



The World Bank

SEP 05 2007

Robert B. Zoellick
President

H.E. Erik Solheim
Minister of International Development and
Governor of the World Bank
Royal Ministry of Foreign Affairs
7. juni-plassen/Victoria Terrasse
PB 8114 Dep. N-0032
Oslo
NORWAY

Dear Mr. Minister,

Erik,

In follow up to our recent telephone conversation and your letter of August 6, I would like to thank you for the importance the Norwegian government has placed on good governance and the control of corruption in development and poverty reduction efforts. I would also like to assure you that I am committed to the effective implementation of the World Bank's Governance and Anti-Corruption (GAC) Strategy and welcome your offer to work together on this central development challenge.

In that regard, I warmly welcome Norway's leadership in focusing attention on the issue of illicit fund flows that are facilitated by overseas financial centers. I would echo your concerns regarding the negative impact of laundered funds (particularly when they are stolen) on development. You correctly point to the potentially beneficial effects on the Stolen Asset Recovery (StAR) Initiative, soon to be formally launched by the Bank and the UN Office on Drugs and Crime, if progress were to be made in restricting such illicit fund flows. The StAR Initiative recognizes that the fight against corruption is a two-way street. Developed countries share a responsibility in the fight against corruption and should: (a) implement measures to detect and prevent the use of their financial and tax systems, including offshore financial centers (OFCs), for laundering of corruption proceeds, and (b) implement preventive safeguards while funding projects in developing countries.

I agree that a study of the development impact of off-shore financial centers would be a valuable contribution to the governance and anti-corruption agenda and thank you for your offer to fund a study on this issue. The World Bank would be pleased to collaborate with the Norwegian Government to see this very important development issue advanced. I have asked Danny Leipziger to be in touch with your office and agree on a process forward, and to keep me closely informed.

In closing, let me also indicate that I am pleased to receive your message from the Nordic and Baltic World Bank Governors conveying their satisfaction with the Oslo meeting in June.

Sincerely,



Robert B. Zoellick

Erik,
I enjoyed talking to
you & look forward to
our ongoing work together
on multiple topics!
R.B.

cc: Mr. Svein Aass, Executive Director for Norway, The World Bank

bcc: D. Leipziger, C. Braga, A. Flynn, M. Reis de Assis, S. Nedolast (PRMVP); A. Kouame, C. Gevers (EXC); G. Wheeler, A. Follmer, D. Punsalan-Canlas, L. Sherbourne-Benz, M. Patena, I. Fernandes Joshi, A. Peuker (MDW); J. Daboub, A. Tria, A. dela Cruz, J. Zutt, I. Alkan (MDD); C. Eysenck, G. Francois, M. Muir, S. Cox (EXTVP); R. Nangia, A. Faria, M. Coleridge-Taylor, C. Alvarado (WBIVP); D. Kaufmann (WBIGP); L. Osman Merican (FPDFI); S. Pradhan, A. Rajaram, R. Ryterman, R. Messick, L. Samson, V. Torres (PRMPS); B. Pinto, V. Dumas (PRMED)

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