RESOLVED, That the American Bar Association urges Congress to fund U.S. participation in capital increases and replenishments for the World Bank, the Inter-American Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.
REPORT

I. Introduction

The Recommendation accompanying this Report proposes that the American Bar Association (ABA) urge Congress to fund U.S. participation in capital increases for the World Bank, Inter-American Development Bank (IDB), African Development Bank (AfDB), and European Bank for Reconstruction and Development (EBRD). ABA support for the capital increases would further longstanding ABA goals in the promotion of the rule of law in economic development.

From 2008 through 2010, the multilateral development banks (MDBs) responded to the challenges presented by the global financial crisis by dramatically increasing lending, technical assistance, and grants to developing countries. These assistance programs finance projects to combat corruption, educate women and children, expand economic opportunities, and safeguard basic liberties around the world. While these dramatic responses helped fill the void left by declines in private investment and government budgets and have underscored the continued importance of effective multilateral organizations, they also severely depleted the historically robust capital reserves of the World Bank, IDB, AfDB, EBRD, and Asian Development Bank (ADB). In order to meet current obligations and continue to foster global development, the MDBs have each requested a general capital increase (GCI), calling upon all bank shareholders to contribute additional funds and/or callable capital to enable more lending and technical assistance. Recognizing the valuable work and the pressing needs of the MDBs, in April 2011, Congress authorized participation in, and appropriations for, the United States contribution to the replenishment of the resources of the ADB as well as the United States’ subscription to the ADB’s GCI. However, Congress has not yet taken action on the GCI requests from the other four MDBs.

A request for a GCI from any MDB is rare;¹ the simultaneous request from all five MDBs emphasizes the unprecedented impact of the financial crisis and the toll that the efforts of these institutions to respond effectively and efficiently to global demands has taken on their balance sheets. These requests for GCI are accompanied by comprehensive reform agendas designed to ensure fiscal responsibility, enhance institutional accountability and transparency, and improve monitoring, evaluation, and reporting procedures to strengthen programmatic impact.

The ABA has long been committed to the advancement of the rule of law, governmental accountability, human rights, fair legal processes, access to justice, and independence of the legal profession and the judiciary. MDBs play an essential role in supporting -- both financially and technically -- programs to combat corruption, strengthen legal institutions, enhance governmental transparency, safeguard liberties, provide legal and civic education, and improve court systems throughout the world. When the global community called upon the MDBs to take action in the wake of the financial crisis, they responded quickly and effectively. They now request that their member governments commit to continuing to support the MDBs’ efforts to

¹ The last time the World Bank Board of Directors approved a GCI was in 1992; the most recent GCIs for the ADB and IDB were in 1994, while the general resources for the AfDB were increased in 1998. The last increase to the EBRD’s capital took effect in 1997.
improve the lives of the world’s most vulnerable populations. The United States has an interest in these commendable endeavors, and the ABA House of Delegates is asked to urge Congress to fund U.S. participation in these GCIs.

II. Contributions of Multilateral Development Banks

A. Supporting Economic Growth and Stability

At the core of the missions of the MDBs lies the promotion of sustainable, broad-based economic growth in impoverished and emerging countries. Beyond the humanitarian concerns of the American people for the fate of the world’s most vulnerable populations, global economic development provides indisputable benefits to U.S. economic, security, environmental, and diplomatic interests. As the worldwide economy has grown increasingly interconnected, so too have the interests of American businesses and citizens become more interwoven with and dependent on the financial performance and stability of other countries. Beyond the direct advantages attendant to a strong global economy, such as more vibrant export markets and the creation of new avenues for financial growth, the acceleration of development throughout the world engenders significant ancillary benefits, such as the promotion of national security objectives, the cultivation of more productive partnerships with foreign governments, and the advancement of the rule of law. As the largest stakeholder in all but one of the MDBs, the United States is uniquely positioned to leverage its efforts to combat poverty and support economic expansion and stability around the world.

1. Millennium Development Goals

Since their articulation and endorsement by the United Nations and other international organizations in 2000, the Millennium Development Goals (MDGs) and their targeted achievement by 2015 have driven much of the MDBs’ programming and strategy. These development goals aim to (1) eradicate extreme poverty and hunger; (2) provide universal primary education; (3) promote gender equality and empowerment of women; (4) reduce child mortality; (5) improve maternal health; (6) combat HIV/AIDS, malaria and other diseases; and (7) ensure environmental sustainability. The efforts of the MDBs to advance this comprehensive anti-poverty agenda have complemented the MDG work of non-governmental organizations, the private sector, governments, and other international institutions such as the United Nations Development Programme (UNDP), the ABA’s International Legal Resource Center partner. However, despite coordinated interventions from the global community over the previous decade, there is an urgent need to intensify efforts over the next five years if the MDGs are to be achieved by the target date. In particular, the global financial crisis has eroded some of the previous progress achieved in the first eight years of the endeavor. For example, while the overall global poverty rate is still on pace to fall to 15 percent by 2015, the World Bank

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2Currently the United States is the single largest shareholder in the World Bank’s International Bank for Reconstruction and Development (IBRD) (16.8%), ERBD (10.1%), and IDB (30%) and is first with Japan in terms of capital contributions to the ADB (15.6%). The U.S. is the second largest contributor of capital to the AfDB (6.4%, compared to Nigeria’s 8.9%). Jonathan E. Sanford, Congressional Research Service Report RS20792, Multilateral Development Banks: U.S. Contributions FY1998-FY2009, 2 (2010).
estimates that the crisis resulted in an additional 50 million people living in extreme poverty in 2009 and 64 million at the end of 2010 relative to a no-crisis scenario, and “[m]oreover, the effects of the crisis are likely to persist: poverty rates will be slightly higher in 2015 and even beyond, to 2020, than they would have been had the world economy grown steadily at its pre-crisis pace.”

2. **World Bank**

The World Bank consists of two lending institutions, each targeting specific population segments: the International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA). IBRD provides financial and knowledge services to middle-income countries and creditworthy poorer countries, allowing clients to mobilize investments in infrastructure, health, education, clean energy and the environment. In fiscal year (FY) 2010, IBRD committed more than $44 billion of lending of which more than $18 billion went to MDG-oriented projects.

IDA assists the world’s 79 poorest countries -- home to 70% of the globe’s poorest people -- providing interest-free credits and grants for programs that boost economic growth, reduce inequalities and improve people’s living conditions through education, health, water supply, transportation, agriculture, post conflict reconstruction, and microfinance projects. Since its inception in 1960, IDA has provided more than $222 billion to low-income countries; approximately 20% of IDA funding is provided as grants, with the remainder in the form of interest-free, long-term credits. Since 2000, IDA assistance has provided access to basic health and nutrition services for 47 million people, made 120,000 loans valued at more than $792 million to micro, small, and medium enterprises, and built or rehabilitated over 2 million classrooms benefiting over 105 million children per year.

3. **IDB**

Dedicated to fighting poverty and inequality in the Latin American and Caribbean (LAC) region, the IDB’s strategy focuses on social policy for equity and productivity; infrastructure for

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competitiveness and social welfare; institutions for growth and social welfare; competitive regional and global integration; and protection of the environment, response to climate change, promotion of renewable energy and ensuring food security.\textsuperscript{8}

Over the past fifteen years, the IDB has become the largest source of development finance to LAC countries, currently providing borrowing member countries close to 50 percent of their multilateral funding.\textsuperscript{9} Over the 1994-2008 period, the IDB funded 1,230 loans totaling $108.6 billion.\textsuperscript{10} Over that same period of time, LAC has made significant progress towards the achievement of the MDGs, with the percentage of the population living on less than $2 a day dropping from 45.7 to 33.2 percent.\textsuperscript{11} The IDB has also taken action in response to pressing humanitarian emergencies. The IDB has been the largest multilateral contributor to Haiti’s post-earthquake recovery, disbursing a record $177 million in grants in 2010 for basic services, on top of the $132 million it contributed in 2009.\textsuperscript{12}

4. \textit{AfDB}

Devoted to helping to “reduce poverty, improve living conditions for Africans, and mobilize resources for the continent’s economic and social development,”\textsuperscript{13} the AfDB provided 3,417 loans and grants totaling $52.26 billion to government and private-sector projects between 1967 and 2009.\textsuperscript{14} The AfDB’s MDG strategy has focused on infrastructure investment; for example, in 2009, AfDB provided approximately $6 billion financing to African infrastructure projects.\textsuperscript{15} However despite the efforts of the AfDB and other multilateral partners, progress towards the achievement of the MDGs has been particularly uneven and slow on the African continent. In response, the AfDB has developed an “Agenda for Action” for the remaining five years until the 2015 deadline; the Agenda action items include maintaining sound and stable macroeconomic policies, improving national capacity to monitor and report on the MDGs, strengthening national statistical systems, bolstering MDG-based planning at all levels of government, scaling up public sector investments to achieve the MDGs, promoting active private sector and non-governmental involvement in efforts to achieve the MDGs, promoting a unified planning framework that

\textsuperscript{8} Inter-American Development Bank, Our Objectives, Goals and Sector Priorities, \url{http://www.iadb.org/en/about-us/our-objectives-goals-and-sector-priorities,7914.html#social%20policy%20for%20equity%20and%20productivity}.


\textsuperscript{10} Ibid.


\textsuperscript{13} African Development Bank Group, About Us, \url{http://www.afdb.org/en/about-us/}.

\textsuperscript{14} African Development Bank Group, Projects and Operations, \url{http://www.afdb.org/en/projects-operations/}.

\textsuperscript{15} African Development Bank, Millennium Development Goals, \url{http://www.afdb.org/en/topics-sectors/topics/millennium-development-goals-mdgs/}. 

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provides a strong political, social and economic framework for achieving the MDGs, and harnessing the potential of regional integration.\(^{16}\)

5. **EBRD**

Focused on transitioning former communist countries to market economies, the EBRD differs fundamentally from other MDBs. With most of its members well-positioned to meet the MDG targets, the EBRD has taken the initiative to promote private sector-led development and avoid some of the environmental shortcomings of prior development models.\(^{17}\)

**B. Promoting the Rule of Law**

Heralded for its role in safeguarding individual liberties, fostering economic development, and promoting responsive, transparent governance institutions, the rule of law has emerged as one of the bedrocks of modern international development programs.\(^{18}\) Promotion of the rule of law is also a longstanding goal of the ABA.\(^{19}\) While the precise scope and objectives of rule of law projects vary across organizations, the ABA’s Rule of Law Initiative (ABA ROLI) has identified seven programmatic areas on which to focus its rule of law efforts: Access to Justice and Human Rights, Anti-Corruption and Public Integrity, Criminal Law Reform and Anti-Human Trafficking, Judicial Reform, Legal Education Reform and Civic Education, Legal Profession Reform, and Women's Rights.\(^{20}\) Similarly, the MDBs have all taken affirmative steps to improve the legal and regulatory institutions in the countries in which they engage, promoting good governance through accountability and transparency.

1. **World Bank**

While the World Bank has only been implementing legal and justice reform programs since 1994, its work has expanded from an initial focus on improving the legal environment for businesses to strengthening legal institutions to advance good governance and anticorruption aims, as well as ensure access to justice for vulnerable populations.\(^{21}\) The World Bank’s support to programs dedicated to court management and performance, access to justice, legal information

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\(^{16}\) *Ibid.*
\(^{20}\) American Bar Association, ABA Rule of Law Initiative Programs, http://apps.americanbar.org/rol/programs/. In describing its core principles, the ABA ROLI emphasizes the connection between the rule of law and other development conditions, explaining that “over half of the world’s population lives in countries that lack the rule of law, consigning billions of people to lives characterized by a lack of economic opportunity, basic justice and even physical security. Addressing this global rule of law deficit is not only the most important calling of the world’s legal community; it must also become an urgent priority for world leaders, international institutions and citizens committed to making this a just, peaceful and prosperous world.” American Bar Association, *About ABA Rule of Law Initiative*, http://www.abanet.org/rol/about.shtml.
and education, and other related issues has been significant; in FY 2008, the IDA and IBRD lent a combined $304.2 million for justice sector activities. The World Bank’s funds have been disbursed to all corners of the globe. Between 2003 and 2008, Bank loans and grants financed $309.2 million in rule of law activities in Africa, $142.7 million to the Middle East and North Africa, $109.5 million to South Asia, $157.2 million in East Asia and the Pacific, $1,291.6 million to Europe and Central Asia, and $814.0 million to LAC. The World Bank’s current legal and justice reform initiatives include

- Financial Sector Technical Assistance Project: this $10.5 million project aims to improve the lending environment and legal framework in Mozambique by adopting a commercial code, simplifying judicial procedures, enhancing the scope and reliability of the credit registry, and training judges in commercial dispute resolution;
- Peaceful Dispute Resolution Services for the Poor: this four-year, $1.9 million grant provides funding to develop and implement strategies to bring basic justice services to disadvantaged groups in Colombia;
- Judicial Modernization Project: this ten-year, $21.6 million project is assisting Azerbaijani authorities in developing and implementing the initial phases of a long-term judicial system modernization program.

2. **IDB**

IDB financing targets multiple issues related to the rule of law including strengthening the legal framework against discrimination, establishing regulatory frameworks for capital and labor migration, and implementing anticorruption programs. Among the IDB’s current projects are an $8.8 million loan to Paraguay to improve judicial system performance, strengthen judicial independence and careers, and expand legal aid and access to justice in the country; a technical cooperation program to strengthen the transparency of public management in Brazil; and a loan to improve the Venezuelan criminal justice system.

3. **AfDB**

In its Bank Group Strategy Paper on Law for Development, AfDB “recognizes that at the base of good governance is an equitable, effective, and efficient legal and judicial system that caters to

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the needs of the people and to the needs of economic operators participating in, or desirous of participating in, its Regional Member Countries (RMCs),” and, as such the Bank “highlight[s] legal and judicial reform as an indispensable component of the initiatives to reduce poverty and promote regional economic integration among the RMCs.” AfDB’s Governance Strategic Directions and Action Plan for 2008-2012 focuses on strengthening transparency and accountability in the management of public resources at the national, sector and regional levels, and promoting good financial governance and sound public financial management in member countries. Examples of AfDB projects oriented towards legal reform include the Institutional Support Project for Good Governance in Tanzania, a $5 million initiative aimed at improving the management of public finances, enhancing the efficiency of the legal sector and judiciary system, and strengthening corporate management practices, and the Institutional Support Project for Governance and Poverty Reduction, designed to promote good governance in Ghana in the areas of accountability, efficiency, transparency, and anti-corruption.

4. **EBRD**

The Legal Transition Programme (LTP) is the EBRD’s initiative to enhance the investment environment in countries of operation by “helping create an investor-friendly, transparent, and predictable legal environment” through “activities focus[ed] on the development of legal rules and the establishment of the legal institutions and culture on which a vibrant market-oriented economy depends.” Recent and current LTP projects include improving the legal and regulatory framework concerning corporate governance and investor protection in the Kyrgyz Republic, conducting a full assessment of the Turkish commercial law climate, and assisting the Serbian Ministry of Economy to revise and update the country’s concession law.

III. **An Urgent Need for Action**

**A. Global Financial Crisis**

Recent years have brought forth the most catastrophic global financial crisis since the Great Depression. Skyrocketing food and fuel prices, stagnant credit flows, and negative growth rates reversed years of upwards development trends, with the most acute impacts felt in the world’s most impoverished nations. The Finance Ministers and Central Bank Governors of the G-20

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countries recognized that the MDBs had “an important role to play, consistent with their mandates, in helping to stabilize and strengthen the international financial system, advancing international cooperation for development and assisting countries affected by the crisis.” In early 2009, the leaders of the G-20 urged the World Bank and other MDBs to respond to the dire financial situation by increasing lending to both low- and middle-income countries. The MDBs acted quickly and comprehensively. World Bank Group lending reached record levels in 2009 and 2010; by April 2010, the World Bank Group’s economic support during the crisis period reached over $90 billion and was expected to reach $100 billion by the 2010 spring meetings. IBRD responded particularly rapidly to the financial crisis, delivering a record $33 billion in new commitments in FY 2009, nearly tripling its lending levels from the year prior; total IBRD loans committed in response to the crisis are expected to amount to $136 billion from FY 2009 through 2012. Overall, the World Bank more than doubled the combined IDA and IBRD lending from $49 billion in FY 2007-2008 to $106 billion in FY 2009-2010.

The regional MDBs responded rapidly to the recession as well. IDB lending reached record levels in 2009, AfDB established a $1.5 billion Emergency Lending Facility (ELF) to provide financial support to eligible countries and non-sovereign operations suffering due to the liquidity crunch, and the EBRD increased its planned business volume to the record level of investment of €7.9 billion.

B. Current Capital Needs

While the extraordinary actions taken and commitments made by the MDBs in response to the global financial crisis may have prevented a more devastating downturn and facilitated a more rapid economic recovery, negative impacts and ripples from the crisis continue to reverberate through the global economy and are likely to persist for years to come. In addition, their exceptional measures have left the MDBs with their own balance sheet constraints. For example, based on its current commitments and capital reserves, IBRD is projected to be able to lend $12

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billion a year after FY 2012, in comparison to the $44 billion it provided in FY 2010.\textsuperscript{44} Even under the most auspicious modeling forecasts, IBRD is projected to face a usable equity gap of $6.8 billion by the end of FY 2019.\textsuperscript{45} The financial crisis has created a similarly serious financial situation for IDB; with depleted capital reserves, the bank’s maximum disbursement capacity has been reduced in 25% compared to the 1994-2010 average.\textsuperscript{46} Due to increased crisis-related lending, the AfDB is expected to breach the policy limit on its Debt-to-Usable Capital ratio sometime in 2011.\textsuperscript{47}

C. Actions Needed to Strengthen MDB Financial and Institutional Capacity

Recognizing that their ability to fulfill their mission statements and honor their commitments is in jeopardy, the MDBs have developed extensive analyses of the needs for and purposes of the such a rare capital infusion. The joint Development Committee of the World Bank and the International Monetary Fund has endorsed a general capital increase for the IBRD of $58.4 billion of which $3.5 billion would be paid-in capital, and the U.S. share would be five annual payments of $117.4 million.\textsuperscript{48} The Board of Governors of the IDB has recommended a $70 billion capital increase in the bank’s ordinary capital, with $1.7 billion to be paid over the initial five-year period, of which the U.S. share would be $102 million per year, and the AfDB has endorsed its Sixth General Capital Increase representing a 200% capital increase, with a paid-in capital ratio of 6% and payments spread out over an 8-year period starting in 2011, for an annual U.S. share of $35 million during that period. In order to address their organization’s similarly limiting fiscal forecast, the Board of Governors of the EBRD has proposed a GCI.\textsuperscript{49} In May 2010, the EBRD’s Board of Governors voted to increase the bank’s capital from €20 billion to €30 billion, supporting a temporary increase in callable capital of €9 billion and a transfer from reserves to paid-in capital of €1 billion.\textsuperscript{50} The United States will not, therefore, be asked to contribute further to paid-in capital.

In addition to the capital injections discussed above, in December 2010, final agreement was reached for the IDA’s sixteenth replenishment, securing $49.3 billion in funding commitments for the FY 2011-2014 cycle. With this replenishment, which includes an annual contribution from the United States totaling $1.36 billion, the IDA will “have the ability to help immunize

\textsuperscript{45} Ibid. at 4.
200 million more children, extend health services to over 30 million people, give access to improved water sources to 80 million more people, help build 80,000 kilometers of roads and train and recruit over two million teachers.”\(^{51}\) While members of the Senate Committee on Foreign Relations have introduced legislation to fund these GCIs and replenishment,\(^{52}\) full Congressional action is needed to ensure the United States continues to leverage its contributions to the international community to the greatest extent possible.

Each GCI request from an MDB has been accompanied by a comprehensive reform strategy to ensure more efficient, transparent, and accountable disbursement of funds. Such reform initiatives are already underway and on track at the MDBs. The World Bank’s reform agenda focuses on organizing the bank’s structure so that it is more oriented to results, operational effectiveness, modernizing client services, accountability and public openness.\(^{53}\) The IDB has also started the implementation of its “Agenda for a Better Bank,” an initiative which “reflects the key commitments of the institution towards its shareholders” and the “actions necessary to maximize the effectiveness and impact of IDB’s interventions” in the context of the GCI.\(^{54}\) The AfDB has similarly committed to an ambitious reform agenda, focused on bank strategies and policies; business processes; project quality at entry and results; risk management; information disclosure policy and communications.\(^{55}\) The MDBs are not simply requesting additional funds but are scrutinizing their existing policies and procedures to determine how to manage their lending programs more effectively and squeeze every potential benefit from the funds at that disposal.

IV. The Recommendation and the ABA’s Interest in Promoting the Rule of Law and Economic Stability

As evidenced by the ABA’s Goal IV, Rule of Law Initiative, and previous reports and recommendations in 1979, 1995, and 1996, endorsing strong support for MDBs such as the World Bank,\(^{56}\) the ABA and its members have much to gain from the promotion of strong governance and legal institutions and sustainable, equitable economic development around the world. Beyond the significant humanitarian interests in strengthening economic opportunity and rule of law throughout the world, increased global stability and growth is in the financial, diplomatic, environmental, and national security interests of the United States. World Bank and MDB projects also generate jobs in the United States both through direct employment and


\(^{52}\) See S. 3591, 111th Cong. § 1 (2010); S. 3676, 111th Cong. Title V (2010).


contracting. In a period of fiscal austerity, the MDBs provide one of the most efficient mechanisms for the United States and its citizens to support economic growth and development - each dollar of U.S. capital contribution to the World Bank enables eighty dollars worth of lending to the developing world.\textsuperscript{57}

V. Conclusion

The Recommendation accompanying this Report endorses continued U.S. support for the World Bank and other MDBs as the world struggles to lift itself out of the crippling global recession. It recognizes the ABA’s continued commitment to and endorsement of rule of law projects and acknowledges the role of the MDBs in promoting the rule of law and responding rapidly to the pressing needs left in the wake of the global financial crisis. It urges members of Congress to harness the power and potential of these MDBs to foster development in the most neglected corners of the world by funding U.S. participation in capital increases and replenishments for the World Bank, Inter-American Development Bank, African Development Bank, and European Bank for Reconstruction and Development.

Respectfully submitted,

Salli A. Swartz, Chair
Section of International Law

August 2011

GENERAL INFORMATION FORM

Submitting Entity:  Section of International Law

Submitted By:  Salli A. Swartz, Chair, Section of International Law

1. **Summary of Resolution(s).**

   This Resolution urges the Congress to fund U.S. participation in capital increases and replenishments for the World Bank, the Inter-American Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

2. **Approval by Submitting Entity.**

   Yes.

3. **Has this or a similar resolution been submitted to the House or Board previously?**

   No.

4. **What existing Association policies are relevant to this resolution and how would they be affected by its adoption?**

   This Resolution does not affect any existing policies of the Association.

5. **What urgency exists which requires action at this meeting of the House?**

   The increased lending, technical assistance, and grants these multilateral development banks provided to developing countries during the global recession have facilitated the recovery of the world economy, but they have also depleted the capital of the World Bank, Inter-American Development Bank, African Development Bank, and European Bank for Reconstruction and Development. In order the order to safeguard the achievements of the Banks, prevent further global economic destabilization, and meet the voting deadlines of the Banks, it is imperative that Congress act rapidly to authorize U.S. participation in the requested general capital increases and replenishments.

6. **Status of Legislation.** (If applicable)

   None submitted yet, but submissions likely for consideration in the fall of 2011.

7. **Cost to the Association.** (Both direct and indirect costs)

   None.
8. **Disclosure of Interest.** *(If applicable)*

N/A.

9. **Referrals.**

This resolution is being sent to all ABA Sections and Divisions for support.

10. **Contact Name and Address Information.** *(Prior to the meeting)*

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EXECUTIVE SUMMARY

1. **Summary of the Resolution**

   This recommendation urges Congress to fund U.S. participation in capital increases and replenishments for the World Bank, the Inter-American Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

2. **Summary of the Issue that the Resolution Addresses**

   While the increased lending, technical assistance, and grants the multilateral development banks provided to developing countries during the global recession have facilitated the recovery of the world economy, they have also depleted the capital reserves of the World Bank, Inter-American Development Bank, African Development Bank, and European Bank for Reconstruction and Development. In order to safeguard their achievements in economic development and the rule of law, the ABA urges Congress to fund U.S. participation in capital increases and replenishments for these multilateral development banks.

3. **Please Explain How the Proposed Policy Position Will Address the Issue**

   If the general capital reserves of these multilateral development banks are not replenished, the ability of the World Bank, the Inter-American Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development to maintain pre-crisis levels of development lending will be severely jeopardized. Each general capital increase request has been accompanied by a comprehensive reform strategy to ensure more efficient, transparent, and accountable use of funds. As the largest stakeholder in all but one of the multilateral development banks, the United States is uniquely positioned to leverage its efforts to support the rule of law and economic expansion and stability around the world through support for these capital increases and replenishments.

4. **Summary of Minority Views**

   None of which we are aware.