**Business Loan Proposal**  
  
Committee: [ABC] Bank   
Country: United States  
Total amount: US $  
Type of Loan: (IDA or IBRD)  
  
**1. Purpose**  
        Summarize your loan proposal, including your plan, reasoning, and expected outcome. Explain how your loan will reduce the world poverty the World Bank’s primary purpose, and at the same time, contribute to the continued financial viability of the Bank.   
  
**2. Background**  
        Give a summary of the history of the issue your loan addresses and why your loan is indeed needed. Furthermore, how will this loan be allow the recipient nation to repay its debt to the World Bank, or what economic factors ensure that the nation will be capable of paying back its loan once the project proposal has been completed? Support your position. How does it address past attempts at solving problems in this issue, if this applies to your loan?  
  
**3. Rationale**  
        This will be the main body of your proposal. Outline and give descriptions of your loan in detail. Be sure to explain every step of your plan here: give organizations involved, diagrams or charts showing processes involved, quantities, etc. Additionally, be sure to include a timeframe of how your project will operate over the project’s lifetime. Be as clear and specific as possible.  
  
**4. Allocation**  
        Outline where the money will go, accompanied by the amount. Be as specific as possible. It may be helpful to refer to your rationale to make sure each part of your loan is covered. It may also be helpful to calculate money amounts by using stated quantities in your rationale.  
  
***A general example:***US $2.5 million - Administrative Oversight  
US $25 million - Labor   
US $15 million - Project Engineers   
US $10 million - Production  
US $7.5 million - Shipping and Logistics  
US $55 million - Materials  
Total: US $115 million

**5. Maturity**  
*General IBRD loan example:*  
Maturity: 7 years  
Grace Period: 3 years  
Interest rate: 2.25%  
*General IDA loan example:*  
Maturity: 25 years  
Grace Period: 5 years  
Interest rate: 0.00%  
  
Keep in mind the following guidelines:

* The more expensive the loan, the longer the maturity age
* The higher a nation’s economic instability, the higher the grace period
* The longer the loan, the lower the interest rate, as interest will become exceedingly large over time
* Loans for the IBRD have an interest rate anywhere between 0.1% to 10.0%
* Loans for the IDA have 0.00% interest rate.  
    
  NOTES:   
  Visuals for loan proposals are welcome and encouraged, although they are not necessary and will not negatively affect your scoring.  
  PowerPoint’s should be put on a flash drive or sent to the chair via email attachment. [EMAILADDRESS] (Replace with actual before posting).