

“10 Sources to Fund Your Solutions”

1. The United Nations: The UN has its annual budget that is set and approved by the GA 5th Committee (Budgetary Committee). The UN is funded by assessed contributions from all 193 member-states that contribute a percentage proportional to their country's gross domestic product (GDP). For example, the USA contributes about 22% (in 2012) of the UN's budget. Look up the UN's website for its overall budget as well as budget for specific programs.

2. General Assembly budgets: Each General Assembly committee has their own annual budget. In addition, it can request additional discretionary budget for extra programs that get proposed. This discretionary budget goes through an approval panel at the UN called the ACABQ. You should try to look up the budget in your committee's website to see what it funds.

3. ECOSOC/Specialized budgets: Individual states rather than the UN as a whole fund most ECOSOC and Specialized agencies at Model UN conferences (note: a lot of MUN conferences lump ECOSOC-sounding committees into ECOSOC even though they aren't under ECOSOC in real life). States can choose what percentage they want to fund for each agency depending on what they value, so they all have different budgets. For example, many Western states love UNDP and UNICEF and contribute a lot of funding to it. Conversely, the USA funds 0% of UNESCO (as of 2012) because the committee recognizes Palestine as a state. You should try to look up the budget in your committee's website to see what it funds.

4. World Bank or International Monetary Fund (IMF): These are two separate institutions that are not under the UN's jurisdiction. They both provide funding in the form of conditional loans – they will let countries borrow money for a set period of time and have terms for the repayment (such as number of years) and amount of interest as well as any additional conditions for results or reform (e.g. they can request a country that takes the loan to start democratizing). Besides loans, they can also provide interest-free credit and grants.

The World Bank and IMF overlap on a lot of things, but the simplified main difference is that the World Bank focuses on long-term development and poverty reduction projects such as building roads or schools whereas the IMF focuses on short-term immediate relief and financial stability efforts for both developed and developing countries such as earthquake/tsunami relief or bailing out a country from bankruptcy. Technically, the World Bank is two banks: the International Reconstruction and Development Bank (IRDB) for middle-income and credit-worthy countries and the International Development Association (IDA) for the poorest countries.

5. Regional Organizations: Similar to the UN, each regional organization has its own annual budget and is funded by its members. Regional organizations are not part of the UN so the specifics will be different; you should try to look up the budgets and programs on their website.

6. Regional Banks: Some regions have a central bank that helps coordinate the monetary policies for countries in those regions (they are not necessarily banks that

provide money for regional organizations or its members). They may or may not have the power to fund smaller, specific programs as they tend to address larger, country- or regional-sized issues, particularly in terms of financial stability. An example of a regional bank is the European Central Bank (ECB), which has become involved in the Eurozone debt crisis.

7. Foundations: Rich people who decide to donate their money to better causes (these rich people are called philanthropists) end up creating a non-profit foundation. Each foundation has a different thematic emphasis depending on what they want to focus on. Examples of foundations include the UN Foundation (funded by Ted Turner), the Bill and Melinda Gates Foundation, etc. There are a good number of foundations in the world — look up their budgets and the types of programs they already fund.

8a. Multinational Corporations: Many multi-national corporations have a foundational arm that donates money to non-profit programs and fulfills their “corporate social responsibility” (CSR). For example, the American telecom company, AT&T, donates to inner-city education programs so that it can have a better-educated workforce to recruit from in the future. Corporations will usually mention their CSR efforts somewhere on their website.

9a. Individual Countries: Countries can provide funding for many different reasons (usually there’s a political or economic incentive behind it). Funding usually comes in the form of aid. It could be free money, or it could be explicitly or implicitly tied to certain conditions.

8b/9b. Foreign Direct Investment (FDI): Foreign direct investment means that the funder provides the direct program rather than the money that’s supposed to be used for that program. Multinational corporations or individual countries can provide FDI to other countries. For example, a shoe manufacturer like Nike may be willing to build a factory in a developing country and would fund and build the factory directly instead of paying a developing country to build it. Or a country like China may want to transport oil from a developing country and sell goods to that same country so it is willing to build roads there directly for free or for low cost instead of funding that country to do so.

10. Microfinance: Funding can also be provided by individuals through microfinance or more accurately microloans. Individuals from developed countries can loan a small business owner in a developing country with some money to start up their business, and then that business owner will eventually re-pay the loan back to the individual from the rich country. That repaid money can then be used to loan someone else. An example of a microfinance organization is Kiva.

Finally, most Non-Governmental Organizations (NGOs) like the Red Cross usually do not provide funding! Instead, NGOs are recipients of money from other policy-making organizations and foundations. The UN, regional organizations, or governments set up a policy and then they get funding from all the various sources mentioned above. That funding is then given to NGOs to execute on the actual programs.

Source: bestdelegate.com

