects.⁸⁰ Following the AAAA, ESCAP continues to serve Asian and Pacific nations in its capacity as a research hub and forum for negotiation on issues related to financing for development.

⁷⁹ United Nations, "Monitoring and Progress," <https://www.un.org/sustainabledevelopment/monitoring-and-progress-hlpf/>

⁸⁰ United Nations ESCAP, "Financing for development," <https://www.unescap.org/our-work/financing-development>

Questions a Resolution Must Address

1. *How are current internal conflicts within member nations affecting cooperation?*

The ACD is filled with vastly diverse member nations and within these nations there are recent and previous ongoing conflicts economically, financially, and politically. Some examples would include China's internal conflict with its major economic city/autonomous region Hong Kong. Another example to look into is the recent Japan and South Korea trade dispute.

2. *How do certain financial policies within ACD nations align with UN SDG goals?⁸¹*

As with many organizations working with the UN system, the ACD seeks to align itself with UN Sustainable Development Goals. Keeping in mind such goals is crucial as it can foster economic and financial growth for all nations within the ACD. Some goals to look into specifically include goal 1: No Poverty goal 9: Industry, Innovation and Infrastructure, and goal 10: Reduced Inequality. What are some policies already in place that can be aimed to work towards these goals? What are new policies that can be encouraged?

3. *What are barriers to financial cooperation between certain countries?*

Different countries within the ACD have differing ideologies and economic systems. With this in mind, it is important to consider how they may or may not be able to work together. Furthermore, countries may have differing regimes that conflict with each other.

4. *What sets the ACD apart from other organizations and how can the ACD effectively interact with other organizations?*

The ACD is not the only organization that focuses on Asian countries and finance; other organizations of note include the Asian Development Bank (ADB), Association of Southeast Asian Nations (ASEAN) and Asian Infrastructure Investment Bank (AIIB). How do the goals of these organizations compare? Has ACD worked with them before to solve certain issues?

5. *How should Asian economies interact with other global financial systems like the EU?*

The goal of the ACD is to strengthen Asian country relations and Asian economies, however, cooperation with non-Asian countries is also key. How should the ACD go about maintaining relations with non-Asian countries while keeping the ACD members interests in mind?

⁸¹ 17 Goals to Transform the World for Persons with Disabilities, (UN), <https://www.un.org/development/desa/disabilities/envision2030.html>.

6. *What role does oil play in financial cooperation?*

A large portion of the countries currently in the ACD have large access to oil reserves particularly Saudi Arabia, Russia, and Iran. At the forefront of international debate on economics is the discussion of oil sales. It is important to look into oil policies in certain countries that may either increase or hinder global cooperation.

7. *What are solutions that target smaller economies of developing countries?*

There is a great discrepancy in the development of economies within the ACD. With this in mind, what are certain solutions that could help foster growth in these smaller economies. Is there any obligation for larger economies to assist smaller economies?

8. *What is the role of larger economies in guiding the ACD?*

There are many large and strongly developed economies within the ACD. How will we ensure that they do not take advantage of smaller economies? Is it possible for all the economies to get along?

Bloc Positions

▪ East Asia

(People's Republic of China, Republic of Korea, Japan, Mongolia)

China has the second largest GDP in the world and a major growing economy. China is clearly one of the biggest economically and politically strong countries in the ACD. It is important to consider China's current conflicts with Hong Kong considering the fact that Hong Kong is a crucial part of China's trade and business. It is also important to consider the current trade war between China and the USA.

Japan for the past century has increasingly advanced its economic relations with the West. With rapid production of goods such as advanced technology, Japan remains one of the largest producing and trading countries in the world. Another strong economy in the ACD, it is important to consider how Japan will lead in interacting with other ACD countries.

Korea and Mongolia, although smaller, still play a role in the ACD. Korea currently has a stable well-established economy that has had substantial connections with other countries. Mongolia is still further developing and strengthening its economy and it should be examined how ACD goals would help further develop Mongolia.

▪ The Middle East

(Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, Turkey, United Arab Emirates)

The Middle East is a large and diverse region of various cultural and political leanings. It includes Turkey and the Gulf States, which refers to the collective group of Arab states in the Persian Gulf area. These nations adhere to Arab and Muslim ideals and are becoming increasingly prominent global economic powers through its infrastructure development and extensive oil reserves.

Qatar is currently facing trade sanctions and trade blocks by neighboring countries, some which are actually part of the ACD. These trade restrictions have led to economic damages and severe inconveniences for Qatari citizens and businesses. At a time like this it is critical that Qatar and the nations in conflict with Qatar look into bettering financial cooperation.

Saudi Arabia is the largest economy out of the Gulf nations. Saudi Arabia for a long time has exerted strong economic and political influence over smaller gulf states. As such a leader, it is important to examine Saudi Arabian actions and how their lead will in turn impact the economic and financial actions of many other ACD nations. In addition, it is important to look into the large role oil plays in Saudi Arabia's economy.

Iran historically has faced many economic sanctions and has had internal and global conflicts concerning its oil reserves. It is important to look into these obstacles and look into how Iran can go about working with other members of the ACD.

- *CIS Nations*

(Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan)

CIS stands for the Commonwealth of Independent States. These states compose of post-Soviet era countries. Typically, these states still uphold certain authoritarian policies and tactics. It is important to examine the current states of development within each nation and their economies. Their connections with Russia are crucial to understand.

Russia has one of the largest GDPs in the world as of currently. Russia historically has acted in its own interests, aligning itself with strong economies that have similar ideals. It is important to examine how Russia recently has been interacting with smaller Asian countries and how they are planning to in the future.

- *Southeast Asia*

(Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam)

The Southeast Asian countries are essential members of the ACD. A relatively large block, these countries have economic ties, but diverse economies. With Singapore having one of the leading economies in Asia, it is a major player. It is important to examine how Singapore's well developed economic and financial systems can serve as an example for the other countries of this bloc. It is also important to examine how each country in this bloc can further their economic ties with each other.

- *South Asia*

(Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka)

In contrast to their eastern neighbors, South Asia has seen limited regional financial cooperation or integration – in fact, it was this lower level of regional and global financial integration that kept South Asian economies relatively insulated against the impact of the Asian financial crisis. The region is moving towards greater cooperation with the South Asian Association for Regional Cooperation (SAARC), but deep political divide between member states like India and Pakistan may complicate further integration. South Asian nations should weigh the benefits and costs of greater integration with East Asian and Southeast Asian neighbors, which could bring growth and increase the influence of these nations, but also leave their economies more susceptible to the whims of international investors if proper policies on capital flow are not implemented.

Conclusion

The evolution of global financial markets has necessitated increased regional cooperation. Within the ACD, member states are developing at their own pace towards establishing robust financial systems. In order to reach a stable economy, transparency must be encouraged between individual economies, so that stronger communication between the member states is established. Furthermore, maintaining these relations between ACD member states will benefit Asian economic relations as well as improve relations between Asian and non-Asian economies. Global trade, the exchange of goods and services between nations, will improve global relations and financial systems. However, it is advised that these trades be regulated to monitor the progress of development and cooperation of nations. In addition, there are various ways that have been suggested to improve

financial systems such as implementing microloans to support small businesses and foster independence in developing countries.

Recently, there has been more emphasis on improving risk management and building structural resilience against future financial crises. It is important for nations to consider this when creating policies to build strong financial systems. Nations should find ways to enhance financial cooperation for the further development of their economy. As world economies continue to grow and develop through the involvement of activities such as global trade and foreign investments, it cannot be emphasized enough the importance of increasing financial cooperation between nations to build stronger relations and a stronger global economy.

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