

Congress of the United States
Washington, DC 20515

July 23, 2007

The Honorable Robert Zoellick
Office of International Affairs
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Ambassador Zoellick:

First, please accept our congratulations on your appointment to the presidency of the World Bank. Second, as you begin your tenure as president, we urge you to review current projects in order to realign the policies of the Bank with U.N. Security Council resolutions on Iran. In our view, it would be consistent if, as the Security Council condemns the actions of President Ahmadinejad, the World Bank would suspend funding for his government.

Both the Security Council and the International Atomic Energy Agency (IAEA) found that Iran is in breach of its obligations under the U.N. Nuclear Non-Proliferation Treaty. The IAEA reports that Iran ignored the Security Council's deadline to stop enriching uranium and expanded its nuclear program.

As Iran's Atomic Energy Organization moves towards its announced goal of operating 50,000 uranium enrichment centrifuges in Natanz, the World Bank is funding nine government projects in Iran totaling \$1.355 billion—one of which operates in Isfahan, the headquarters of Iran's nuclear program.

The United States remains as the top investor in the World Bank, contributing \$950 million in 2006 and \$940 million in 2007. Last month, the House of Representatives approved another \$950 million contribution. Meanwhile, the Bank will disburse \$220 million to Iran in Fiscal Year 2007, with more than \$870 million remaining in the pipeline for Fiscal Years 2008, 2009 and 2010.

Presidents Carter, Reagan, Bush, Clinton and Bush all certified that Iran is a state-sponsor of terror. The Treasury Department's Office of Terrorism and Financial Intelligence spends considerable effort looking for Iranian assets to freeze.

When you look at published World Bank documents, you find a worldview toward Iran that is backward, uneducated and outdated. All current projects in Iran are based on a 2001 document called the Interim Assistance Strategy. There the bank writes:

"There is a relatively animated and active political competition in Iran through which people express their views, choice of society, economic aspirations and political representation.... Since the 1979 Revolution, Iran has given strong and special emphasis to human development, social protection, and 'social justice,' with significant progress to date."

Freedom House, the global leader in assessing personal and political freedoms, had a different perspective in its Freedom in the World 2006 publication:

"Iranians cannot change their government democratically...Corruption is pervasive...Freedom of expression is limited...Religious freedom is limited. Academic freedom in Iran is limited...Although the constitution prohibits arbitrary arrest and detention, these practices are very common and increasingly routine."

One has to wonder why a country that exports 2.6 million barrels of oil per day needs World Bank development assistance. Iran's oil export revenue nearly doubled between 2003 and 2005, rising from \$23.7 billion to \$46.6 billion. That number grew to \$50 billion in 2006. Iran's real GDP grew 4.8% in 2004 and 5.6% in 2005. Why does this country need World Bank aid?

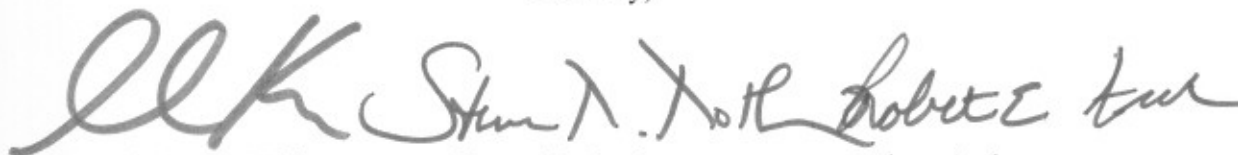
Furthermore, the Bank's investment in Iran stands in stark contrast to its work in Iraq. Despite Iraq's historic status as a 1945 founding member of the World Bank, it took the Bank two and a half years after the fall of Saddam Hussein to approve one development project. To date, the Board has approved only four projects totaling \$399 million for the new Iraqi government—little of which has been spent.

The Bank's Board is not only disconnected with the policies of the UN Security Council, it is also at odds with the Iran policies of U.K. Prime Minister Blair, French President-elect Sarkozy and German Chancellor Merkel.

As the Treasury Department takes action to dry up funding for Tehran, the World Bank is providing external support to the Iranian government through 2010. As Iran's President pledges the destruction of the State of Israel, funds Hezbollah/Hamas and defies U.N. Security Council resolutions, the Bank's Board is poised to approve further Iran disbursements.

Multilateral organizations represent the best and highest potential for U.S. and allied diplomacy. The success of this diplomacy will be enhanced if the United Nations and World Bank work together. We urge the World Bank to reject any loan or grant requests for Iran or companies operating in Iran.

Sincerely,



Mark Steven Kirk
Member of Congress

Steven R. Rothman
Member of Congress

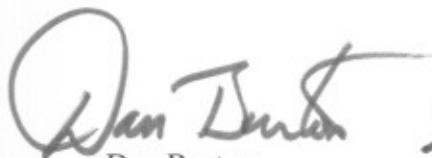
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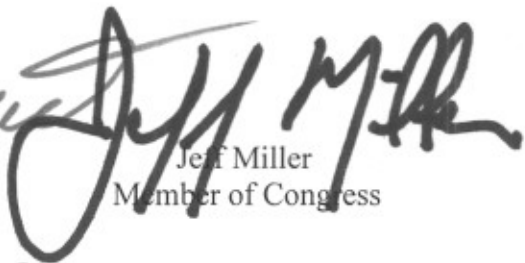
Howard L. Berman
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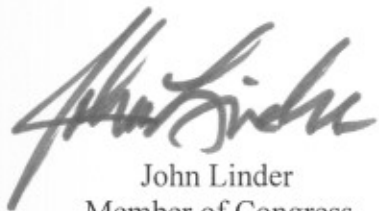
Dan Burton
Member of Congress



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