



## WORLD BANK Committee Guide

By John Wilson

### Introduction

Welcome to the World Bank! Created in 1944 as one of the two Bretton Woods Institutions (along with the International Monetary Fund), the World Bank was tasked with providing developmental loans to countries looking to rebuild after World War II. The **Bretton Woods Institutions** were created by the **Western Powers** towards the end of World War II in order to create an international economic system that would facilitate free trade, help war-torn countries rebuild, and assist third-world nations in efforts to develop.

The International Monetary Fund (IMF) was designed to address macroeconomic issues, trade, and currency exchange. The World Bank was tasked with the development side of things, specifically to provide loans to rebuild war-torn countries, alleviate poverty, prop up failing democracies, and secure the infrastructure necessary to build a thriving economy. In its earlier years, the World Bank focused primarily on building infrastructure and alleviating poverty. Only since the 1980s has the World Bank injected itself into debt management and governmental structures. However, the World Bank still deals extensively with all of these issues, and is the world's foremost developmental lender.

HMCE delegates to the World Bank will serve as one of twenty-four members on the Board of Directors. In reality, the World Bank is comprised of four separate but interdependent organizations; however, for the purposes of HMCE, you may think of the World Bank as a single **monolithic** organization with the Board of Directors in charge of its entirety. Each of the organizations in the actual World Bank has its own twenty-four member Board of Directors that is comprised of nineteen elected officials and one official from each of the World Bank's five largest contributing nations: the United States, the United Kingdom, Japan, France, and Germany. Delegate to the HMCE version of the World Bank will each serve as an Executive Director on a Board of Directors that will include one representative from each of the following twenty-four member nations: the United States, the United Kingdom, Japan, France, Germany, Algeria, Argentina, Brazil, Canada, China, Egypt, India, Iran, Italy, Jamaica, Malaysia, Mexico, Nigeria, Peru, Russia, Senegal, Sri Lanka, Venezuela, and Zimbabwe. These nations are distributed in a way that will ensure that a wide array of geographic and economic viewpoints is brought to the table during debate.

**Bretton Woods Institutions**—*a system of monetary management that establishes the rules for financial and commercial relations among the world's industrialized nations.*

**Western Powers**—*the countries opposed to the Axis powers during WWII; the three main powers were Britain, the US, and the USSR.*

**Monolithic**—*constituting one single mass.*

## History and Background

As previously mentioned, the World Bank was created in 1944 to lend developmental assistance to nations struggling to recover from the devastating impacts of World War II. Though its role has evolved over the past 60 years, its primary goal has not: helping alleviate poverty through economic development. In 2001, the member states of the United Nations, as well as a number of **NGOs**, agreed to eight Millennium Development Goals (MDGs) that have refocused the international community on fighting the war on illiteracy, disease, hunger, and poverty. The World Bank, along with the IMF and the **African Development Bank**, is leading the charge to accomplish these goals. The eight MDGs, aimed to be accomplished by 2015, are as follows:

1. To halve the number of people who go hungry and live in extreme poverty
2. To achieve universal primary education
3. To empower women and promote gender equality
4. To reduce by two-thirds the mortality rate for children under five years of age
5. To reduce the incidence of maternal mortality by three-quarters
6. To have begun a reversal of the spread of AIDS and malaria
7. To work towards environmental sustainability and halve the number of people without access to clean water and sanitation
8. To develop a global partnership for development

Progress towards the MDGs has been mixed. In 2005, the World Bank was empowered to begin a program of debt forgiveness to allow **developing nations** to shed the burden of debt that has slowed development for many. To achieve its developmental goals, the World Bank has set its five areas of focus as: building capacity among governments to govern effectively, creating infrastructure to allow for the creation of businesses and industries, developing financial systems to create a good business environment, combating corruption both in the private sector and in the government, and consulting extensively with nations that are seeking assistance.

## At the Conference

As members of the World Bank's Board of Directors, delegates will be expected to debate the two issues before them—agriculture and

**NGO**—a *non-governmental organization; an organization comprised of private institutions or individuals that is not representative of any government.*

**African Development Bank**—*a bank established in 1944 to promote the economic and social development of Africa.*

**Developing nation**—*a country that has not reached certain standards of industrialization, democratization, human rights guarantees, and free market economies.*

gender equality—and to work together to develop resolutions and policies to address the problems involved in each issue. All decisions within the World Bank are made by a majority vote (with the exception of charter amendments, which require 85%), but the voting structure is unique in that different nations' votes are worth different amounts. In order to accurately replicate the real world voting structure of the World Bank, the United States will have 15% of the vote, Japan will have 8%, and the rest of the nations will each have 3.5%. For any resolution or policy to pass, it will require 50% of the votes of the Executive Directors. This means that delegates will have to be especially mindful of this structure when assembling support for their policies.

Delegates in the World Bank will primarily engage in two separate activities. First, delegates will work within committee to **forge** solutions to the topics presented in the issue briefings. Delegates will not only work with each other, but they will also call in representatives from other groups—both governing groups like the G8 and G15 and non-governmental organizations like Oxfam International—to help them craft effective policies. Secondly, delegates will themselves be called upon to help other committees develop their own responses to the issues that they are debating. One of the primary roles of the World Bank is consultation, and this will not be any different at HMCE.

**Forge**—to form or create.

## Preparing for the Conference

A thorough reading of the each issue briefing will be your first step in preparing for the conference. The “Guide to Further Research” section in the briefings will also be very helpful when conducting your own research. After receiving your role assignment, you should also extensively research your particular country and its policies on agriculture and gender equality, which are the two main topics the World Bank will discuss this year. Research what legislation has been passed, and read any comments or speeches that have been made by relevant government officials, such as the president or the prime minister. Before the conference, you should consider solutions that your country would favor, bearing in mind the importance of building consensus with other member nations. It will also be helpful to look at the World Bank website to find previous World Bank resolutions and policies, which will give you a good idea of what the World Bank typically produces. If you should have any questions, please do not hesitate to contact the HMCE Chair of the World Bank, Grace Lee (gmlee@fas.harvard.edu).

## **Conclusion**

The World Bank has a unique position in the world as the most important government-run development agency in the world. It runs in close association with the world's foremost international body, the United Nations, as well as many of the most prominent global NGOs. Hence, what you do as an Executive Director can dramatically affect the lives of millions of people, either by changing their lives for the better or by leaving them living in poverty. As you consider how best to use agriculture to spur development or how best to work towards gender equality, remember to keep both human interests and your national interests in mind. The World Bank promises to be a dynamic and compelling committee this year, and we are very excited for HMCE 2009!