Simulation Overview:

Most of the world's developing countries/low- to middle-income countries face the dilemma of desperately needing economic and social development without having adequate funding and resources to be able to do so on their own. As we have learned during the program this week, developed/wealthy countries invest in humanitarian aid and development initiatives in these countries for various reasons; many of which are mutually beneficial to both the lender and recipient countries. While these development investments often provide great gains in improvements to infrastructure, health and social development, economic growth, etc. in the recipient countries, they also strengthen political connections with lender countries, help to expand lender countries' global political power and influence, and strengthen lender countries' economies as well.

This activity will simulate a group of select countries from various regions in need of development investment who must submit and negotiate development project proposals with competing world powers: China and the G7 countries (U.S., UK, Italy, Germany, France, Canada, and Japan). Represented recipient countries will be Nigeria, Kenya, Peru, Greece, and Indonesia). Based on China's continued Belt and Road Initiative (BRI), which began in 2013, and the G7's reactive Partnership for Global Infrastructure and Investment (PGII; formerly Build Back Better World/B3W), recipient countries will create proposals for these development projects and submit them to one or both of the lender countries based on the lender countries' respective development goals and strategies and stipulations that come with an agreement of their development investment in recipient countries. Lender and recipient countries have the opportunity to engage in discussions and negotiations prior to submission of the official development proposals. Once proposals are submitted, lender countries must decide which proposals to accept based on their allocated budgets and on which projects most align with their global development goals and will be the most beneficial to their economic and political strategies. If a recipient country's proposal is accepted by both lender countries, they must decide which one they will partner with on the development project based on what is most beneficial to their country and aligns best with their country's current political and economic climate.

Activity Agenda (10:45 a.m. - 12:45 p.m.)

Simulation Introduction **10:45 a.m. - 11:00 a.m. (15 min.)**

- Council staff introduce simulation activity, main activity goals, and agenda

Country Convening **11:00 a.m. - 11:20 a.m. (20 min.)**

- Recipient countries meet to establish development priorities based on country's needs, current economic environment, global political considerations, and history of development partnerships with G7 countries/PGII and/or China's BRI
    - Recipient countries start to discuss potential development projects they want to propose to lender countries
- Lender countries meet to establish strategic initiatives related to BRI & PGII, history of relationships and development/investment in represented recipient countries, how they might benefit from certain investments, and allocated development budget
- Peru + Kenya receive communiques from cabinets pressuring to prioritize Chinese funding

Development Proposals **11:20 a.m. - 12:25 p.m. (1 hr. + 5 min.)**

- Recipient countries begin to craft development project proposals to submit to one or both of the lender countries - countries should adapt their proposals based on the respective lender countries' varying conditions, strategic initiatives, pros and cons of accepting loans or grants from the lender countries, etc.
- Lender and recipient countries engage in discussions and negotiations before official proposals are submitted (both lender and recipient countries can make initial communication with the other through communique document and can also agree to meet for in-person discussions); Recipient countries can also meet with one another if it is mutually beneficial to their respective development project proposals
- Recipient countries consider pros and cons of accepting development assistance/investment from both lender countries
- Crisis! Conflict in the South China Sea!
    - China fires on a Vietnamese ship in the South China sea, and it sinks!
    - Vietnam calls on its ASEAN associates to show their support in this conflict (namely Indonesia)
    - U.S.
    - G7 increases budget for proposals to combat China's actions and increased Chinese influence in any of the recipient countries

Submit & Consider Proposals **12:25 - 12:45 p.m. (20 min.)**

- Recipient countries submit final project proposals based on negotiations and discussion in last section
- Lender countries, based on their priorities, strategic plans, and budgets decide which projects they are willing to accept and fund
- After receiving decisions from lender countries, recipient countries that have received a decision for funding/partnership from both lenders must choose one lender to work with on their development project proposal based on what is most beneficial to their country and aligns best with their current economic and political climate
- Recipient and lender countries must provide reasoning as to why they made their decisions to the rest of the group and report on their final budgets and development plans

Actors:

20 students total

- Lender countries:
    - G7 - (U.S., U.K., Germany, Italy, France, Canada, and Japan)
    - China
- Five recipient countries
    - Europe: Greece
    - Latin America: Peru
    - Asia: Indonesia

- Africa: Nigeria and Kenya

	G7 Countries	China	Greece	Indonesia	Nigeria	Kenya	Peru
1	Ashwin Thomas	Wynne Conger	Rosa Huffman	Livia Peeters	Jordan Jacoel	Allison Hughes	Samantha Keeports
2	Talyn Summers	Oscar Kaeli	Joyce Grace Casell	Jacob Nissley	Sophia Mendoza	AJ Gervasio	Miriam Corrales
3	Joy Blessings Casell	Aryav Dhar	Isabel Liu	Christopher Samuel		Colin Bowerman	Nestor Fioretos

Materials Needed:

- Resource Guide
    - Topic overview
    - Country-specific resources
    - Questions to Consider
- BRI + PGII development proposals/guidelines (loans vs. grants, etc.) w/ outline of development goals, examples of past projects (printed)
- Recipient development project proposal docs (printed) - make space at end where lender countries can check approved or not
- Communiques/requests to meet with other countries and lender countries (printed)
- Shared Google docs for country groups to work on and list priorities, goals, notes/brainstorm, etc.

Interns/Incoming Staff Roles:

- Jon + Kate
    - Monitor room, answer questions for students, make sure on task and on time, etc.
    - Give feedback on development project proposals and on lender countries' decision-making regarding acceptance of proposals

Notes:

- PGII proposals are values-driven, high standards, transparency, and private sector investment and standards for investment - climate and energy security, digital connectivity, health systems and health security, and gender equality and equity
- BRI proposals are more at discretion of recipient countries but with lending rates set by China
- Countries have to weigh costs and benefits of agreeing to values set by PGII and potentially more limited projects or more freedom with BRI but with more risky lending
- The U.S. has launched a new development finance institution to compete with China. Providing developing countries with more financing sources is a smart strategy, but this initiative by itself will probably not change the picture very much. Developing countries have various funding sources already. They prefer to use Chinese financing for big projects in transport and power for specific reasons. Private funding is too expensive and short-term (usually max five years). Western donors and their multilateral banks give grants or lend on extraordinarily generous terms. But these traditional donors prefer to finance social services, administration, democracy-promotion – they have gotten out of hard infrastructure almost completely.