

Conferencia Internacional de las Americas (CILA 2017)

Delegate's Manual World Bank Group



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(CILA 2017)
Hard Rock Hotel
Punta Cana, República Dominicana



World Bank Group (WBG)

Gabriela Sabater, President
Ignacio Soriano, Vice President

Distinguished Governors,

It is my pleasure to welcome you to this XIII edition of the International Conference of Las Americas (CILA 2017) on behalf of the World Bank Group dais. Your participation in this Model United Nations (MUN) will give you a broader and more complex perspective of the current situation of the international community. It is our goal and desire as your dais, and members of the Secretariat of this grand conference, that after this experience you become global citizens, aware of the importance of international relations and diplomacy in current politics.

My name is Gabriela Sabater, and I will be chairing the working sessions of this committee, along with Mr. Ignacio Soriano, who will serve as Vice President. I hold a Bachelor's degree in Business Administration (BBA) from the Santo Domingo Institute of Technology (INTEC), and a Master's degree in Economics and Finance from the University of Bristol, in the United Kingdom. I currently work at Banco de Reservas, at the department of Institutional Business. I have had the opportunity to participate in more than ten conferences as a delegate, from the years 2006 until 2010, when I became part of the UNA-DR Volunteers Corps. Since that year my participation on the models has been as part of the Dais of the commissions simulated in these conferences, amongst them the First Committee of the General Assembly, the Economic and Social Council, and the World Bank Group. Mr. Soriano studies International Business at Universidad APEC (UNAPEC), and currently works as political assistant for the British Embassy in the Dominican Republic. His participation in Model United Nations started in 2009, attending both national and international conferences as a delegate. In 2012 he joined the UNA-DR Volunteers Corps, and he has since then occupied important positions both in managerial services and in the chairing of committees as Technology Titans, the Security Council and the World Bank Group.



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We are certain that your participation in the World Bank Group, the most dynamic committee of the conference, will allow you to give creative and genuine solutions to the economic and social problems faced by nations throughout the globe. As Governors, you will be able to elaborate loan proposals that will contribute towards the achievements of the Bank's main goals: the end of poverty within a generation, and the proliferation of shared prosperity.

In this preparation guide you will find all the information necessary to excel in this conference. If you need additional information, you can contact us at wbg.cila2017@gmail.com

Looking forward to working with you,

Regards,

Gabriela Sabater

President, World Bank Group



World Bank Group (WBG)

In July 01, 1944, at the Bretton Woods Conference, in New Hampshire, the first step is made towards the establishment of the World Bank Group with the creation of the International Bank for Reconstruction and Development (IBRD). What is known today as the World Bank Group consists of five international organizations that constantly fight to reduce poverty throughout the world (World Bank Group, 2016b). These are:

1. The International Bank for Reconstruction and Development (IBRD), which specializes in helping middle-income developing countries.
2. The International Finance Corporation (IFC), founded in 1956, and devoted to encouraging private sector development in developing countries.
3. The International Development Association (IDA) established in 1960, which actively provides financial support to the world's poorest developing countries.
4. The International Centre for Settlement of Investment Disputes (ICSID), founded in 1966, which provides arbitration and conciliation of legal disputes between international investors.
5. The Multilateral Investment Guarantee Agency (MIGA), specialized in providing political risk insurance guarantees.

Five Agencies – One Group



Source: Department of Finance of Canada (2008). Retrieved from:
https://www.fin.gc.ca/bretwood/bretwd07_2-eng.asp



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Every one of these institutions has a specific function within the World Bank Group, always collaborating with each other to offer the international community loans with low or no interest rates, and grants to the least developed countries (World Bank, 2016a).

The World Bank Group originally had a total 44 members; today it has 189 Member States. These shareholders are usually represented at the Board of Governors by the Ministers of Finance of each nation. Annual Meetings are held in autumn, traditionally in Washington, D.C., and every three years in a different member country. About 10,000 people attend the Annual Meetings, including members of the delegations of member countries of both the International Monetary Fund (IMF) and the WBG, representatives of the media, visitors, staff, special guests, the banking community and NGOs.

Twenty-Five Executive Directors work on-site at the Bank to perform the specific duties of the organization: the approval of loans and guarantees, country assistance strategies, etc. The five largest shareholders – the United States of America, Germany, France, Japan, and United Kingdom of Great Britain and Northern Ireland – appoint an executive director, and the other elected directors represent the rest of the member states. The President of the WBG, Jim Yong Kim, selected for a five-year renewable term, chairs the meetings of the Boards of Directors.

The World Bank has its headquarters at Washington, D.C. and has more than a hundred offices throughout the world. The WBG has more than ten thousand employees.

On this Model United Nations we will be simulating two of the organizations of the WBG: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD raises its funds from the world's financial markets. It has helped middle-income countries make profound improvements in economic management and governance (IBRD, 2017). The IDA, on the other hand, is the largest source of assistance for the world's 82 poorest countries and countries at risk of debt distress (World Bank Group, 2017).



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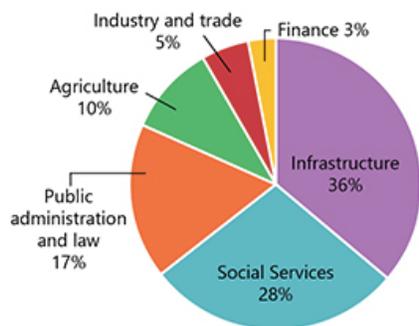


The following table stipulates what will be the maturity of the loans proposals submitted based on the organization that the member State is applying to:

	IBDR	IDA
Interest Rates	5.00%	0.00%
Service Fee	0.75%	0.75%
Maximum Grace Period	5	10
Maximum Payback Period	20	40

The following charts will give you an idea of the countries and the themes to which the IDA directed most of its funds in the Fiscal Year 2016 (World Bank Group, 2016c.). You can use it as reference when choosing the topic of your loan proposal.

Where did the money go in FY16?



Percentages do not add up to 100% due to rounding.

Who received it?



In fiscal years 2015-16, IDA commitments totaled \$35 billion.

Source: IDA at Work (2017). Retrieved from: <https://ida.worldbank.org/content/infographic-ida-work-poorest-countries>



AGENDA AND DEBATE STRUCTURE

The work procedure of the World Bank Group is completely different to the other committees that will be simulated at this Conferencia Internacional de Las Américas. The agenda of the World Bank Group will consist on the discussion of three of the loan proposals submitted by the Governors. These loan proposals must be sent to the dais email (wbg.cila2017@gmail.com) **no later than October the 20th**. The loan proposals must address one or more of the UN Sustainable Development Goals and the issues the World Bank Group is currently working on, which consist on: the Arab World, Middle-Income Countries, Global Public Goods, Knowledge and Learning, Post-Conflict and Fragile States, and the Poorest Countries.

The structure of the debate would be as follows:

1. Order of Loan Proposals is Defined

Governors vote on which of the loan proposals is going to be discussed first.

2. Presentation of Loan Proposal by its Sponsor

The Sponsor of the loan proposal is given ten minutes to present its country background, what the project consists on, its costs, funding, credibility and maturity. The Governor may use visual aid.

3. Question and Answer Period

The committee members will ask the Sponsor of the loan proposal a set of questions. The forum will raise its placards in order to be included in the Q&A session.

4. Substantive Debate

The President of the dais opens the speaker's list, in which Governors are given the opportunity to expose their positions with regards to the loan just presented.

5. Informal Consultations on Amendments

These are the most informal discussions held by the Governors. The loans are discussed, and amendments are presented. Amendments require a simple majority to pass.

6. Voting Blocks

The loans are voted for approval, based on each country's voting power.



USEFUL LINKS

- **Bretton Woods Conference**
<http://www.brettonwoodsproject.org>
- **CIA World Fact Book**
<https://www.cia.gov/index.html>
- **United Nations Sustainable Development Goals**
<https://sustainabledevelopment.un.org/?menu=1300>
- **United Nations Official Website**
<http://www.un.org>
- **World Bank Group Annual Report**
<http://www.worldbank.org/en/about/annual-report>
- **World Bank Group Official Website**
<http://www.worldbank.org>
- **World Bank Theme Taxonomy**
<http://pubdocs.worldbank.org/en/275841490966525495/Theme-Taxonomy-and-definitions.pdf>



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World Bank Group. 2016b. The World Bank Group A to Z 2016. Washington, DC: World Bank.

World Bank Group, 2016c. World Bank Annual Report 2016. Washington, DC: World Bank.

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ANEXXES

LOAN PROPOSAL EXAMPLE I

Country: Republic of Haiti

Governor: Gabriella Simon Tatiana Chionis

Description: Haiti Internet Loan Proposal

I. Total Amount of Loan from World Bank: \$262,500,000

Total Amount of Loan: \$262,500,000

II. Country Background

Haiti is located on the Hispaniola Island, which it shares with the Dominican Republic. It is the poorest country in the Americas. Its capital is Port-au-Prince. On January 1, 1804, Haiti declared its independence from France, but was not recognized as an independent nation until April 17, 1825. Haiti is a semi presidential republic with a population of over 9 million. The official languages are French and Creole. Approximately 80% of Haitians live below the poverty line, and 52.9% of the Haitian population is literate. In 1995, 9% of employed Haitians were recorded as working in industry, 66% in agriculture, and 25% in services. The main agriculture products are: mangoes, coffee, rice, sugarcane, sorghum, wood and corn. The main industries are: flour milling, sugar refining, textiles, light assembly that is based on imported parts and cement. In recent months, the Haitian economy seemed to be improving somewhat, but on January 13, 2010, a 7.0 magnitude earthquake hit Haiti, centering on Port-au-Prince and destroyed much of the surrounding area. It is estimated that 150,000 are dead and 194,000 injured.

Currently, as a result of the earthquake, many organizations, including the UN, are attempting to provide relief for the Haitians. According to a World Bank press release, as of January 12, 2010, there are 14 active projects for infrastructure such as disaster risk management, community driven development, and economic governance grants.



III. Project Objectives

The Haiti Community Information Center Project has four objectives:

- (i) To build infrastructure for national internet access
- (ii) To create a Community Information Center system which will be constructed for the sole purpose of providing access to information and other online resources
- (iii) To promote e-commerce nationally and internationally which will benefit the people
- (iv) To give people access to online educational resources.

The key performance indicators would be:

- (i) Monthly inspections to verify that all systems are operational and connected to broadband.
- (ii) Community Information Centers are operational in key areas throughout the country.
- (iii) Number of online business gross and net sales of all ecommerce products and services
- (iv) Increase in literacy rates and adult usage of educational programs.

There are four main components involved:

- (i) The Broadband Towers and More Component: would be located in key places across Haiti. They would be situated to give the best Internet access to users.
- (ii) Equipped Centers Component would be split into sections for adult and children. The children's computer programs would be primarily focused on education while the adults would have access to a broader range of information and e-commerce options. These centers could also have available telemarketing jobs. Computers would be provided for, statistically, 1 out of every 10 children and 1 for every 20 adults.
- (iii) The Maintenance Component would be taken care of by technicians at every center who would periodically repair and/or update all computers meanwhile training the locals to be able to also perform those services.
- (iv) Training and Education Component would hire computer teachers and others to teach technological craft/skill teachers who would then train all Haitians interested how to use computers.

IV. Credibility/Rationale

The Internet had been previously introduced to Haiti in 1990, but it wasn't until 1992 that the Alpha Communication Networks (ACN) made e-mailing service available. By 2008, the CAN had over 1 million users connected. Our challenge lies in information and knowledge. Although most of the world is progressing very fast, developing countries are being left behind. Due to a lack of access, many people



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in these nations cannot connect with the rest of the world. For many people in developing countries, a lack of access to these opportunities can prevent them from moving forward and becoming more developed countries. Many of these people are being affected by “information poverty” or the absence of vital information that can help better their lives. With access to this information people can get an enhanced education, access to medical information, and so much more.

The World Bank has already approved a similar, but different loan proposal: the African Regional Communications Infrastructure Program (RCIP). The RCIP is aimed at lowering the cost of Internet and connecting southern and eastern Africa to the global Information and Communications network. The Community Information Centers project also seeks to provide efficient Internet access and increased online opportunities. The rebuilding of Haiti provides the perfect opportunity to implement this project.

V. Financing:

International Development Agency (World Bank- IDA) \$262,500,000

VI. Allocation of Funds:

Building the Infrastructure	\$100,000,000
Computers for End Users	\$136,000,000
Maintenance	\$9,000,000
Training and Education	\$5,000,000
Contingency Funds	\$12,500,000

VII. Maturity

Interest Rate:	IDA 0.75%
Grace Period:	20 years
Payback Period:	45 years



LOAN PROPOSAL EXAMPLE II

Country: REPUBLIC OF GEORGIA

Governors: H.E. JOHN DOE

Description: TRANSPORTATION REFORM PROJECT

I. TOTAL AMOUNT OF LOAN FROM WORLD BANK: \$40,000,000 USD

TOTAL AMOUNT OF LOAN: \$60,000,000 USD

II. COUNTRY BACKGROUND

Georgia is a country of 5.4 million people bounded by the Black Sea, Russia, Azerbaijan, Armenia and Turkey. At independence in April 1991, it appeared to be among the best placed of the former Soviet States to make a successful transition. It had a highly educated staff force, a long tradition of entrepreneurship, a significant underground economy, a prosperous agricultural sector and substantial natural resources. Its location made it a primary transit corridor in the Caucasus. However, two years of civil conflict and an eroded government authority resulted in a collapsed economy with high short-term debt, low output, and hyperinflation. In early 1994, Georgia made a significant turnaround and embarked in a stabilization program supported by the Bank and the IMF that reduced inflation to less than 12 percent per year and again stimulated the economy. Georgia's opportunities for growth largely depend on the country's capacity to integrate into international markets and attract foreign investment.

III. PROJECT OBJECTIVES:

The Project has three objectives: (i) to lower transport unit costs; (ii) to lower fiscal costs; and (iii) to induce efficient resource use in the sector.

Progress towards these objectives would be monitored by the following key performance indicators: (i) cost of good/passenger transport from Tbilisi to major surrounding countries; (ii) Government funding of the Transport Sector; (iii) Gains/savings in transport costs compared to transport sector funding.

Three components have been identified: (a) technical service; (b) roads; and (c) rail. The Technical Services Component: US\$5.0 million would address policy actions and sector transformations not covered in the Structural Adjustment Loan or in the Transport Rehabilitation Project. This would include the preparation of environmental and safety regulations for the transport sector. Road Component: US\$25.0 million. This component would consist in the maintenance, rehabilitation, reconstruction and modernization of road infrastructure. The loan and new road user charges would raise the budget of the Highway Concern to about US\$55 million annually. The Rail Component: US\$10 million. This component would be used for the rehabilitation of key assets for the provision of services currently demanded from the railways.



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IV. CREDIBILITY/RATIONALE:

After achieving independence with the end of the Soviet Union we experienced strong growth in foreign investment and private sector development. These investments will flourish in the new millennium and we feel it is a long-term source of economic growth. Georgia has never defaulted on any loan to the World Bank or EBRD. Our stable form of government and further foreign direct investment because of this project will yield results and thus allow us to pay back this loan promptly and in full.

V. CO-FINANCING:

International Development Agency (World Bank - IDA)	\$40,000,000
European Bank for Reconstruction and Development	\$15,000,000
Government of Georgia	\$5,000,000
TOTAL:	\$60,000,000 USD

VI. ALLOCATION OF FUNDS:

Technical Services Components	\$5,000,000
Road Components	\$25,000,000
Rail Components	\$10,000,000
Labor Salaries	\$10,000,000
Additional Transportation Sector Research	\$5,000,000
Contingency Funds	\$5,000,000
TOTAL:	\$60,000,000 USD

VII. MATURITY:

Interest Rate: 0.75%
Grace Period: 8 years
Payback Period: 20 years



AMENDMENT SAMPLE I

Country: CANADA, SPAIN

Signatories: BRAZIL, UK, UKRAINE

(d) Bridges and tunnels: US\$35 million. This component would uphold and maintain the infrastructure of the bridges and tunnels. It would satisfy their long-term maintenance costs, which would ensure short-term and long-term safety.

INTENTIONS

Canada's above amendment adds to the three components stated in the initial loan proposal. Maintaining bridges and tunnels was overlooked in the initial proposal and we believe the component [(b) roads] itemized allocation of US\$25.0 million would not suffice for the exorbitant cost of maintaining bridge or tunnel type infrastructure. Therefore, Canada will not move to divide out any part of the loan proposal, but do submit this as an addition to PROJECT OBJECTIVES.

We propose that the entire US\$35 million be added to the IDA above. This will change the vote of this body from \$40,000,000 to \$75,000,000.

CHANGE IN FINANCING (If applicable)

Furthermore, this amendment will change the total amount of the loan from \$60,000,000 to \$95,000,000.

Technical Services Components	\$5,000,000
Road Components	\$25,000,000
Rail Components	\$10,000,000
Bridges and Tunnels	\$35,000,000
Labor Salaries	\$10,000,000
Additional Transportation Sector Research	\$5,000,000
Contingency Funds	\$5,000,000
TOTAL:	\$95,000,000 USD