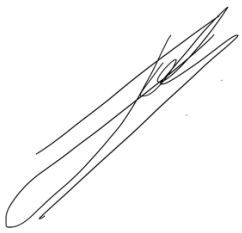
PAPMUN2025

ECONOMIC AND SOCIAL COUNCIL

DEAR DELEGATES,

The Chair wants to officially welcome you to the Economic and Social Council. We feel really honored to lead the delegations participating in this committee at the First edition of the Prepa Anáhuac Puebla Model of the United Nations, PAPMUN. As members of the Chair, our main role is to provide corresponding guidance in the development of the exchange of proposals and ideas, so that a meaningful discussion on our topics of interest can be achieved. The mission of ECOSOC is to promote sustainable development by addressing economic, social, and environmental challenges, fostering international cooperation, and coordinating the UN's specialized agencies. The core values of ECOSOC focus on sustainability, collaboration and cooperation among nations and stakeholders. ECOSOC emphasizes accountability by upholding transparency and monitoring progress toward global goals such as the Sustainable Development Goals (SDGs), while also encouraging innovation to address pressing global challenges effectively. The Chair encourages delegates to consider the mission and use the core values, helping maintain a professional and courteous environment that allows us all to develop our capacities. We are excited to meet you at PAPMUN!

Sincerely,



JORGE FALCÓ GARCÍA
President of the committee

HISTORY OF ECONOMIC AND SOCIAL COUNCIL

The United Nations Charter established ECOSOC in 1945 as one of the six main organs of the United Nations, becoming a diverse set of entities working in the field of sustainable development, providing overall guidance and coordination. These entities include regional economic and social commissions, functional commissions charged with facilitating intergovernmental debates on major issues of global concern, and specialized agencies, programmes and funds that work around the world to ensure that development commitments translate into real changes in people's lives.

The Economic and Social Council is at the heart of the UN system to advance the three dimensions of sustainable development - economic, social, and environmental. It is the central platform for fostering debate and innovative thinking, forging consensus on ways forward, and coordinating efforts to achieve internationally agreed goals. It is also responsible for the follow-up to the major UN conferences and summits. ECOSOC serves as an accountability platform for system-wide results and provides guidance to coordinate and improve the effectiveness of UN development system support to countries in implementing the 2030 Agenda for Sustainable Development. The committee also works as a coordinator of responses drawing on skills and resources from diverse partners, particularly given the scale of the impacts and rapidly escalating costs, following threats such as those involving protracted crises strike a rising number of people.

The Economic and Social Council of the United Nations has worked to achieve significant impacts for promoting international cooperation for sustainable development, economic progress, and social diversity. As for one of its biggest achievements, was the creation of the World Food Programme (WFP) (1961), in agreement with the General Assembly of the UN, it became one of the world's largest humanitarian organizations, constantly working on the reduction of world hunger and the promotion of food security. At the same time, ECOSOC founded the International Research and Training Insitute for the Advancement of Women (INSTRAW). Aimed to support thee empowering of women worldwide through profound research, training, and capacity building, modeling the path that leads to specialized organizations such as UN Women.

Then, in 2002, came the surge of the Global Fund to Fight Aids, Tuberculosis, and Malaria, in response to the global outgrowing health crisis posed by HIV/AIDS, malaria and tuberculosis. These problematics endorsed the recognition for comprehensive, well-funded and complete mechanisms to tackle these issues.

Participants in the annual ECOSOC Partnership Forum include representatives of Member States, NGOs, local governments, the private sector, civil society, the UN system, international financial institutions, academia, and youth, among others. By bringing together these diverse voices, the Forum sets the stage for progress throughout the year, aligning stakeholders' priorities and building momentum for ECOSOC's initiatives.

The purpose of this committee is to encourage a higher standard of living, create employment, and improve economic and social development conditions, as well as providing solutions to economic, social, and health issues while promoting universal respect and encourging the fulfillment of human and fundamental rights.

Building on its role in coordinating within the UN system, ECOSOC serves as a gateway for global partnership and involvement in the UN. It provides a distinctive international meeting place for fruitful discussions among policymakers, parliamentarians, scholars, foundations, businesses, youth, and over 3,200 registered non-governmental organizations.
(*ECOSOC at a Glance | Economic and Social Council*, n.d.)

Cryptocurrencies are a new form of digital money that uses blockchain technology which is like a huge public time stamped log to keep a record of the transactions. There is no centralized authority such as a bank or government that has control over these currencies, as decentralised cryptocurrencies can be traded peer-to-peer. Additionally, their security is extremely high, requiring sophisticated systems called cryptography, making them an excellent form of digital money transfer, similar to cash, but without the requirement of a financial institution or intermediary.
The journey began in 2009 when an individual or group known as *Satoshi Nakamoto* launched the first decentralized cryptocurrency, Bitcoin. Bitcoin's

success ignited a movement toward creating alternative cryptocurrencies, or *altcoins,* each with its own unique features and objectives. Some altcoins, like Litecoin and Ethereum, sought to improve upon Bitcoin's underlying technology by introducing faster transaction speeds, enhanced privacy, or support for smart contracts—self-executing contracts with terms directly written into code, enabling new decentralized applications (DApps). Today, cryptocurrencies have expanded to include hundreds of distinct digital assets, each with varied functionalities and use cases, from financial transactions to digital identity verification, data storage, and asset tokenization. (QuickNode, 2024)

While traditional digital currencies associated with centralized banking operate under strict government oversight and are subject to regulations, cryptocurrencies offer an alternative through decentralized control. For instance, Bitcoin's network utilizes blockchain technology to store records of transactions on a distributed ledger, visible to anyone with access to the network. This transparency and decentralization are foundational to the trustless model of cryptocurrency, where users can verify transactions independently without relying on a central authority like a bank or government.

Instead of a centralized board or government regulating the monetary supply—as in traditional banking models, such as the Federal Reserve or other central banks—cryptocurrencies operate through a network of participants known as *miners.* Miners are independent individuals or organizations who dedicate computing power to process transactions, secure the network, and verify data. This verification process involves solving complex mathematical calculations, known as *proof-of-work,* which not only maintains the security and integrity of the ledger but also controls the issuance of new units. Miners are rewarded with cryptocurrency for their efforts, aligning their economic incentives with the network's security and integrity.

Cryptocurrency markets are known for their high price volatility, with values fluctuating based on market demand, technological advancements, and regulatory developments. This volatility, while appealing to investors seeking high returns, has also brought increased scrutiny from financial regulators worldwide. Concerns over fraud, market manipulation, and the potential for

cryptocurrencies to enable illicit activities have prompted governments and financial bodies to consider new regulatory frameworks to protect consumers and maintain financial stability.

For instance, some countries have proposed or enacted regulations to monitor cryptocurrency exchanges, enforce anti-money laundering (AML) policies, and tax cryptocurrency transactions. Major advertising platforms like Google and Facebook have also set restrictions on cryptocurrency-related advertisements, aiming to reduce scams and misleading investment opportunities. While these regulations present challenges for the cryptocurrency industry, many advocates argue that increased oversight could legitimize digital assets and promote safer adoption by the broader public. (FATF, 2023)

Cryptocurrencies are created and introduced to the network through a predefined algorithmic process, which is designed to mimic a finite supply model. For Bitcoin, this involves a mining process that releases new coins based on a fixed schedule until a maximum supply of 21 million bitcoins is reached. This capped supply stands in stark contrast to fiat currencies, where central banks can influence monetary supply through policy decisions.
Mining is a critical function in most cryptocurrency networks, especially for those operating on a proof-of-work model like Bitcoin. By solving complex cryptographic problems, miners verify and timestamp transactions, adding them to a distributed ledger. The decentralized nature of mining means that no single entity has control over the network, and all participants can independently verify the ledger's accuracy. This system's security rests on the assumption that most miners will act honestly, incentivized by rewards like block rewards and transaction fees.

Over time, alternative consensus mechanisms, such as *proof-of-stake,* have emerged to address concerns about the high energy consumption associated with proof-of-work mining. Proof-of-stake selects validators based on the number of coins they hold rather than computational power, reducing energy demands and allowing for faster transaction processing. These innovations reflect the cryptocurrency community's ongoing efforts to improve scalability, sustainability, and inclusivity.

By 2024, the cryptocurrency ecosystem has expanded significantly, with thousands of cryptocurrencies and various blockchain protocols coexisting. While Bitcoin remains the most well-known and valuable digital asset, other cryptocurrencies like Ethereum, Binance Coin, and Solana have gained popularity due to their unique capabilities and ecosystems. Ethereum, for instance, remains a cornerstone of decentralized finance (DeFi) and NFTs, supporting thousands of DApps and enabling a new world of financial services that operate without intermediaries.
(Armstrong, 2022)

The growth of stablecoins, digital assets pegged to traditional currencies like the US dollar, has also reshaped the cryptocurrency landscape, providing a more stable option for users looking to avoid market volatility. These stablecoins are increasingly used for payments, remittances, and as collateral within DeFi protocols, bridging the gap between traditional finance and the cryptocurrency world. (The Economist, 2021)

Cryptocurrency has evolved from a niche innovation into a powerful tool that challenges traditional financial systems, offering both individuals and institutions a new way to store, transfer, and invest in value. With ongoing technological advancements and evolving regulatory landscapes, the future of cryptocurrency remains dynamic, poised to influence finance, technology, and beyond. From Bitcoin's Genesis Block to the current ecosystem of altcoins, stablecoins, and smart contract platforms, cryptocurrencies continue to push the boundaries of what's possible in a digital economy, redefining the future of money and decentralized technologies. (RUE, 2024)

THE BIRTH OF BITCOIN (2008)

Bitcoin's origin story begins with a groundbreaking 2008 whitepaper authored by an anonymous individual or group known as Satoshi Nakamoto. Titled *"Bitcoin: A Peer-to-Peer Electronic Cash System,"* this paper introduced the revolutionary idea of a decentralized digital currency that allows individuals to send and receive funds directly, without relying on banks or financial institutions as intermediaries.
The whitepaper outlined key elements of Bitcoin's structure, such as the blockchain, a public, tamper-resistant ledger that records every transaction

and ensures transparency and security. It described a system where cryptographic proofs replace trust, allowing people to verify transactions independently without a central authority.
The Genesis Block (2009)

On January 3, 2009, an anonymous figure, or group, known as Satoshi Nakamoto mined the very first block of the Bitcoin blockchain, known as the *Genesis Block* or *Block 0*. This milestone officially launched Bitcoin and marked the dawn of the cryptocurrency era. The Genesis Block was not only the foundation of the Bitcoin network but also a symbolic starting point for the concept of decentralized digital currency, free from traditional banking systems and government oversight.

The Genesis Block is uniquely hardcoded into the Bitcoin blockchain and cannot be altered or removed, serving as a permanent reminder of Bitcoin's beginning. Nakamoto embedded a message in the Genesis Block's code, a subtle yet powerful commentary: "The Times 03/Jan/2009 Chancellor on brink of second bailout for banks." This message referenced a headline from *The Times*, a UK newspaper, on the same day, underscoring Nakamoto's intent for Bitcoin to offer an alternative to the traditional financial system, which at the time was undergoing a severe crisis marked by bailouts and economic instability.

Technically, the Genesis Block holds a reward of 50 bitcoins, yet unlike all subsequent blocks, this reward cannot be spent due to its unique coding. This made it both a symbolic and functional foundation of the blockchain, setting the precedent for Bitcoin's decentralized structure and finite supply. Mining this initial block required significant computing power and cryptographic proof-of-work, a process Nakamoto designed to secure the network from fraudulent activity.

EVOLUTION OF CRYPTOCURRENCIES (2011-2018)

Cryptocurrencies have evolved tremendously since the inception of Bitcoin, leading to the rise of thousands of alternative coins, technologies, and fundraising methods that expanded the crypto ecosystem. This evolution can

be broadly categorized into two main developments: the rise of *altcoins* and the growth of *ICOs and tokenization.*

Altcoins: Following Bitcoin's success, numerous alternative cryptocurrencies, or *altcoins*, emerged, each attempting to address perceived limitations in Bitcoin's design or expand on its capabilities. The first of these, *Litecoin*, was introduced in 2011 by former Google engineer Charlie Lee. Litecoin aimed to optimize Bitcoin's model by offering faster transaction speeds and a modified hashing algorithm known as *Scrypt*, which allowed for more decentralized mining at the time. Litecoin's goal was to serve as "silver to Bitcoin's gold," providing a lightweight, scalable option for everyday transactions.

In 2012, *Ripple* (now known as XRP) was launched with a different focus: facilitating real-time, cross-border payments for financial institutions. Ripple's ledger technology utilized a consensus algorithm, rather than Bitcoin's energy-intensive proof-of-work, allowing for quick and cost-effective transactions. This caught the attention of banks and financial services looking to streamline international payments, further legitimizing blockchain's potential in finance.
One of the most influential altcoins, *Ethereum*, was launched in 2015 by Vitalik Buterin and a team of developers who envisioned a blockchain platform capable of much more than digital currency. Ethereum introduced *smart contracts*, self-executing contracts with terms directly written into code, enabling decentralized applications (DApps) and automated processes. This innovation led to an explosion of creativity in the blockchain space, as developers used Ethereum's platform to create decentralized finance (DeFi) applications, NFT platforms, and more. Ethereum's unique features and support for token creation led to the ERC-20 token standard, making it the backbone of many projects in the blockchain ecosystem.

Other altcoins such as *Monero* and *Zcash* focused on privacy, offering users the ability to make transactions without disclosing their identities or transaction details. These coins responded to concerns over privacy in the digital age, giving rise to the "privacy coin" sector and highlighting the diverse motivations and innovations driving the altcoin market.

ICOs and Tokenization: Between 2016 and 2018, *Initial Coin Offerings* (ICOs) became a popular method for blockchain startups to raise funds, allowing

companies to issue their own tokens in exchange for investment capital. ICOs drew inspiration from Initial Public Offerings (IPOs) but were far less regulated, giving startups a quicker, more accessible funding avenue. The process typically involved issuing tokens, often built on Ethereum's ERC-20 standard, to investors. These tokens could represent anything from a stake in a project to a utility within a platform, like accessing services or receiving rewards.

ICOs enabled some of the most prominent blockchain projects, such as Ethereum itself and later projects like EOS and Tezos, to raise millions. However, the lack of regulation created fertile ground for scams, where many startups raised funds on false promises or without viable technology. High-profile frauds led to significant financial losses and tarnished the reputation of ICOs, prompting governments to start developing cryptocurrency regulations. The wave of ICO scams culminated in a shift toward more structured fundraising mechanisms like *Security Token Offerings* (STOs) and *Initial Exchange Offerings* (IEOs), which provided more oversight and security for investors.

The tokenization enabled by these fundraising models further diversified the blockchain landscape. Today, tokens represent a wide variety of assets, from real estate shares to digital collectibles like Non-Fungible Tokens (NFTs). NFTs, which became widely popular in 2021, allow for unique assets such as digital art and virtual real estate to be bought, sold, and traded securely on the blockchain. (Ushman, 2023)

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