

Congress of the United States
Washington, DC 20515

January 30, 2008

Secretary Condoleezza Rice
Department of State
2201 C Street, NW
Washington, D.C. 20520

Secretary Henry Paulson
Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Madam Secretary and Mr. Secretary:

More than six months ago, we wrote to President Robert Zoellick urging a review of current World Bank projects in Iran in order to realign the policies of the Bank with the United Nations Security Council (UNSC). Since then, the Bank has transferred at least \$50 million in U.S. and allied taxpayer funding to Iran.

In October 2007, the United States designated the Iranian Bank Melli as a provider of financial services to entities involved in Iran's ballistic missile program, including entities sanctioned by the U.N. Security Council. We were surprised to learn the World Bank used Bank Melli as its primary financial institution for several projects in Iran before this designation. To date, we have not received an explanation of why World Bank money was transferred to a financial institution known to be bankrolling Iran's ballistic missile program.

Today, we write with renewed concern over the World Bank Group's Multilateral Investment Guarantee Agency (MIGA) underwriting foreign private sector investment in Iran's natural gas sector. According to MIGA's Web site, the agency issued more than \$120 million in guarantee coverage for a joint venture partnering with the Islamic Republic's National Petrochemical Company.

The United States is overwhelmingly the largest subscriber to MIGA. Since 2000, the United States taxpayer contributed nearly \$24 million to MIGA. The World Bank is now using those U.S. taxpayer contributions to guarantee financing in Iran's natural gas sector.

Iran stands in breach of two UNSC resolutions and, according to news reports, a third sanctions resolution is near. Meanwhile, the World Bank staff is undermining the Iran policies of the UNSC, the United Kingdom, France, Germany and the United States by giving technical assistance, loans and investment guarantees directly to the government of President Mahmoud Ahmadinejad.

As members of the House Appropriations Committee's Subcommittee on State-Foreign Operations, we urge you to align the World Bank board to the policy of the UNSC by suspending all Bank loans to Iran and Bank guarantees on foreign investment in Iran.

Sincerely,



Mark Steven Kirk
Member of Congress



Steven R. Rothman
Member of Congress