



BIGMUN

BIRKERØD GYMNASIUM MODEL UNITED NATIONS

FORUM: General Assembly Second Committee: Economic and Financial
 QUESTION OF: Microloans in Less Economically Developed Countries
 MAIN SUBMITTER: Brazil
 CO-SUBMITTERS: Ecuador, South Africa, India, Russian Federation, the Kingdom of Norway, Colombia, Senegal, Canada

First name of forum then committee number

State general forum in capital letters

THE GENERAL ASSEMBLY,

Preambulatory clauses begin with certain phrases, which are written in italics

Expressing its satisfaction about the role of microloans concerning gender equality,

Fully convinced that microfinance helps people out of poverty, ←

Preambulatory clauses end with a comma

Noting with regret that “loan sharks” take advantage of people by setting up extremely high interest rates, up to 100% per week, thus realizing the need to protecting borrowers from these situations by setting up an interest rate ceiling,

Fully aware that many people live in poverty, outside of the economic system unaware of their economic rights,

Noting with approval all of the small businesses made possible by microloans,

Noting with discontent that there are no strict laws and regulations for microfinance and understands the importance of this,

Operative clauses end with a semi-colon

1. Suggests member states and non-governmental organizations (NGO’s) create and fund micro-financial institutions (MFI’s) in places were such institutions are needed;

2. Asks for a Micro-Finance Treaty (MFT) to be created by the UN with the aim to set up rules and regulations intended for the enhancement of the security of the borrower, by means such as, but not limited to creating a definition of microfinance, which would:

Operative clauses begin with certain phrases, which are underlined

- a) set up an interest rate ceiling for microloans and thus diminishing the threat from “loan sharks” posing as microfinancers,
- b) set up guidelines and regulations for what is to be called microfinance, thus making it easier for the borrowers to know their economic rights;

3. Emphasizes the need for the UN to create a MFI monitoring bureau aiming to diminish any corruption by yearly check-ups on the MFI’s;

4. Encourages member states to follow South Africa’s example in creating a Micro-Finance Regulatory Council (MFRC) in order to promote sustainable growth of the micro-lending industry while ensuring that consumer rights are protected;

5. Recommends the introduction of campaigns in all member states currently providing microloans as well as those planning to do so in the future, with the purpose of spreading knowledge on how to start up and run a micro-enterprise in an organized way, these are to be provided by the member states themselves

6. Requests all MFT's to acquire from the borrower a clear plan of how the money is to be used to develop an enterprise, the plan consisting of the following details:

- a) the aim of the investment,
- b) a plan to achieve these goals,
- c) the amount of money to be spent on financing this initiative in the form of,
 - i. what part of the budget this money will come from,
 - ii. to whom it will be paid,
- d) specifications about the loan such as time limit, requirements, interest rates and interest rates;

Sub-sub clauses are numbered with roman numerals and are not capitalised

Colons indicate the start of sub clauses

7. Recognizes the need for an impartial organization guided by the MFT to ensure the money is use according to the plan once it has reached the entrepreneur's hands, through actions such as but not limited to:

- a) examining the accounting and taking action accordingly,
- b) assisting with accounting if necessary,
- c) ensuring that borrowers avoid l money from loan sharks;

Sub clauses are named alphabetically and are not capitalised

Sub clauses end with a comma

8. Further emphasizes the need to make people aware of the availability of these loans and make them easily accessible for all through:

- a) advertising campaigns funded by loan providing banks or governments,
- b) creating education opportunities about microloans in areas where they will be useful;

9. Further recommends that microfinance institutions work together to prevent people from taking out more than one microloan at a time to prevent taking out loans to pay back existing loans.

Align the first letters of each line of the operative clauses

Last operative clause ends with a period

Additional things to remember:

- BIGMUN does not use line numbering
- No two operative or preambulatory clauses may begin with the same opening phrase
- Abbreviations or acronyms should always be explained (written in full) before being used (see line 1 or 2)
- There should be a space between each clause, which is not numerated
- Either British English or American English is acceptable, but must be consistent throughout the resolution