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How To Write a World Bank Loan Proposal

The World Bank is an International Financial institution that provides funds of development for specific countries. This financial institution consists of five banks; IBRD, IDA, IFC, MIGA, and ICSID. Overall the focus is the international bank for reconstruction and development. This room is not to be an endowment, but a way to assist other nations in financial aid.

Each delegate must observe the economical situations within their assigned country. Delegates are required to attain information on their country whether it be “developed,” or “lesser-developed.” Write your loans proposal based on your countries needs. Nations that are developed will write a loan proposal in favor of a lesser-developed nation. Nations being lesser developed, give a situation needing assistants.

When presenting your nations position, the point is to convince the other nations why your loan takes such importance, or in the case of a developed nation why a certain lesser-developed proposal takes a significance. There are no limitations to your presentations. The room will supply you with a projector allowing you to project transparencies or any other necessities.

Along with your oral proposal, you are to include a chart. The chart will affirm to each nation, the money presented will not be spent freely. Once again there are no limitations to your chart, as long as it is broken down and legible to comprehend. Below is a good example of one of last years delegates, representing Kenya. First shown are Kenya’s investors. Kenya offers 28.6 million U.S. dollars to help with technology, which produce tea and coffee. 100.4 is what is needed from the World Bank and 100 million from private investor. Totaling to 229 million U.S. dollars.

As mentioned earlier, you need to break down step by step were the money will end up. Show this in your second chart. The first part will show each aspect. The second will show the money towards each aspect. Third show the percentage of the total cost the amount is. For the Fourth column, show what the World Bank is or has loaned to this project. The last column will show the percentage of the bank’s contribution. Remember most proposals do not lend on the World Bank to cover all the contributions, but ask for assistance of the World Bank. So in this case Kenya has started with 28.6 million U.S. dollars and is asking for 100.4 million from the World Bank.

The whole purpose of the World Bank is for other nations to help aid the lesser developed with specific needs. This makes The World Bank committee fall under The United Nations (a way to promote peace, security, and economic development). Aiding does not mean donating; it is a way of helping at a moment of need. Each delegate must present a time period of economical abilities to pay back the World Bank.

The third chart will explain the process of repayment. The first row states the year. The second states the amount paid that year, and the third displays the total amount paid as of the year. If you have a better chance of repaying the World Bank, there is more of a chance you will receive your loan.

Make sure if you are a developed country you pick a lesser-developed nation, you will be assisting a lesser-developed nation with convincing a loan. While listing the Investors you will include your own nation as one of them. You will not be allowed to designate your own shares when the loan is being voted on.

Once assigned a nation and completed your loan proposal please e-mail me at OliviaWadeMUNSAX@aol.com This way I can upload them to the MUNSA web-page, helping other delegates in the room to understand your nation. The sooner I receive them the better. Good luck and I look forward to seeing you for the MUNSA X simulation.

Kenya
Sample Loan proposal

1. In the first paragraph the delegate will explain their purpose of the their loan. This is where you can show facts and statistics about your topic. Convince each nation in the room a reason to contribute to the proposal.

INVESTORS

Kenya	28.6 (US\$m)
IBRD	100.4 (US\$m)
Private investors	100 (US\$m)
TOTAL	229 (US\$m)

Allocation of Funds

Component	Cost INCL.	% Of Total	Bank of Financing	% Of bank financing
Project development: management of event preparing professional ideas	30	13	15	15
Capital Investment: supporting the development of new systems	125	54.8	50.4	50.4
Resettlement Program: support administrative costs, as well as compensation for homes, and many more	39	17	20	20
Operational cost: support technical and maintenance personal for period of five years post completion of the plan	35	15.2	15	15
TOTAL	229	100	100.4	100.4

Pay Back: Kenya will take over a ten-year period. The ministry of agriculture will help monitor this. (Next make the chart explaining this statement).

Year:	2007	2009	2010	2011	2012	2013	2014	2015
Annual	5	15	15	10	10	5	5	15
Cumulative	5	20	35	45	55	60	70	85