

November 16, 2009

The Honorable John Kerry  
Chairman, Committee on Foreign Relations  
United States Senate  
Washington, DC 20510

The Honorable Richard Lugar  
Ranking Member, Committee on Foreign Relations  
United States Senate  
Washington, DC 20510

Dear Chairman Kerry and Ranking Member Lugar:

The undersigned business organizations urge you to support a capital increase for two pillars of the World Bank Group, namely, the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC). The World Bank's mission is as vital today as it was in 1944, when the United States led the charge to create an institution to foster reconstruction and economic development.

Over the past 65 years, the World Bank has funded successful programs to get boys and girls into school; build infrastructure to allow entrepreneurs and farmers to transport their goods to market; strengthen judiciaries and the other institutions of governance; support private sector job creation; and combat measles, diarrhea, malaria and other preventable illnesses. These efforts helped developing countries add two decades to life expectancy, cut the mortality rate of children under age five by 50 percent, and reduce by half the proportion of people living in poverty.

The United States has invested only \$2 billion in the IBRD, which in turn has provided nearly \$500 billion in financing and invaluable expertise to developing countries. Every U.S. taxpayer dollar invested in the IBRD is matched five-fold by investments from other countries. With its AAA credit rating, the IBRD can make long-term loans to developing countries at very low cost. Interest paid on these loans helps fund another arm of the World Bank, the International Development Association, which provides no-interest loans and grants to the world's poorest countries. The IFC complements this work as the only multilateral bank focused exclusively on spurring private sector development, which is the engine of sustainable growth.

American businesses understand the World Bank's vital role in fostering prosperity. Its loans and expertise help developing countries become reliable trading partners, and today roughly half of all U.S. exports go to developing countries that have received assistance from the World Bank. Because the U.S. recovery may be undermined by even more severe difficulties in some developing countries, it is squarely in the U.S. national interest to help the Bank help them.

While the World Bank benefits from sound financial management and has acted vigorously to support developing countries in the global recession, it will face serious lending constraints by the middle of 2010 without a capital increase. This investment will promote economic development and good governance while shoring up vital export markets. It will also signal U.S. leadership in rallying the international community to overcome the global recession. We urge you to support a capital increase for the World Bank.

Sincerely,

Business Roundtable  
Coalition for Employment through Exports  
Emergency Committee for American Trade

National Association of Manufacturers  
National Foreign Trade Council  
U.S. Chamber of Commerce  
U.S. Council for International Business

cc: Senate Committee on Foreign Relations