

United States

World Bank

Topic A

1. The United States understands that in order to address the economic crisis in Sri Lanka their economy must go under a complete economic liberalization which is why we seek a loan of 500\$ million dollars to fund our Economic Turnover Initiative (ETI). Addressing five main aspects: tax reforms, education, state-owned enterprises, and Sri-Lanka's export based economy, we call for the collaboration of the IMF and the international community to solve the crisis in Sri Lanka.

a. Encouraging political education and entrepreneurship (50\$ million US\$)

i. Educate the public on how the government runs financially to allow them to understand populist policies and their long term effects

ii. Pamphlets will be given out to everyone above age 18, voting age in Sri Lanka, which will begin being distributed at the beginning of elections and be distributed through partnering with media organizations: tiktok, youtube, etc.

1. This platforms will run popup advertisements which, instead of a pamphlet, will be a short video teaching viewers about populist polices.

iii. To diversify the economy, encouragement of entrepreneurs within Sri Lanka will be suggested

1. Following Sri-Lanka's already made I&E initiative and our OIE (Innovation and Entrepreneurship) program to cultivate more entrepreneurs through an optional free extracurricular program teaching about entrepreneurship and economy.
 - a. A recurring program that will work throughout summer ever year to help children of 14+ years of age broaden their job interests
 2. This sub-initiative would broaden Sri-Lanka's limited export based economy as well as grow it as a lack of entrepreneurship is the leading cause for the slowed economic growth of Sri Lanka's economy ever since their independence from western monarchy.
- b. Establishing blueprints for reforming Sri Lanka's tax system (100-200\$ Million USD)
- i. Less than 2% of government revenue comes through direct taxes, less than 1% pay income taxes, and the bulk of Sri Lanka's government revenue comes from indirect taxes resulting in ordinary people being taxed more opposed to the greatest earners.
 - ii. Reform Sri Lanka's tax system by increasing direct taxes and modeling off of Estonia's tax system through their nations property tax, territorial tax system, and corporate and individual tax system
 - iii. Creating better tax administration by increasing tax manager salary from 1,584,000 LKR to 5,000,000 LKR per year, improving tax manager

education and training programs through loans, and improving technology to generate reliable statistics

- c. Promotes the implementation of new export industries and changing the currency economy system within Sri-Lanka (100-200\$ million USD)
 - i. Sri-Lanka's main foreign export industries consist of: apparel industry and tea exports.
 1. Aim to bolster their export industry by strengthening the most popular import industries of their neighboring countries, China, India, UAE, Malaysia, Bangladesh, etc.
 - a. Strengthen Sri-Lanka's crude petroleum industry, coal industry, petroleum gas industry, and diamond industry through investments of 50\$-100\$ million USD
 - ii. This sub-initiative also aims towards strengthening Sri-Lanka's already export based economy
 1. Suggest Sri-Lanka to reduce import tariffs making raw import materials cheaper for export based economies
 2. Increase amount of FTAs Sri-Lanka is currently in to improve consumer and investor confidence
2. Implementing our Pandemic Relief Program (PRP) to address the effects of the pandemic and debt of Sri Lanka (500\$ million)
 - a. Use the implementation of the Augmented Pandemic Relief Program (APR) Program

- i. Follows the framework of the Debt Suspension Service initiative
- ii. Assist nations in easing the pressure of the pandemic
- iii. Work in partnership with the IMF's lending program which will be able to facilitate debtor and creditor coordination through debt sustainability analysis
- iv. In relieving pandemic pressure, nations will be prompted to use collective action clauses: allows bondholders a legally binding debt restructuring on all holders of the bond. This would make restructurings more efficient, less time involvement of creditors in debt resolutions, faster economic recovery of developing countries, quicker international market access, and fewer holdout-creditor problems
- v. Easing the pressure of the pandemic will also call for an increase in tourism, one of Sri Lanka's main income sources

3. Repayment Schedule

- a. The United States will have 5 years to repay this loan with an interest rate of 2.5% per year.
- b. The country will make monthly payments to the IBRD to maintain their schedule of debt repayment

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Topic B

1. The United States is seeking a loan of 50\$ million USD in order to completely address the infrastructure problem within Haiti while also increasing job opportunities through the funding of our Haitian Relief Program (HRP)
 - a. Collaborating with the Hunger Program, the HRP encourages citizens regardless of age to apply for daily meals, supporting their local supermarket and community
 - b. Food will be supplied three times a day for a three year period to prevent citizens from completely relying off the program
 - c. Manufacturing of factories throughout Haiti to promote job opportunities through textile labor
 - i. Factories will be surrounded by water gates (800\$ USD per unit) proven to stop flash floods
 - ii. Factories will be managed by supervisors who apply to work or supervise factories while also being payed
2. Encourage the advancement of natural disaster technology (200\$ million USD)
 - a. Promoting advancement of flash flood technology (75-100\$ million USD)
 - i. Sub-initiative utilizes loans to implement Water Gates, WIPP (Water Inflated Property Protectors), Quick Dams, and Modular Flood Prevention
 - b. Promoting research in hurricane and cyclone prevention technology

- b. The country will make monthly payments to the IBRD to maintain their schedule of debt repayment
5. General Conditions.
- a. Condition 1:
 - i. If the United States Department of Energy National Laboratories fails to advance bubble curtain technology under a 6 month period to reduce hurricane and cyclone strength by 45%+ and have the capabilities of completely depleting a hurricane in 1-2 days, loans will be revoked
 - b. Condition 2:
 - i. If the United States is not able to repay more than 1\$ billion USD of the 2\$ billion USD they are in in a 3 year period, the loan for this initiative will be cut in half.
 - c. Condition 3:
 - i. If the United States misses the 3 monthly payments in a row, the IBRD will revoke this loan.