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# Executive Summary Report

This report provides an overview of the United Nations (UN), following the annual United Nations General Assembly sessions, that most world leaders attended. This is a primer for corporate executives to gain an understanding of the UN writ large, what to monitor and what to ignore, as well as some “behind the scenes” perspectives that are not covered well in open sources.

## Big Picture:

The United Nations formed in 1945, after the conclusion of World War II with the tragic death of around 80 million people, mostly civilians. The impetus was also after the failed League of Nations, which was implemented post-World War I with about 20 million deaths. World leaders created the UN to prevent such calamities from happening again.

As such, the UN began with bold principles and concepts, underpinned by a collective of the winning powers of World War II. The objectives for the UN were many, but the most important following WWII was to provide a framework for international peace and security, with the means to quickly suppress threats and acts of aggression, ideally early and peaceably. But, if that was not possible, through combined and overwhelming military capabilities of the Great Powers.

Unfortunately, individual nation-state national interests got in the way of the UN Charter’s daring undertaking to achieve a standing united front for global peace and security – this rings true to this day and almost certainly, into the future. This is not to say that the UN is a failure – it has many successes under its belt, but the UN’s accomplishments are diminished by its many limitations and shortcomings.

The UN is the largest international organization in the world. Broadly speaking, the UN is organized into what it calls “organs” or bodies – there are six of them. This report will delve into three: the UN Security Council (UNSC), the UN General Assembly (UNGA), and the UN Economic and Social Council (ECOSOC) – these are the bodies that have value for C-Suite leaders to understand. The UNSC is the most well-known and directly supports the UN’s primary goal of peace and security, whereas the latter two bodies, the UNGA and especially ECOSOC, address other goals of the UN to improve the international economic, social, and humanitarian challenges. There are three other bodies of the UN, but with less equity for corporate leaders. These three are not discussed in this report, but they are the Secretariat (the staff of the UN about 40,000 strong led by the Secretary-General), the International Court of Justice, and Trusteeship Council (that is no longer active).

## UN Security Council:

The UNSC is the chief body for the United Nations to implement (or really, to attempt to achieve) peace and security. In this vein, when circumstances warrant, the UNSC is the organ that establishes peacekeeping operations, authorizes military action, and enacts international sanctions against those that threaten or violate international order. Unique to the UNSC, it is the only UN body that can issue binding resolutions on member states.

The UNSC is comprised of 15 nations including the “Permanent Five” or P5, comprised of the U.S., UK, France, Russia (formerly USSR), and China (formerly Taiwan, switching to China in 1971 after normalization of relations between the U.S. and China). The P5, as the name suggests, are the only permanent members, and are also the only members that enjoy veto power over any UNSC action or resolution – it only takes one veto from any of the P5 to deny passage of anything in the UNSC.



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The other 10 members are rotational, with three from African nations, three from the Asia-Pacific, two Eastern European Nations, two from Latin America and the Caribbean, and five from Western Europe and Other Nations. The rotational members are elected from the UNGA for a two-year term; occasionally “bad actors” are allowed into the UNSC (such as Cuba and Syria in the past), but these are the exceptions and not the norm. It bears acknowledging that two of the P5 easily fit the definition of “bad actors,” that of China and Russia.

The Presidency of the UNSC rotates each month among members with the President largely drawing up the agenda for the UNSC for the month, though when crises and circumstances demand, other topics can be introduced.

The UNSC sometimes is inaccurately purported to be a unified body or a council that is like-minded. The Press and other sources frequently do not understand the inner workings of the UNSC. The fact is, for whatever and whenever the UNSC approves a statement, resolution, mandate or the like, it simply means that at least nine of the 15 members agreed to the motion, with none of the P5 vetoing the measure. And those nations that voted for the affirmative (or that abstained), their national interests either aligned on that specific topic, or at least were not out of alignment, especially with the P5. In other words, members of the UNSC vote, particularly the P5, in accordance with their individual national interests – and their national interests may or may not support international peace and security.

To summarize, shortly after the creation of the UN, just as the Cold War polarized the world, members of the UNSC followed suit. As such, during the Cold War very few powerful or game-changing resolutions were adopted, as the P5, particularly the USSR, would regularly veto resolutions. One of the most noteworthy resolutions that was adopted was one establishing a large UN military force to defend South Korea from a massive invasion from North Korea in 1950 (with the blessing by Stalin in the USSR), which was only passed because the USSR boycotted the session in protest and was not present to register a veto. It quickly learned to stop that practice. During this period, only when affairs did not trample on national interests, were resolutions adopted. Hence, almost all resolutions that the UNSC approved were in support of peace and security in the Developing World. Some-to-many P5 members were keen to endorse these resolutions (many times, the UK and France advocated for support to their former colonies, mostly in Africa), as long as there were no ideology divisions that pitted the West (U.S., UK and France) against the East (USSR and China) with the Developing Nation in question.

After the end of the Cold War, the UNSC had a window where it became more assertive as national interests were not as polarized as they were during the Cold War. That said, Russia and China exercised their vetoes frequently, especially when the UNSC would focus on issues involving internal affairs of nations – topics that were off limits to China and Russia. Tibet and Chechnya were on their minds, respectively, where they did not want to establish a precedence of UN meddling in what they defined as internal affairs. The United States, on the other hand, sometimes used its veto specifically to limit or stop resolutions of condemnation of Israel. All said, during this short-lived period, there were some meaningful resolutions condemning Iraq, Iran, and North Korea, to include effective sanctions in several cases. Further, there were some important UNSC resolutions that authorized military force. Two examples stand out, first, the resolution authorizing the removal of Iraq forces from Kuwait during the Persian Gulf War and the resolution authorizing U.S. and allied actions following 9/11. But this period did not last long, nor did it change the nature of how the UNSC worked – national interests of individual nations remain paramount.

“Realpolitik” (meaning, applying reality with regard to international relations instead of emotions or ideology) has returned to the UNSC with the emergence of Great Power Competition. For the foreseeable future, do not expect bold resolutions from the UNSC. As just one of many examples, China and Russia have vetoed over a dozen of resolutions on Syria (a partner of Russia). Further, with the ever-tightening coupling of China, Russia, Iran, and North Korea, the world’s most problematic nation-state actors, there almost certainly will not be a return of assertive resolutions and sanctions against Iran and North Korea. Most likely, only when national interests do not collide in the Developing World, will there be resolutions that are adopted by the UNSC (a recent example is Russia’s veto of the UNSC resolution that would have affirmed the Outer Space Treaty ban on nuclear weapons in space).

Many in the world want massive reform for the UNSC, especially with its membership and veto powers. Over the years, several countries have tried and will continue to try to gain permanent membership into the UNSC, including Japan, Germany, India, Brazil, South Africa, and others. But it simply is not in the national interests of the current P5 to reform in this way, and this decade's long effort for reform has yielded no progress. Expect this to continue.

A directly related area within the UNSC, are the actual authorized or "mandated" Peacekeeping and/or Peace Enforcement UN Missions. A future report will delve into this topic, but for now, suffice it to say that the history of UN Missions is mixed, and when successful, there are often crucial enabling forces outside of the UN that contribute to their successes.

## UN General Assembly:

The UNGA makes the UN's budget, appoints non-permanent members to the UNSC as addressed before, but also appoints the UN Secretary-General, reviews the many reports that are generated through the large UN system, as well as makes recommendations through resolutions. As opposed to the UNSC, the UNGA is represented by all member-states in the UN, with each nation having one vote with no veto powers or any other caveats.

Most issues in the UNGA are voted on with a simple majority winning the decision. Some topics (such as the budget, recommendations on peace and security, admission/expulsion of members, etc.) require two-thirds majority. As the Developing World is now about two-thirds of UNGA membership, it follows that the UNGA's decisions lean heavily toward their causes. But note that whenever the UNGA has passing recommendations on topics such as peace and security, built into the UN Charter, UNGA recommendations are simply that, recommendations, which are not binding on any member. The UNSC (that can make binding decisions) will receive the sense of the UNGA, but the UNGA's recommendations do not compel UNSC voting. In this vein, the UNGA meets frequently and issues many reports and recommendations to the UNSC, leaving most of UNGA's work and recommendations virtually meaningless.

As former colonies steadily transitioned into UN member-states in the post-WWII period, the UNGA became a forum to join with other efforts to rally around their causes. Case in point was the creation of the G-77. In 1964, the G-77 was founded as an organization of 77 like-minded developing nations, which collectively advocated for the members' interests at the United Nations. The G-77 is now 134 strong. China, though not a full member, has attached itself to the G-77 (referred to as G-77+China, or just G-77+). Backed by its resources and political clout, China is attempting to use this venue as a route to alter international economic order toward its benefit.

Since the UNGA caters to the Developing World, the UNGA provides yet another forum to potentially synergistically propel their agendas.

An example is the "Global South." Though not officially part of the UN, the "Global South" today is a group of developing nations that self-identify by this name for economic and political benefit. Most of its nations are located in the Southern Hemisphere, hence its name. The nations are increasingly unwilling to become entangled in Great Power Competition and believe they will benefit from a multi-polar world order. The group is far from monolithic, rather, it is economically, politically, and culturally very diverse. According to the UN Conference on Trade and Development (UNCTAD), the Global South includes nations in Africa, Latin America, the Caribbean, Asia, and Oceania (containing 66% of the world's population). It excludes Australia, Canada, Japan, New Zealand, South Korea, Israel, the United States, and Europe. With China included, the Global South amounts to over 80% of the world's population, and about 40% of global GDP. For more details about the Global South, please see: [Bancroft GEOIntelligence White Paper on the Global South](#).

Finally, with regard to the UNGA, each September most leaders of the World gather for the annual UNGA summit. In 2024, the 79th summit concluded on September 28. In some years there are noteworthy statements by senior leaders, but this year there were no dramatic surprises. The year's theme was "A Pact for the Future" with the intention of revamping global economic order, making new pathways to peace, and finding solutions to the growing threat of nuclear war, global public health challenges, climate disruption and dangerous levels of impunity, inequality, and uncertainty. Not surprisingly, the goals are very aspirational with little that can or will be effectively addressed in the foreseeable future.

## **UN Economic and Social Council:**

This is the third UN body that corporate leaders may want to be aware of, and perhaps track, as this organization is responsible for coordinating the economic, social, and environmental global issues, with sustainability for all three roles. This is especially relevant for companies that operate in the Developed World space, and within that, economic, social, and humanitarian assistance areas.

ECOSOC has 54 members representing the same number of nations, each appointed by the UNGA, serving for three years, in overlapping terms. There are no permanent members, but by tradition the top nations that fund ECOSOC via the deliberate UN budget and voluntary additional contributions are always re-elected every time when their term is up; as such, the U.S. and some others are always represented in ECOSOC. In fact, this body is important enough to rate a U.S. Ambassador with a significant staff within the U.S. Mission to the UN to participate – and shape – ECOSOC recommendations and decisions.

ECOSOC, to varying degrees, is either in charge of, closely linked, or at least informed with almost every agency, organization, committee, etc. that participates in international social, economic, and humanitarian missions. The numbers that ECOSOC oversees, works with, or at least interacts with is well over one thousand organizations. Here is a short list that shows the range of engagement: Organization of the Petroleum Exporting Countries (OPEC), United Nations Children Fund (UNICEF), UN High Commissioner for Refugees (UNCHR), Food and Agriculture Organization (FAO), International Civil Aviation Organization (ICAO), International Fund for Agricultural Development (IFAD), United Nations World Tourism Organization (UNWTO), and the World Health Organization (WHO). Many of the 1,000+ organizations attend a four-week session each June convened by ECOSOC.

Of special note, ECOSOC has a unique relationship with the International Monetary Fund (IMF) and World Bank. This relationship is so important that every April an annual meeting is held with finance ministers heading key committees of the World Bank and the IMF.

Further, using its coordination role within the UN system, ECOSOC is an entry point for policymakers, parliamentarians, academics, foundations, businesses, youth, and 3,200+ non-governmental organizations. The UN budget is interesting, as well as how the budget relates to ECOSOC.

For 2023, the overall UN regular budget was \$3.4 billion. That said, a sizable portion of the budget (about \$1.6 billion) goes to the 40,000 or so employees of the UN. Most jobs in the UN are held by non-U.S. personnel, with many from Europe as well as the Developing World – UN jobs are highly regarded as salaries are paid at Western standards and far above the Developing World. Of note, the Peacekeeping Mission budget is entirely separate from the regular budget (but it is not inexpensive – the budget for 2023 was \$6.1 billion).

ECOSOC's various programs do not receive much of the UN's regular budget. But ECOSOC's programs get significant monies from voluntary donations. Here are just two examples that highlight this point. The WHO gets only \$6.8 million dollars from the UN regular budget, but receives about \$2.7 billion in voluntary contribution, mostly from member states (the U.S. almost always leads the pack with such donations) and from private foundations as well. Whereas UNICEF gets only \$9 million from the UN regular budget, it receives another \$8.6 billion total from various donations.

Many are curious how much the U.S. pays for the annual assessed budgets (that does not include the substantial monies the U.S. voluntarily donates). The UNGA determines funding rates for member states, based on calculations it makes on each country's overall economic strength, thus, the U.S. pays the most. For the UN regular budget, in 2023, the U.S. paid 22% of the total budget (the next closest is China, that was assessed at 15.25%). For the Peacekeeping budget that is a separate account from the regular budget, in 2023 the U.S. was assessed at 26.94% of the total budget (China was again number two at 18.69%).

## **Economic Considerations:**

In the past, UNSC resolutions would sanction many countries, with the U.S. and the West in general following suit. With the return of Great Power Competition, as well as the alignment between China, Russia, Iran, and North Korea, expect China and/or Russia to liberally exercise veto power to prevent sanctions in any part of the world that they have influence and interest.

For companies that operate within the Developing World, keeping a finger on the pulse of what activities in the UNGA might be informative; this is true especially in regard to the G-77+, as well as monitoring influences from the Global South regarding markets writ large to inform risks and opportunities.

The ECOSOC agenda potentially has both direct and indirect impacts on global business strategy and operations in terms of environmental and social issues. While the ECOSOC does not have an enforcement ability, its policies could impact sustainability initiatives including climate, healthcare, agriculture, food security, aviation, and associated funding.

The energy sector as well as the technology sector, which is projected to substantially increase energy utilization along with all businesses with carbon neutral objectives, could be significantly influenced by ECOSOC climate policies and targeted implementation. Additionally, businesses that support humanitarian aid could also be impacted.

Monitoring activities of ECOSOC and the many supporting and/or associated organizations may provide indicators to sentiment and policy trends across the globe that impact market expectations for sustainability initiatives, innovation, and funding sources. The presence of a U.S. Ambassador to the ECOSOC demonstrates the potential influence of this body.

In summary, agendas in the UN can be important factors to monitor, and businesses should be aware of potential influences as they plan, fund, and participate in global markets.

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