

China

World Bank

The Economic Crisis in Sri Lanka

1. Sri Lanka is hoping to obtain a loan in order to improve economic stability within the country. The Sri Lanka government has lost more than \$4 billion dollars from a severe loss in tourism as it has dropped to \$1 billion in 2020 (1). Sri Lanka has faced even more economic problems as it faced severe issues with agricultural productions with attempts to reduce artificially produced crops but has since revoke many of legislation banning such fertilizers and pesticides (2). As of 2021 more than 30 percent of Sri Lanka's workforce consists within the agriculture sector (3). Sri Lanka is requesting a loan of approximately \$3 billion from the International Bank for Reconstruction and Development in order to improve economic stability, support the agricultural sector, and improve the nation's infrastructure. The loan proposal shall include aspects such as:
2. Improving Economic Stability Initiative (\$1.75 Billion)
 - a. Sub-Initiative is directed towards creating a committee with the objective of ensuring the proper allocation and management of foreign currency reserves
 - i. This committee will be responsible for implementing policies that help regulate a sustainable use foreign currency reserves
 - b. Sub-Initiative will work alongside central bank in order to ensure the sufficient supply of foreign currency reserve funds are within the bank's possession
3. Transportation Infrastructure Programme (\$1.5 Billion)
 - a. Programme will work towards improving overall access to markets for rural farms across the country
 - b. Programme will fund the construction of highways and roads alike across the nation connecting rural farms to business districts
 - i. Creation of a data analysts team to find the most optimal transportation routes to more efficiently connect as many farms as possible to markets
 - ii. The high congested roads and highways will be tolled as a means of creating increased passive income
 - c. Programme will stimulate employment of construction workers and highway operators alike throughout the country
4. The Revitalization of Agricultural Sector Programme (\$750 Million)
 - a. Sub-initiative will be used to purchase needed agricultural equipment in order to stimulate agricultural production
 - i. Equipment will include tractors, chemical fertilizers, and pesticides
 - b. Sub-initiative will create and improve educational seminars tasked with increasing efficient farming practices
 - i. These seminars will be ran by trained professionals that will be distributed throughout the country

- ii. Seminars will have a general outline of information on efficient farming practices and will include specified information that may better contribute the specific regional factors
 - c. Sub-initiative will establish a committee to make routine check-ups on farms in order to ensure the meeting of quotas for agricultural output
 - i. This committee will be run by a board of directors that establish quotas for regional farms that obtain equipment and educational assistance from the programme
 - ii. Committee will hire employees tasked with making these check-ups throughout the country
- 5. The Electrical Infrastructure Initiative (\$500 Million)
 - a. Sub-initiative is crucial for increasing domestic production of energy for the country
 - b. Sub-initiative will be used to further improve existing hydropower facilities within the country
 - c. Worker seminars will be conducted in order to ensure efficient management of facilities
- 6. Rural Education Initiative (\$500 Million)
 - a. Sub-initiative will work alongside the Ministry of Education in Sri Lanka to improve education across rural communities in the country
 - b. Sub-initiative will create a unique board of education in order to create a more functional rubric more fit with educating rural communities
 - c. Sub-initiative will cover costs for materials that the students will require
 - d. Sub-initiative will utilize specialized teachers to conduct on-site seminars for children
 - i. This initiative will work in creating a more competent workforce for the near future
- 7. Repayment Schedule
 - a. The country of Sri Lanka will have 10 years to fully repay the loans with an interest rate of 2.5% per year
 - b. These payments will be made on a monthly basis to the IBRD
- 8. General Conditions
 - a. Condition 1:
 - i. If the foreign currency reserves do not increase by 25% within the next 4 years, the loan shall be revoked
 - b. Condition 2:
 - i. If the Transportation Infrastructure Programme and The Revitalization of Agricultural Sector Programme does not increase agricultural output by 45% within the next 5 years, this loan shall be revoked
 - c. Condition 3:

- i. If the domestic energy production in Sri Lanka does not increase by 15% in the next 3 years, the IBRD will revoke the loan
- d. Condition 4:
 - i. Failure to make payment for 2 consecutive months will result in Sri Lanka losing the loan from IBRD

Bibliography

1. Experts Say Sri Lanka's Debt Crisis is a Global Humanitarian and Political Issue, www.directrelief.org/2022/09/experts-say-sri-lankas-debt-crisis-is-a-global-humanitarian-and-political-issue/#:~:text=Humanitarian%20Crisis,-Emergency%20medical%20aid&text=Sri%20Lanka%20has%20defaulted%20on%20a%20massive%20debt%20%E2%80%93%20over%20%2456,The%20result%3F
2. Sri Lanka waking up to reality of food shortages after failed organic farming dream, <https://www.spglobal.com/commodityinsights/en/market-insights/blogs/agriculture/081022-sri-lanka-crisis-food-organic-farming#:~:text=The%20plight%20of%20agriculture%20in,was%20later%20revoked%20in%20November>.
3. Sri Lanka - Agricultural Sector, <https://www.trade.gov/country-commercial-guides/sri-lanka-agricultural-sector>

China

World Bank

Building Financial Resilience in Haiti

1. The government of Haiti is requesting a loan in order to improve financial stability within Haiti. In 2010 alone, Haiti had experienced a 7.0 magnitude earthquake that caused more than \$8 billion in damages (1). Since then the country has experienced even more natural disasters that continue to wreak havoc on the Haitian infrastructure. Much of Haiti's economy is largely agriculturally dependent with more than 20.62% of it being within the agricultural sector (2). Haiti struggles with poverty and has approximately 2.5 million of its citizens living on less than \$1.25 per day (3). Haiti is requesting a loan of approximately \$5 billion in order to improve financial stability within the country through improved infrastructure, a food initiative, and increased domestic energy production. This loan proposal will include aspects such as:
2. Emergency Infrastructure Relief Initiative (\$1.5 Billion)
 - a. Sub-initiative works in order to implement proper housing infrastructure for displaced Haitian citizens
 - b. This sub-initiative will work to rebuild housing for the 77,000 houses destroyed/heavily damaged during the 2021 magnitude 7.2 earthquake (4)
 - c. This sub-initiative will fund the construction of the housing within affected regions
 - d. The sub-initiative will create a committee that will map out the most optimal places for the construction of the housing
 - i. This committee will look at the regions at which the most houses were destroyed in order to create housing that benefits the most citizens
 - e. This initiative will hire clean-up crews in order to properly dispose and account for the rubble dispersed throughout the affected regions for more optimal construction
3. Enforcement and Regulations Initiative (\$1.25 Billion)
 - a. Sub-initiative works with the objective of reducing nationwide crime and to dramatically reduce gang activities
 - b. The sub-initiative will establish and bolster police presence in areas of high crime rates
 - c. This sub-initiative will create improved training programs to employ a more effective police force
 - d. A committee shall be created tasked with ensuring police adequacy

- i. Committee will monitor police forces and set quotas of crime reduction for police offices to meet
 - ii. Committee will set up routine check ups for police fitness to ensure efficiency and effectiveness
4. National Food Initiative (\$750 Million)
 - a. The sub-initiative will be aimed with the task of increasing food security amongst the Haitian population
 - b. Sub-initiative will implement professionally trained seminars throughout the country in order to improve knowledge on more sustainable subsistence farming
 - i. The seminars will be placed in regions that affect the most subsistence farmers
 - c. Sub-initiative will provide equipment to larger food distributors as a means of increasing total food production
 - i. This equipment will include but is not limited to tractors, fertilizers, herbicides and pesticides
5. Adequate Healthcare Coverage Initiative (\$500 Million)
 - a. Sub-initiative will improve the effectiveness of healthcare through the country while also improving coverage of healthcare for citizens
 - b. Sub-initiative will begin the construction healthcare facilities throughout nation
 - i. These facilities will be placed according to the highest density regions in which the most citizens do not have adequate healthcare within the region
 - c. The staff of the facilities will subjected to testing and background checks to ensure that they are properly trained
 - d. Training of new staff will be conducted through regional courses so that they may better fill requirements for their assigned healthcare facility
6. Domestic Energy Production Initiative (\$600 Million)
 - a. Sub-Initiative will be tasked with increasing domestic production of energy
 - b. Sub-initiative implements an improved electrical grid that can store and release energy more efficiently throughout the country
 - i. A dedicated team shall be created in order to ensure proper maintenance of these new electrical grid systems
 - c. The sub-initiative will utilize various sustainable energy production methods in order to improve domestic production energy
 - i. Data analysts shall be employed in order to map out the most optimal places for energy facilities such as hydroelectric dams and large scale solar grids
7. Effective Disaster Resistant Infrastructure Programme (\$400 Million)
 - a. Programme is designed to research building practices that will create more resistant buildings to withstand future disasters

- b. The programme will establish a dedicated research team that researches cost effective methods of increasing disaster resistant infrastructure
 - i. These methods will be subjected to severe testing on a smaller scale so that they may then be upscaled with optimized effectiveness
- 8. Repayment Schedule
 - a. Haiti shall have 15 years to repay the loan with a fixed interest rate of 2% per year
 - b. This loan's payments shall be made every three months to the IBRD to ensure that the payments are along schedule.
- 9. General Conditions
 - a. Condition 1:
 - i. If the Emergency Infrastructure Relief Initiative does not rebuild 30,000 houses by 7 years, the loan shall be revoked
 - b. Condition 2:
 - i. If the Enforcement and Regulations Initiative does not reduce crime rate by 35% within 8 years, the loan shall be revoked
 - c. Condition 3:
 - i. If the National Food Initiative does not increase food production by 15% within 3 years, the loan shall be revoked
 - d. Condition 4:
 - i. If Haiti fails to increase domestic energy production by 20% within 5 years, the loans shall be revoked
 - e. Condition 5:
 - i. Failure to make payments for 6 straight months will cause the loan to be revoked

Bibliography

1. Estimating the Potential Economic Impact of Haiti's 2021 Earthquake,
<https://blogs.iadb.org/ideas-matter/en/estimating-the-potential-economic-impact-of-haitis-2021-earthquake/>
2. Haiti GDP share of agriculture - data, chart,
https://www.theglobaleconomy.com/Haiti/Share_of_agriculture/#:~:text=The%20latest%20value%20from%202021%20is%200.62%20percent.
3. Economic Growth and Agricultural Development: Haiti,
<https://www.usaid.gov/haiti/agriculture-and-food-security>
4. Haiti,
<https://www.habitat.org/where-we-build/haiti#:~:text=Disaster%20response.-On%20August%2014&text=Nearly%2053%2C000%20homes%20were%20destroyed.to%20Haiti's%20Civil%20Protection%20Agency.>