



“Strengthening the Global Supply Chain Resilience”

I. Committee Background

The Economic and Financial Committee (ECOFIN), also known as the Second Committee of the United Nations General Assembly (UNGA), was established in 1945 alongside the creation of the United Nations. Since its first meeting, it has played a big role in supporting sustainable economic development from drawing up agendas for finance development (e.g. the Addis Ababa Action Agenda, 2015) to writing action plans to aid vulnerable,

landlock countries (the Vienna Program of Action, 2014). Its mission is to foster sustainable, inclusive economic growth. Specifically, ECOFIN focuses on macroeconomic policies, eradicating poverty, globalization, and interdependence by addressing global economic and financial challenges with particular attention to the needs of developing countries.

The council carries out this mission by thoroughly reviewing the needs of each member state and adopting resolutions. The ECOFIN provides international democracy, granting member states one vote each, no matter size or power. Member states must conduct varying debates, from immediate issues to long term goals.



II. Introduction to the Topic

SUPPLY CHAIN RESILLIENCE

The term resilience is defined by a supply chain's ability to anticipate disturbances, absorb shocks, and adapt and recover without collapsing. Historically, to strengthen this, the following are the four main tools almost always indefinitely used –

Diversification: spreading out and increasing the number of suppliers and routes

BuYers: strategic reserves and stockpiles (increasing gas storage, oil, food, and fertilizer reserves during calm periods)

Redundancy: creating multiple supply paths in the case of one failing, enabling countries to replace a lost supply for as long as needed

Cooperation: information sharing amongst member states, emergency meeting agreements, and commitments to not hoard in time of crisis.

The interplay of these four tools work to stabilize the supply chain of nations – diversification and redundancy limits how much damage a single failure can make, reducing the impact of shocks; buYers fill the gaps which shocks create and act as placeholders before solutions are put into place; cooperation allows nations to prepare for shocks through forewarnings as well as create coordinated solutions during emergencies.

CRITICAL MINERALS

Critical minerals are raw materials that are essential to modern technology and economy but face supply risks. They are defined by two characteristics – their supply is concentrated in a small number of places; there are few existing alternatives. Some examples include cobalt, which is essential to many electronics and rechargeable batteries; copper, the basis of electricity grids and infrastructure; and rare earth elements, which are needed for magnets in wind turbines, electric motors, and defense systems. Although the globe is gradually shifting to utilizing renewable energy like the ones stated, it does not necessarily reduce resource consumption as an electric car demands much more mineral input than a traditional gasoline car requires. The renewable energy system demands far more metal than fossil fuel plants. Hence, the demand for minerals increases even though that of fossil fuels is cut down. For these reasons, (critical) minerals sit at the very top of the supply chain and disruptions of their supply spread downstream dramatically, affecting economic growth worldwide.

Producing countries continuously seek to capture greater economic value while the receiving states compete for access to these resources. The resilience of critical mineral is most directly threatened by their geographic concentration. While mining is concentrated in Central Africa (the Democratic Republic of Congo containing 70% of the world's cobalt supply) and Latin America, refining is mainly located in China.



GEOPOLITICAL TRADE DISRUPTIONS

Stable relationships between countries are major factors contributing to predictable supply chains. When governments go to war, restrict exports, or raise tariffs, those relationships can suddenly break. Moreover, these are results of deliberate political decisions, making them more erratic and likely to recur. For ECOFIN, stable geopolitical trade systems are central to strengthening supply chain resilience because they shape how goods are traded and what they cost. - Wars

Wars can disrupt trading in several different ways. First, they can physically damage ports, power plants, or making shipping routes too dangerous to use. Take the Russo-Ukrainian war as a clear example. Before the war, both Russia and Ukraine were huge export countries – the two combined formed more than 50% of global sunflower oil supply just as an example. When war began in 2022, maritime exports of food and fertilizer halted, and global food prices increased sharply. A Russian blockade of Ukrainian ports lasted over five months, pushing food costs to record levels. - Export Restrictions

Governments often limit exports to keep domestic supply high – minimizing domestic costs and gaining political leverage. These restrictions show how control over key supplies can be

used as a geopolitical weapon. Some examples include India's restrictions on rice exports in 2023 and Indonesia's ban on exporting raw nickel ore.

SHIPPING ROUTES

Shipping carries around 80% of global trade by volume, making maritime routes essential to the stability of international supply chains. However, much of this trade passes through narrow straits of water, where disruptions can quickly affect countries far beyond the region. Important passages include the Strait of Hormuz, a major route for global energy shipments, the Red Sea, which connect Asian and European markets, the Panama Canal, which links the Atlantic and Pacific oceans, and the Suez Canal.

Disruptions caused by conflict, extreme weather, drought, congestion, or accidents can force ships to take longer alternative routes. This increases fuel consumption, transportation costs, insurance expenses, and delivery times. As a result of this, businesses may face higher costs for imported goods and materials, which can contribute to increased prices for consumers. Strengthening the security, capacity and resilience of these routes is therefore an important part of protecting global supply chains from future disruptions.

ADDRESSING THE ENERGY SHOCK

Nuclear energy is made through converting mined uranium ore into gases. The importance of energy comes from it being the basis beneath all other supply chains – it is what many factors such as factories, farms, ships, and more are dependent on, generating electricity.

Despite its importance, there are only five uranium conversion plants globally. On top of that, many of these plants require Russian fuel as most of them were made by the Soviet Union. Thus, although Kazakhstan contributes to more than 40% of the global uranium ore mining, its uranium often always travels to Russia first for Russia holds 43% of the global enrichment capacity (the maximum amount of uranium enriched globally measured in separate working units, SWU). Therefore, many Central and Eastern European countries are dependent on Russia for Nuclear Fuel.

This is where the issue lies – before 2022, Russian fuel was affordable and convenient, so there was little reason to find alternative suppliers. However, when the Russo-Ukrainian War broke out, Russia's nuclear supply became undependable overnight. Russia slowly started reducing deliveries to Europe and prices rose dramatically. Since then, many nations have started imposing sanctions to reduce purchases, creating a supply shock, increasing electricity prices.



PETROLEUM AND LIQUIFIED NATURAL GAS (LNG)

Petroleum and natural gas are finite fossil fuels, and their production and availability are unevenly distributed across countries. This creates different levels of vulnerability among the countries represented in ECOFIN. Major producers such as Saudi Arabia, the UAE, Russia, Kazakhstan, China, and the United States have domestic production that can reduce their dependence on imports, while others rely more heavily on international markets to meet their energy needs.

Natural gases are especially vulnerable to disruptions because it must be transported through pipelines or as liquefied natural gas (LNG) via the sea, making maritime routes essential to supply security. Accordingly, in 2026, disruptions around the Strait of Hormuz affected LNG flows that previously represented almost 20% of global LNG supply, affecting prices in markets from around the globe.

In a different case, the disruption of supply due to the Russo-Ukrainian war increased pressure on European energy markets and encouraged countries to seek alternative suppliers and transportation routes. Thus, Norway, Qatar, and the United States became increasingly important to European markets. This demonstrates how dependence on a concentrated group of suppliers can increase vulnerability, while diversification and alternative infrastructure can strengthen supply-chain resilience.

Energy supply chains are also vulnerable to disruptions in the Middle East (containing some of the world's largest petroleum and natural-gas producers and several important maritime routes). The Strait of Hormuz is a particularly important chokepoint for global energy trade, while disruptions affecting routes through the Red Sea can force vessels to take longer alternative routes.

Africa also plays an important role in global petroleum and natural-gas supply chains. Countries such as Angola, Nigeria, and Algeria contribute heavily to international energy markets. However, their production and exports can be affected by infrastructure limitations or political instability.

III. Essential Questions

- I) As petroleum is a finite resource, what sustainable alternatives can countries employ as an alternative?**

- II) How can countries reduce dangerous dependence on a small number of suppliers?**
- III) How can the international community protect major maritime trade routes and chokepoints?**
- IV) How should supply chains respond to geopolitical conflicts and economic sanctions?**
- V) How can countries make supply chains resilient to climate change and natural disasters?**
- VI) How can developing countries participate more fairly in global supply chains?**
- VII) How can technology and digital infrastructure make supply chains more resilient?**
- VIII) how can ECOFIN balance supply-chain security with free and aWordable international trade?**

IV. Countries List

- Arab Republic of Egypt
- Bolivarian Republic of Venezuela
- Canada
- Commonwealth of Australia
- Democratic Republic of the Congo
- Federal Republic of Germany
- French Republic
- Islamic Republic of Iran
- Japan
- Kingdom of Norway
- Kingdom of Saudi Arabia
- Kingdom of the Netherlands
- People's Republic of China
- Republic of Angola
- Republic of Chile
- Republic of Iraq
- Republic of Kazakhstan
- Republic of Panama
- Republic of Singapore
- Russian Federation
- State of Israel
- State of Qatar
- Ukraine
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America

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