



FEFU
FAR EASTERN
FEDERAL
UNIVERSITY



BACKGROUND GUIDE

WORLD BANK

MUNRFE ANNUAL CONFERENCE 2017

MODEL UNITED NATIONS OF THE RUSSIAN FAR EAST
FAR EASTERN FEDERAL UNIVERSITY
VLADIVOSTOK, DECEMBER 1-5, 2017



WELCOMING LETTER FROM THE WORLD BANK CHAIRPERSON

Dear delegates,



Firstly, let me express my deepest appreciation to all of you for choosing the World Bank in frames of our Conference. I can assure you that you have taken the right decision as far as the process of debating in this Committee would significantly contribute to your personal growth. Participation in this Committee will be a brand new experience for you, bringing you to the international decision making and empowering to redistribute world capital for development.

The international community has started the cooperation towards solving global issues in 20th century, nevertheless, there always was a concern in gathering and redistributing resources for the implementation of joint projects and initiatives. Additionally, there was a common understanding achieved that contribution to global agenda is impossible until countries start working on achievement of sustainable development within their own borders. In this regard this is essential for you, distinguished delegates, to focus on the elaboration of the projects aimed at building prosperity and sustainability in your countries and bringing them to the floor of committee.

It does not matter whether you are majoring economics or perceiving other degree, World Bank experience might be challenging for you as far as in frames of this unique committee you are to learn how to toughly negotiate with other delegations ensuring finding financial support for your projects, to work on the document with a high speed and great productiveness, and to enlarge your economic background. Generally, you are highly encouraged to do your best and show all the capacities you possess in order to bring the committee to prosperous outcome.

I wish you good luck in conducting fruitful deliberations, finding appropriate solutions for achieving universal sustainability and tackling the problem of poverty around the globe!

Sincerely yours,

Ekaterina Tretiakova

CONTENTS

1. TERMS USED IN THE GUIDE	3
2. BACKGROUND INFORMATION ABOUT THE WORLD BANK.....	4
2.2 Membership and leadership.....	6
2.3 Voting system and voting powers	7
2.4 The World Bank Projects and Operations	8
2.5 World Bank Project Cycle.....	11
3. GENERAL PREPARATION.....	15
3.1 Recipients' preparation	15
3.2 Donors' preparation	16
3.3 Debate process in the World Bank	17
4. Further research	19

1. TERMS USED IN THE GUIDE

Assets - a resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit

Bond - a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate; the bonds are usually issued by huge companies and institutions in order to accumulate additional finances

Conversion - the process of being converted

Credit - a method of paying for goods or services at a later time, including paying interest and the original money

Disbursement period – a time period when a borrower is to make a payment in cash or cash equivalents

Grace period – a period of time beyond a due date during which a financial obligation (loan or credit) may be met without penalty or cancellation

Grant – no-returned amount of money given especially by the government to a person or institution for a special purpose

Insurance - a contract, represented by a policy, in which entity receives financial protection or reimbursement against losses from an insurance company

Interest rate - the amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets

Investment - money committed or property acquired for future income

Lending - providing money temporarily on condition that the amount borrowed be returned, usually with an interest fee

Maturity - finite time period at the end of which the financial instrument will cease to exist and the principal is repaid with interest

Replenishment - filling or making smth complete again; adding a new stock or supply to smth

Revenue - the total income produced by a given source or the gross income returned by an investment

Shareholder – a country that makes contributions to the Bank and therefore owns percentage of votes

Stakeholder - a person, group or organization that has interest or concern in an organization and has a power to impact it

Stock - a security paper that signifies ownership in a corporation and represents a claim on part of the corporation's assets and earning

2. BACKGROUND INFORMATION ABOUT THE WORLD BANK

2.1 Structure of the Organization



What is currently known as the **World Bank** (WB) started out as the **International Bank for Reconstruction**

and Development (IBRD) in 1944 as the outcome of the Bretton Woods or United Nations Monetary and Financial Conference in order to help Europe recover from World War II as well as to assist in the development of Member States by facilitating the investment of capital for productive purposes. Since the inception in 1944, the WB has expanded from a single institution to a closely associated group of five development institutions together called the World Bank Group (WBG). Its mission evolved from facilitating post-war reconstruction and development to the present-day mandate of worldwide poverty alleviation.

The World Bank within the WBG is made up of two unique development institutions: the International Bank for Reconstruction and Development and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while IDA focuses exclusively on the world's poorest countries. The IBRD provides middle income countries with low-interest loans with interest rate defined according to the level of market in the state, while IDA provides low income countries with zero or low-interest loans.

The World Bank is designed to function in accordance with the following objectives:

- To provide long-run capital to member countries for economic reconstruction and development;
- To encourage long-run capital investment for guaranteeing Balance of Payments (BoP) and balanced development of international trade;
- To ensure the implementation of development projects so as to bring about a smooth transference from a war-time to peace economy.

The World Banks gives loans to countries on implementation of projects and initiatives in 9 major areas which are education, health, public administration, infrastructure, financial and private sector development, agriculture, and environmental and natural resource management. The projects might be co-financed by governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors.

The World Bank is a vital source of financial and technical assistance to developing countries

around the world. Obviously, it is not a bank in the ordinary sense but a unique partnership to reduce poverty and support development. The World Bank should not be confused with the World Bank Group, which comprises the World Bank, the International Finance Corporation (IFC) that makes loans to businesses and private projects of developing countries, the Multilateral Investment Guarantee Agency (MIGA) that offers political risk insurance (guarantees) to investors and lenders, and the International Centre for Settlement of Investment Disputes (ICSID) that provides international facilities for conciliation and arbitration of investment disputes.



In the beginning the WB was consisted of homogeneous staff of engineers and financial analysts, based solely in Washington, D.C. By 2017 this financial institution has a multidisciplinary and diverse staff that includes economists, public policy experts, sector experts and social scientists, overall number is 10,000 employees in more than 120 offices worldwide. Reconstruction remains an important part of the work. However, at today's World Bank, poverty reduction through an inclusive and sustainable globalization remains the overarching goal.

The World Bank Group has set **two goals for the world to achieve by 2030:**

- End extreme poverty by decreasing the percentage of people living on less than \$1.90 a day to no more than 3%
- Promote shared prosperity by fostering the income growth of the bottom 40% for every country.

The World Bank tightly cooperates with the United Nations in nearly every region and sector, deepening this engagement since the adoption of the Millennium Development Goals (MDGs) by the international community. Together with the UN the World Bank acts on three

main levels: interacts with heads of diplomatic missions of countries in New York on intergovernmental level, cooperates with interagency bodies holding an observer status at the meetings, and working closely with UN Secretariat and various UN Funds and Programmes at the institutional level.

2.2 Membership and leadership

Each of the World Bank institutions has its own Articles of Agreement as its founding document. These documents legally define the institution's purpose, organization, and operations, including the mechanisms by which it is owned and governed. Under the IBRD Articles of Agreement, to become a member of the Bank, a country must first join the International Monetary Fund (IMF), as well as membership in IDA, IFC and MIGA is conditional on membership in the IBRD. Under its Articles of Agreement, the International Bank for Reconstruction and Development has 189 member countries (named as shareholders), while the International Development Association has 172 members. All shareholders are represented by a Board of **Governors**, which is the ultimate policymaking body in the organization and which includes the Boards from each of the member countries consisting of one Governor himself and one Alternate Governor. They serve for terms of five years and can be reappointed. All of them meet once a year at the Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund. The main powers of the Board of Governors include fundamental functions such as admitting and suspending members, increasing or decreasing authorized capital stock, approving amendments to the Articles of Agreement, and increasing the number of Executive Directors etc.

Since governors meet only once a year or in exceptional cases, they decided to delegate their specific duties to 25 Executive Directors, who work on-site at the Bank. The five largest shareholders which are France, Germany, Japan, the United Kingdom and the United States of America appoint an executive director (China, Russia and Saudi Arabia each also elect its own Executive Director on the rights of "single constituency Board chairs"), while other member countries are represented by elected executive directors (all 47 sub-Saharan Africa countries are represented by just three Executive Directors).

The Executive Directors usually meet at least twice a week to oversee the Bank's business, including the approval of loans and guarantees, new policies, the administrative budget, country assistance strategies and borrowing and financial decisions. The Executive Directors make up the **Board of Executive Directors** of the World Bank. Also the Executive Board implements oversight function over two Bank units which are the Independent Evaluation

Group and Inspection Panel. The first administrative unit provides an independent assessment of the impact and sustainability of the Bank's work and promotes learning from experience. The second one represents a three-member body established in 1993 with the purpose of addressing the concerns of the people who may be affected by Bank projects and ensures adherence of the Bank to its operational policies and procedures during design, preparation and



implementation phases of a project. These two bodies, namely, the Board of Governors and the Board of Executive Directors, make all major decisions in the organizations.

But still the Bank needs a person who will control the whole activity of the institution and represent the organization at different meetings, conferences and sessions. Therefore, the Board of Executive Directors elects a **World Bank Group President** for a five-year renewable term. Currently, the acting President of the World Bank Group is Jim Yong Kim who is holding his second term on the position. The President chairs meetings of the Boards of Directors and is responsible for overall management of the Bank. Since the creation of the Bank its President has always been a citizen of the USA, the largest shareholder in the bank.

2.3 Voting system and voting powers

According to the IBRD Articles of Agreements, membership in the Bank is conditioned by membership in the IMF. A country that is willing to become a member of the Fund is required to supply data on its economic situation, which are analyzed in comparison with data from other member countries whose economies are similar.

The World Bank as well as the International Monetary Fund has adopted a weighted system of voting. Each new member country of the Bank is allotted 250 votes plus one additional vote for each share it holds in the Bank's capital stock. The voting power distribution differs from agency to agency within the World Bank Group. The majority of decisions require «50%+1» of votes to pass.

The model of the World Bank at the **MUNRFE Annual Conference 2017** will be the simulation of the Board of Executive Directors duties. Simultaneously Voting powers applicable to the WB Session at the Conference (based on the relevant distribution in the World Bank Executive Board) are as follows:

Donors	Votes*, %	Recipients	Votes*, %
Brazil	1.82	Australia	1.36
France	3.85	Bolivia	0.11
Germany	4.11	Cameron	0.10
Italy	2.71	China	4.53
Japan	7.02	Côte d'Ivoire	0.18
Republic of Korea	1.62	Egypt	0.48
Saudi Arabia	2.84	Ethiopia	0.08
Sweden	0.87	Fiji	0.07
UK	3.85	Guatemala	0.11
USA	16.28	Kazakhstan	0.22
		Kenya	0.14
		Mauritius	0.10
		Pakistan	0.53
		Qatar	0.09
		Russia	2.84
		Senegal	0.13
		Serbia	0.15
		Thailand	0.50
		Trinidad and Tobago	0.14
		Ukraine	0.62
		Uruguay	0.18

* Number of votes can be proportionally changed according to the delegates' presence.

2.4 The World Bank Projects and Operations

The World Bank Group has two ambitious goals: end extreme poverty within a generation and boost shared prosperity. At any given moment in locations around the globe, people are engaged in development projects designed to improve living standards and reduce poverty.

In period between 2010 and 2013, the Bank implemented a Modernization Agenda that helped to increase effectiveness, accountability and openness of the WB projects. The Bank pays lots of attention to Aid Effectiveness which is simultaneously helping to measure results upon development projects and at the same time represents a multilateral platform for collaboration between different stakeholders which are development banks, donors, civil society,

and foundations.

The World Bank Group's **Country Partnership Framework** (CPF) aims to make the country-driven model more systematic, evidence-based, selective, and focused on the Bank's twin goals of ending extreme poverty and increasing shared prosperity in a sustainable manner. Used in conjunction with a Systematic Country Diagnostic (SCD), the CPF guides the World Bank Group's support to a member country. A **Systematic Country Diagnostic (SCD)** is established in order to identify the most important challenges and opportunities a country faces in terms of achieving the twin goals which are ending poverty and boosting shared prosperity. The effectiveness of the diagnostic is derived from a thorough analysis, and informed by consultations with a range of stakeholders.

The new system of sectors and themes was introduced in November 2013 by the decision of the Bank's Management Committee with purpose to better track progress upon Bank's operational work. These sectors now conform to UN standards and are presented in 10 areas covering the whole Bank's activity.

At the **MUNRFE Annual Conference 2017** these sectors will be simulated and presented to the consideration of the Board of the Executive Directors:

1. **Industry, Trade and Agriculture** (including also fishing, forestry, energy and mining);
2. **Infrastructure** (including information and communications, transportation, water, sanitation and flood protection)
3. **Human Services** (including education, health and other services)
4. **Public Administration, Law and Justice** (corresponding to the actual WB sector)
5. **Finance** (corresponding to the actual WB sector)

Simultaneously the Project of Recipient Country and the Investment Strategy of Donor Country must correspond to one of these sectors.

Each WB project is associated with certain theme or metathemes that in turn contribute to the realization of the aforementioned internationally recognized priorities by being implemented. To allocate projects against these priorities and goals, they are classified by 11 themes, namely economic policy, public sector management, social development and protection and etc..

In order to help to ensure that its operations are financially, socially, and environmentally efficient the World Bank Group has established its policies and procedures. These operational policies (OPs) and bank procedures (BPs) are codified in the World Bank Operational Manual. The Manual includes several different kinds of operational statements: operational

policies, Bank procedures, and good practices. All of these regulations are subject to extensive review while being formulated and to compliance monitoring after being approved.

In order to keep diligence towards implementation of its two main goals which are the sustainable economic growth and poverty reduction, the Bank needs to have solid reserves of financial resources to deliver for projects implementation. There are two principal sources, from which the WB accumulates its financial capacities:

1) IBRD: raises most of its funds through the world's capital markets by selling bonds with triple-A status and other debt products to pension funds, central banks, insurance companies and individuals around the whole world. Besides this, IBRD earns an annual income from its equity return and from the small margin as a result of lending operations.

2) IDA: raises funds mostly from the contributions by its wealthier member States by the way of so-called IDA Replenishments that are conducted once in three years. Additionally, IDA gets financial support from IBRD and IFC contributions, and from borrower's repayments of earlier IDA credits.

Using accumulated financial resources the World Bank offers a wide range of lending and non-lending solutions to meet the world's development challenges. They include investment and development policy lending, Program-for-Results financing, various banking products, trust funds, grants, guarantees and knowledge activities.

Since 2012 the WB offers three **basic types of lending instruments** to its client governments:

- Investment Project Financing (IPF, OP 10.00/BP 10.00) – IBRD loan, IDA credit/grant and guarantee financing: that are issued for projects that finance goods, works, and services in support of economic and social development in a broad range of sectors such as capital-intensive investments, agriculture, service delivery, credit and grant delivery (including micro-credit), community-based development and institution building. Usually, investment loans are estimated for 5-10 years disbursement period. Before and during the project implementation different WB institutions assist recipient country with project management, global knowledge transfer and expertise, analysis and technical support, fiduciary and safeguards activities. Over the past two decades, investment operations have, on average, accounted for 75 to 80 percent of the Bank's portfolio.

- Development Policy Financing (DPF, OP 8.60/BP 8.60) – IBRD loan, IDA credit/grant and guarantee budget that provide quick-disbursing external financing to support policy and institutional reforms in the country. Its aims to have more macroeconomic, policy and institutional character e.g. strengthening public financial management, investment climate

improvement, economy diversification. The project with DPL application should be strictly aligned to borrower's own implementation processes and systems. DPF projects typically last from 1 to 3 years.

- Program-for-Results (PforR) – new lending instrument, introduced by the Bank in January 2012. PforR supports government programs and links disbursement of funds directly to the delivery of defined results with a special focus on strengthening institutions. PforR also provides an opportunity to improve coordination among development partners in government programs and pool Bank resources with resources from the government and other development partners. This instrument can be applied to currently existing country's initiatives as far as it can be incorporated using a country's own institutions and processes, and linking disbursement of funds directly to the achievement of specific program results.

Besides aforementioned lending instruments, the Bank also uses trust funds and grants during unexpected disasters or crisis; private sectors options provided by MIGA and IFC; customized options and risk management.

During the **MUNRFE Annual Conference 2017**, the work of the World Bank Executive Board will cover the projects over the lending operations that conform to the first three above mentioned instruments. Depending on its eligibility, a member state is supposed to request a loan from either IBRD or IDA to support a lending project.

2.5 World Bank Project Cycle

The Project Cycle is the framework used by the World Bank to design, prepare, implement and supervise projects from the countries in need. As rich practice shows, the World Bank and the borrowing country cooperate closely throughout the project cycle, exercising their specific roles and responsibilities. Each project is accompanied by set of documents with a purpose to open up the information about project for interested stakeholders, business and society. In complex, the project cycle includes six stages: Identification, Preparation, Appraisal, Negotiation/Approval, Implementation, and Evaluation. However, there is one more additional stage that conducted before "Identification" – so called Pre-Pipeline. Hence, the next three stages – "Identification", "Preparation" and "Appraisal" build up the Pipeline of the project. And, finally, the period of a project when the Bank starts actively supervise the implementation process is called as Supervision.

During the **MUNRFE Annual Conference 2017**, the meeting of the World Bank

Executive Board will work upon **Appraisal** and **Negotiation/Approval** of the Project Cycle. Identification and Preparation stages automatically pass before the conference during the process of research and writing the documents by Recipients. (However, donors are advised to get acquainted well with all of the stages of Project Cycle to be competent enough during the debates process).

Pre-Pipeline

Prior to initiating projects, the World Bank will undertake a number of studies of development issues at the thematic, country and sector level. The main documents to be considered at this stage are Country Partnership Framework (CPF) and Systematic Country Diagnostic (SCD). CPF is a new approach to country engagement that was introduced by the WBG on July 2013 and intended to replace the Country Assistance Strategy. This newly elaborated framework aims to make cooperation between the Bank and a country more systematic, evidence-based, selective and focused on goals of ending poverty and increasing shared prosperity in a sustainable manner. It also helps incorporate assistance from the World Bank (IBRD, IDA), IFC and MIGA in order to make the process of project implementation more efficient.

A Systematic Country Diagnostic is directed to strengthen the results of CPF by identifying most important challenges and opportunities in particular country to reach the two main WB goals. Recipient countries should have a clear understanding about their CPF's, while preparing development projects. Donor Countries should know about the CPF's of all the Recipient Countries represented.

Identification

During this stage, the World Bank and borrowing countries with different stakeholders jointly identify projects that support their development goals. Not any development objective can be pursued by the project but that one which can give the biggest impact from the Bank's interventions in particular country. The implementation of a project contributes to the wide range of economic and social spheres from infrastructure to health, from education to government financial management. The World Bank and the government agree on an initial project concept and its beneficiaries, and the Bank's project team outlines the basic elements in a Project Concept Note. Two other Bank documents are generated during this phase. The Project Information Document contains useful public resources for tailoring bidding documents to the proposed project, and the publicly available Integrated Safeguards Data Sheet identifies key issues related to the Bank's safeguard policies for environmental and social issues. A project will typically be managed through the relevant government ministry – for

example, a project in the health sector will be prepared and implemented by the Ministry of Health. The identification stage can take up to a year and a half.

Preparation

During this stage, which can last up to two years, the borrowing country in the person of its implementing agency continues to conduct further studies and impact assessments, elaborating further the objectives, components, schedule, institutional responsibility and implementation plan of the project. The government contracts with consultants and other public sector companies for goods, works and services; with different stakeholders to clearly define their feedback and support for the project. The Bank, in turn, starts to determine the arrangements required for the project to succeed and for the Bank to be satisfied the project will have positive economic, financial, social and environmental impacts. Practically, the World Bank takes an advisory role and offers analysis if necessary. Besides, the Bank provides serious assessment of the relevant capacity of the implementing agencies in order to reach initial arrangements for overall project management in the future, including financial management, procurement, reporting, monitoring and evaluation.

Appraisal

On this stage the scale of responsibility is partially moving on from borrowing country to the Bank. The Appraisal stage often lasts between 3-6 months. During **MUNRFE Annual Conference 2017**, the meeting of the World Bank Executive Board will be working on this stage in period of the whole Conference.

Appraisal gives stakeholders an opportunity to review the project design in detail and resolve any outstanding questions. The government and the World Bank review the work done during the identification and preparation phases and confirm procurement plan that identifies the types and amounts of equipment, goods, civil works and services that will be purchased; also the expected project outcomes and intended beneficiaries. Agreement is reached on the viability of all aspects of the project at this time. The Bank team confirms that all aspects of the project are consistent with all World Bank operations requirements and that the government possesses appropriate institutional arrangements to implement the project efficiently. All parties agree on a project timetable and on public disclosure of key documents and identify any unfinished business required for final Bank approval. The final steps are assessment of the project's readiness for implementation and agreement on conditions for effectiveness (agreed upon actions prior to implementation). The Project Information Document is updated and released when the project is approved for funding.

This stage is also held before the Conference when delegates prepare Project

Appraisal Document (PAD, for investment lending and Program-for-Result financing) or the Program Document (PD, for development policy lending). Consultations regarding the project and final corrections as a further part of appraisal are completed during the Session.

Negotiation and Approval

During negotiations, the World Bank and borrowing country will agree on the terms of the loan supporting the project. Typically, negotiations last about 1-2 months. Once all project details are negotiated and accepted by the government and the World Bank, the project team prepares revised Project Appraisal Document (for IL and PforR) or the Program Document (for DPL), along with other financial and legal documents, for submission to the Bank's Board of Executive Directors for consideration and approval. When funding approval is obtained, conditions for effectiveness are met, and the legal documents are accepted and signed, the implementation phase begins.

Implementation and Supervision

After the loan or credit is approved, it's primary responsibility of borrowing country to implement a project. The country is acquiring goods and services necessary to accomplish project's objectives. At this stage, which can last a number of years, the World Bank's role is to monitor project implementation to ensure that the terms of the loan/credit agreement are followed and that procurement is conducted according to the World Bank's guidelines. The project's progress, outcomes and impact on beneficiaries are monitored by the government and the Bank throughout the implementation phase to obtain data to evaluate and measure the ultimate effectiveness of the operation and the project in terms of results.

Evaluation

The Bank's Independent Evaluation Group (IEG) assesses the performance of roughly 1 project out of 4 (about 70 projects a year), to measure outcomes against the original objectives, sustainability of results, and institutional development effects. Periodically, IEG also produces impact evaluation reports to assess the economic worth of projects and the long-term effects on people and the environment against an explicit counterfactual.

Last three stages of the cycle are beyond the framework of the Conference, so they are not simulated during the Session, but important to take into account while considering the projects.

3. GENERAL PREPARATION

During the simulation of the World Bank **MUNRFE Annual Conference 2017**, all of the states are divided into two groups: donors and recipients. Donors are those states with high income that are capable to make investments to low-income countries. Recipients are those ones that make a request for getting a loan to reduce poverty in their countries and foster economic growth.

3.1 Recipients' preparation

While preparing to the conference recipients' delegates research upon the economic situation in their countries, indicating existing problematic areas. It's recommended to track the progress upon the cooperation with the World Bank made in the past, analyze main outcomes and drawbacks and take into account the CPF.

When a delegate has examined its CPF and determined the sector for writing a project he/she is to fill the application (available on the web-site of the Conference) and send it to the Secretariat indicating the preferred sector. Each sector has a quota of projects in it according to the Session budget. It is necessary to ensure even distribution of the budget.

Sector	Budget (mln. USD)	Number of Projects
Industry, Trade and Agriculture	350,00	4
Infrastructure	300,00	3
Human Services	150,00	3
Finance	100,00	2
Public Administration, Law and Justice	100,00	2
Total	1.000,00	14

The Secretariat may decline the request basing on current budget distribution. In this case the delegate will need to write a project in one of the "free" sectors. When the application is approved the work on the project itself starts.

General idea of the project, its summary for brief acquaintance should be described in Project Information Document (PID), while the detailed description of it shall be prepared in the format of Project Appraisal Document (PAD) for investment lending and Program-for-Result or Program Document (PD) for development policy lending. In other words if the main goal of the PID is to attract investor's attention, the main goal of the PAD/PD is to attract investor's money. It

is also allowed to prepare any necessary handouts to be distributed during the presentation of the project at the Conference and we highly recommend making a PowerPoint presentation (up to 15 min) for the Session beforehand. But note that presentations and handouts are not evaluated by the Secretariat!

All the PIDs and PDs will be distributed among delegates 3 days prior to the Conference.

3.2 Donors' preparation

Prior to the Conference delegates representing donor countries investigate economic situation in recipient states and their own, their economic interests and develop investment strategies. These strategies will be taken into consideration while appraisal and approval of recipient projects during the Session. In frames of economic analysis all Donor countries are to identify the grace period, maturity, number of tranches, appropriate interest rate and other indicators they would like to support at the projects submitted by the Recipients.

When the major directions of foreign economic policy are determined the delegate is to fill the application (which is available after the registration) and send it to the Secretariat indicating three sectors he/she would prefer to finance during the Conference. Each sector has a quota of donors investing in it according to the Session budget. It is necessary to insure even distribution of the budget.

Sector	Budget (mln. USD)	Number of Donors
Industry, Trade and Agriculture	350,00	7
Infrastructure	300,00	7
Human Services	150,00	6
Finance	100,00	5
Public Administration, Law and Justice	100,00	5
Total	1.000,00	30

The Secretariat may decline the request basing on current budget distribution. In this case the delegate will need to write an application for one of the “free” sectors. When the application is approved the work on the investment strategy starts.

Donor countries also write two documents, which are Investment Strategy Outline (ISO) and Investment Strategy Document (ISD). First document gives a brief description of the investment strategy, while the second one comprehensively explains the interests of a

particular investor (sectors, regions and etc.) and his estimations of country risk for each recipient.

Donors are also allowed to prepare any necessary handouts to be distributed during the presentation of their investment strategies at the Conference and we highly recommend to make a PowerPoint presentation (up to 15 min) for the Session beforehand. Both are not evaluated by analogy with recipients.

All the ISOs and ISDs will be distributed among delegates 3 days prior to the Conference.

3.3 Debate process in the World Bank

Debates in the World Bank basically consist of two main parts: discussion of donors' investment strategies and appraisal and approval of recipients' development projects. During the first discussion each expert from a donor country presents the investment strategy of this state drawing the attention of the committee and especially recipients to its priorities regarding sectors, regions end etc. Each presentation can be further discussed among the interested parties in the format of general or informal debates.

Discussion of projects is conducted separately for each sector (they are added to the agenda as separate items) and each sector is divided into 4 parts: general debates, substantive debates, voting and signing. During the general debates recipients present their projects to the Board and the deliberations over them start. At this stage delegates get acquainted with projects, form preliminary opinion of the Bank regarding each particular one and make necessary corrections to the most perspective PADs/PDs and PIDs and write a draft of a Loan or Financing Agreements. After moving to substantive debates delegates start discussing and presenting already corrected documents and conduct final deliberations. When all the assessments are completed, delegates move to the voting bloc. All the Loan or Financing Agreements of the projects of the sector are put on vote. Each delegate has special voting power (previously provided) to deliver his decision. Simple majority is required for a project to pass and be considered approved.

After the voting bloc, recipients of the adopted projects sign the Loan or Financing Agreements. **No corrections to the projects can be made at this stage!** As soon as the agreement requires specification of exact shares from donors in the loan, projects which cannot attract enough financial resources will fail even if they passed voting.

Shares of donors in the budget of the Session will be distributed by the Secretariat according to their economic conditions prior to the Conference. When funding approval is obtained, conditions for effectiveness are met, and the legal documents are accepted and signed,

committee moves to the discussion of projects from the next sector.

Any part of the debates except for the voting bloc can be interrupted by urgent news from the Secretariat regardless of whether they affect the work of the Bank or not. Some news may fall under the mandate of the WB and require timely response. In this case the Session can be postponed (see the procedure) until the decision on crisis agenda is made.

4. Further research

First of all, delegates of the World Bank should know the mandate of the committee they are going to debate in.

- IBRD Articles of Agreement
<http://siteresources.worldbank.org/EXTABOUTUS/Resources/ibrd-articlesofagreement.pdf>
- IDA Articles of Agreement <http://www.worldbank.org/ida/articles-agreement/IDA-articles-of-agreement.pdf>
- How Do the IMF and the World Bank differ
<https://www.imf.org/external/pubs/ft/exrp/differ/differ.htm>

Second of all, delegates are to know lending instruments.

- World Bank Flexible Financing <http://treasury.worldbank.org/bdm/htm/financing.html>,
- IDA General Conditions for Credits and Grants
<http://siteresources.worldbank.org/PROJECTS/Resources/40940-1173795340221/IDAGC05.pdf>
- World Bank Lending Instruments
http://siteresources.worldbank.org/INTBULGARIA/Resources/Lending_Instr_Eng.pdf
- Overview of the new WB instrument – PforR
http://siteresources.worldbank.org/PROJECTS/Resources/40940-1244163232994/6180403-1340125811295/PforR_Overview_March2013.pdf

Then, it is vital to prepare good background of the policy of the state.

- Country Strategies <http://www.worldbank.org/en/projects-operations/country-strategies>
- Operations Manual (country engagement, development policy financing, investment project financing, program-for-results financing, and advisory services and analytics (including reimbursable advisory services))
<https://policies.worldbank.org/sites/PPF3/Pages/Manuals/Operational%20Manual.aspx>

Then, current tendencies in the World Bank and the UN

- The World Bank Annual Report 2016
<https://openknowledge.worldbank.org/bitstream/handle/10986/24985/9781464808524.pdf>,
- The World Bank Development Report 2017: Governance and the Law
<http://www.worldbank.org/en/publication/wdr2017>

- Atlas of Sustainable Development Goals 2017: From World Development Indicators
<http://datatopics.worldbank.org/sdgatlas/>
- Global Monitoring Report: Development Goals in an Era of Demographic Change
<http://www.worldbank.org/en/publication/global-monitoring-report>
- World Bank Debt Servicing Handbook
<http://siteresources.worldbank.org/PROJECTS/Resources/40940-1250176637898/Engl.pdf>
- Sustainable Development Goals <https://sustainabledevelopment.un.org/?menu=1300>
- Calendar of Conferences and Meetings
<https://conf.un.org/DGAACS/Meetings.nsf/wByYear?OpenForm&Start=1&Count=30&Collapse=1.11&Seq=4>
- International Years <http://www.un.org/en/sections/observances/international-years/>
- World Humanitarian Summit <https://www.worldhumanitariansummit.org/>
- Habitat III <https://habitat3.org/the-new-urban-agenda/about>
- Conference of Parties to the UN Framework Convention on Climate Change
<http://unfccc.int/2860.php>