

Syed Abul 'less

FROM PAGE 1
Prime Minister Sheikh Hasina have promised to voters.

He also mentioned the minister's ties with China. Moriarty, who departed on June 17 this year on completion of his service in Bangladesh, sent the cable following his conversation with the minister at a dinner party on Feb 3 last year.

The cables involving Abul Hossain were in the whistleblower website's latest releases on Aug 30.

The minister also told the diplomat about progress on road projects in south-eastern and northern Bangladesh, and requested the US government's support for an elevated road project in the capital.

PADMA BRIDGE
At a dinner, Abul Hossain expressed satisfaction with the levels of support donors planned to provide for the Padma Bridge project, which will for the first time link the country's southwest with the capital.

According to the minister, the World Bank pledged \$1.5 billion, the ADB \$550 million, the Japanese International Cooperation Agency (JICA) \$500 million, and the Islamic Development Bank \$130 million for the project, primarily in soft loans.

However, the minister complained that JICA was insisting on dividing the contract for the bridge into two parts: one for the bridge's sub-structure and another for the super-structure. Under this plan JICA's loan would fund the sub-structure.

But the government, WB, ADB and other partners opposed this idea on the grounds that a single over-arching contract for the bridge itself would limit competing claims of liability in the event of future problems.

Abul Hossain said the Japanese proposal would allow two different contractors to pass the blame to each other for any problem.

He asked the ambassador to urge JICA to reconsider its stance, using his good offices with Japan and the US government support for the World Bank and ADB.

Abul Hossain and the ambassador agreed that many companies were interested in bidding on the Padma Bridge project.

One US firm had shown interest in the river dredging portion of the project and surely more US companies were to step forward as the bidding process progressed, Moriarty added.

The other two linchpins in the minister's infrastructure-for-elections plan are expanding roads from Dhaka to Chittagong and Dhaka to Mymensingh, he said.

Abul Hossain also urged the US government to support a Dhaka infrastructure project that would be tangible proof of the strong US-Bangladesh relationship.

RAILWAY REFORMS
The transport boss described several initiatives to modernise the country's decrepit railways.

In addition to expanding the Dhaka-Chittagong highway, the minister said construction to broaden the single rail line between the two cities to a double rail line would begin within a couple of months.

He said the prime minister had also tasked him with developing an elevated rail system in Dhaka to alleviate the city's traffic crisis.

According to the minister, JICA had expressed interest in loaning funds for the \$3 billion project; alternatively, the elevated rail system could be a public-private partnership project.

Finally, he explained to Moriarty his plans to transform Bangladesh Railway into an independent, though government-owned, entity from its current structure as a government-run enterprise.

The former US envoy said the minister was clearly determined to fulfil his mission to develop infrastructure with a view to improving connectivity and securing votes for Awami League.

Last-minute move

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Official sources said Bangladesh and India are working to finalise agreements, protocols, and memorandums of understanding (MoUs), like a 15-year interim agreement on water sharing of the Teesta river, unilateral withdrawal of water from the Feni river by India for a drinking water project, and a 20-year agreement on purchase of 250 megawatt (MW) power by Bangladesh from India at a preferential rate. Bangladesh might purchase another 250 MW power at the international market rate.

The two countries are likely to sign a package protocol under the 1974 Mujib-Indira Land Boundary Agreement which will deal with five legacy issues -- exchange of enclaves and adversely possessed lands, demarcation of 6.5 kilometres (km) of undemarcated border, allowing Bangladeshis to use "Tin Bigha Corridor" for 24 hours, and finalisation of a strip map.

A likely MoU on Bangladesh's one of the most important issues, trade liberalisation, will allow duty-free entry of 61 Bangladeshi products to India. This will be signed under the Trade Agreement between the two countries.

A protocol on Protection of Royal Bengal Tiger in the Sundarbans is also likely to be inked. Besides, the two countries might sign an MoU on Preservation of Biodiversity in the Sundarbans.

Bangladesh and India are also likely to sign MoUs on cooperation on renewable energy, telecast of programmes of BTV and Durdarshan in both countries, cooperation in the fisheries sector, and cooperation between Dhaka University and Jawaharlal Nehru University in New Delhi.

An addendum on allowing transit to Nepal through Rohanpur (Chapai Nawabganj) in Bangladesh and Singabadi in India might also be signed. There is also the possibility of signing an agreement on railway connectivity between Akhaura and Agartala, alignment construction of which is nearing completion.

India's pressing issue of transit is expected to be signed under the existing Trade Agreement between the two countries. Under it, three separate protocols on use of Chittagong and Mongla seaports, and roads and railway are on the cards.

On transit, Bangladesh officials said no fresh transit agreement is required to be signed as the existing Trade Agreement states, "Both the countries would make mutually beneficial arrangements for the use of their waterways, roadways and railways for commerce between the two countries for passage of goods between places in one country through the territory of the other."

Now a protocol of the article needs to be signed to make it operative. The joint communiqué issued during Bangladesh Prime Minister Sheikh Hasina's visit to India on January 10-13 last year, it was agreed that Bangladesh will allow India to use Mongla and Chittagong seaports for movement of goods to and from that country through road and rail.

On signing of a deal regarding land border, the officials said both countries agreed to comprehensively address all outstanding land boundary issues keeping in view the spirit of the 1974 Land Boundary Agreement.

In this context, the officials said a package deal might be signed which will include demarcation of 6.5 km un-demarcated border, exchange of 162 enclaves (51 Bangladesh's and 111 India's), exchange of adversely possessed lands, and allowing Bangladeshis to travel 24 hours between Dahagram-Angarpota enclaves and Patgram through the "Tin Bigha Corridor".

As per the 1974 Mujib-Indira agreement, India will retain the southern half of South Berubari Union No 12 and the adjacent enclaves measuring 2.64 square miles approximately, and in exchange Bangladesh will retain Dahagram and Angarpota enclaves. India will lease in perpetuity to

Bangladesh an area of 178 metres x 85 metres "Tin Bigha Corridor" to connect Dahagram with Panbari Mouza (PS Patgram) of Bangladesh.

Currently, Bangladeshis in Dahagram and Angarpota enclaves are allowed to mainland Bangladesh from dawn to dusk in every alternate hour.

A joint venture agreement on setting up a coal fired power plant of 1,320 MW capacity at Khulna is yet to be finalised, but officials are working on it, the sources said.

Most importantly, signing of the Teesta Water Sharing Agreement is now at the final stage. Although the two sides have yet to reach the final understanding on proportion of shares, officials expect the two premiers will settle the matter at their summit meeting.

Indian Water Resources Minister Pawan Kumar Bansal will arrive in Dhaka ahead of Singh's visit in order to arrive at a formula for sharing the waters of the Teesta and Feni rivers.

Indian National Security Adviser Shiv Shankar Menon made an unscheduled visit to Dhaka yesterday and had meetings with two advisers of Prime Minister Sheikh Hasina, and the Bangladesh water resources minister. This was his second visit in a week.

To Bangladesh, agreements on land boundary, water resources, market access, power purchase, etc are crucial while transit and security are prime concerns of India.

Both sides will be working till the last minute on some of those, the officials said.

They said signing of the Teesta water sharing deal and an acceptable river water sharing formula is high on the agenda right after both countries' concern for security. Dhaka sees killing of straying Bangladeshi civilians by the Indian Border Security Force as a constant irritant in the ties.

\$1b credit

FROM PAGE 1
Division (ERD) Secretary Musharraf Hossain Bhuiyan said yesterday.

The agreement was signed in August last year in Dhaka in presence of Finance Minister AMA Muhiht and his Indian counterpart Pranab Mukherjee.

Twenty projects were taken up under the credit deal, mostly related to railway and other infrastructure. Disbursement of \$250 more for the projects is in process.

Progress of implementation of the credit line will be discussed during Indian Prime Minister Manmohan Singh's visit to Bangladesh, ERD sources said.

Asked about this, the ERD secretary said contracts have already been signed with successful bidders for two of the 13 projects. And the process is on for the signing of deals on the remaining projects.

On criticisms that implementation of the credit deal for the projects is very slow, he said progress in this case has been made more quickly compared to that for projects financed by other development partners. He however said implementation was a little bit delayed at the initial stage due to technical reasons, but it will now progress rapidly.

The project proposals were sent to India through its high commission in Dhaka between February and June.

Of the 20 projects, 10 involving \$343.43 million are relating to procurement of railway passenger carriages, locomotives, inspection cars, tank wagons, brake vans and various other equipment.

The other projects include construction of Khulna-Mongla Port rail line costing \$175 million, construction of second Bhairab and second Titus bridges with approach rail line involving \$120 million and establishment of inland container river port at Ashuganj costing \$31.32 million.

Another project is for purchase of dredger and other navigation-related equipment worth \$102 million.

Indian business

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with Confederation of Indian Industry (CII) to get the assurance about the four others, mainly the policymakers," he told The Daily Star over the phone.

The chamber is also trying to get in the team a top level representative from India's infrastructure giant Reliance Group.

"Our aim is to ensure visits of high profile people from large infrastructure firms of India as we need large investment for our infrastructure development," he said.

"We have proposed that they invest here through joint ventures with Bangladesh partners."

The schedule of their trip will be fixed after Indian PM Manmohan Singh's Dhaka visit on September 6-7.

No business delegation will accompany Manmohan. It could be that trade leaders find less to do during such a high-level visit. That is why they are planning a separate trip, he said.

"We are rather trying to arrange a meeting between five chief ministers of India and the leaders of our top chambers and associations during Manmohan's visit," he said.

Chief Minister of Paschim Banga (formerly West Bengal) Mamata Banerjee and chief ministers of Assam, Tripura, Meghalaya and Mizoram will come to Dhaka with Manmohan.

"These are our bordering states. Through talks with the Indian chief ministers our business leaders will know about the facilities the states can provide to Bangladesh," he said.

India is the second highest trade partner of Bangladesh and trade balance heavily favours the neighbouring country.

In fiscal year 2009-10, Bangladesh's import was \$3.21 billion from India against \$400 million export there.

Manmohan

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Corporate Affairs Minister M Veerappa Moily has perhaps the most modest assets among cabinet ministers with no moveable property and cash in hand and bank accounts worth over Rs 13.33 lakh.

Home Minister Palaniappan Chidambaram and his wife Nalini have assets of around Rs 23.67 crore. Chidambaram alone owns assets of Rs 11.14 crore which include fixed deposits and interest thereof of Rs 1.29 crore in various banks.

EPB pushes

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Ahmed said if the Indian government agrees to offer duty-free facility to 61 products of Bangladesh, the quota system might not be required anymore as textile and garment related products represent 54 items on the list.

Bangladesh has been lobbying the Indian government for the last two years to get the duty waiver for the 61 products.

In fiscal 2010-11, Bangladesh exported goods worth \$512 million to India, up by 68 percent from \$304 million in 2009-10, according to EPB.

Of the amount, woven and knit garment items accounted for \$80 million.

The export of knitted to India was worth \$2.54 million and woven garment worth \$9.99 million in 2009-10, while in 2008-09 the amounts were \$1.7 million and \$10.25 million respectively, EPB data showed.

The trade facility offered by India under the Safta (South Asian Free Trade Area) agreement added a new dimension to bilateral trade between India and Bangladesh. India allowed duty-free export of eight million pieces of garment items under the agreement, which took effect in July 2006.

But, during his visit to Bangladesh in April this year, Indian Commerce Minister Anand Sharma agreed to increase the quota by two million pieces.

The hike in quota came to effect the same month.

The demand for Bangladeshi T-shirts, polo shirts and knit items is high among Indian middle-class consumers, said exporters.

Yunus wanted to resolve

FROM PAGE 1
"Yunus perceived that even the supportive government officials felt pressured to distance themselves from his recommendations and proposals," said Moriarty.

Moriarty pledged to continue to encourage Sheikh Hasina to meet Yunus, according to the cables released by WikiLeaks on August 30 this year.

Since the ambassador's last meeting with Yunus, the US embassy in Dhaka has repeatedly urged the PM's advisers to bury the hatchet with the Grameen Bank founder.

In another cable released on the same day, Senior US Embassy official Nicholas Dean said Sheikh Hasina and Foreign Minister Dipu Moni clearly exposed their distrust and suspicion on Yunus in several meetings with senior US government officials.

"While they claimed Yunus is engaged in corruption at Grameen Bank, his microcredit brainchild, his ties with the last caretaker government and brief contemplation of a role in Bangladesh politics are more likely the reasons for Awami League disdain," said Dean in his November 30, 2009 cable.

During the tenure of the caretaker government (CTG) in 2007-08, some of the military personnel who backed the CTG approached Yunus about setting up of a political party as an alternative to two leading parties, Awami League and Bangladesh Nationalist Party (BNP).

Yunus though briefly entertained the thought of joining politics but quickly decided that he and Grameen Bank were better off remaining outside the political scene.

Following the December 2008 national elections that swept Awami League into power, it soon became clear the new government was not interested in helping Prof Yunus or Grameen Bank, the confidential cable read.

Fearing that the displeasure with him could jeopardise Grameen Bank and his other initiatives, Yunus requested the then US ambassador to put in a good word with the PM on behalf of Grameen and Yunus.

On November 5, 2009, Moriarty in a meeting with Sheikh Hasina highlighted the upcoming visit of Melanne Verveer, ambassador-at-large for Global Women's Issues. He told her that Verveer was also interested in meeting with Yunus, suggesting that improved relations between the government and Yunus would be good for Bangladesh.

At this, the prime minister theatrically rolled her eyes and shook her head. She spoke at length about her estrangement from Yunus and nodded in agreement when one of her advisers characterised Yunus as ungrateful for the GrameenPhone deal that the prime minister had made possible.

Hasina concluded the subject of Yunus by saying, "Perhaps we don't work together. But we don't stop him. When I was in Sweden (recently), Yunus was there and we exchanged hands. It is our family tradition."

During Verveer's November 11 meeting with the premier, the visiting envoy noted Grameen's good work and Prof Yunus' plans to start a nursing school in Bangladesh. The PM said healthcare was a top priority and the government would support anyone wishing to establish a nursing school.

The next day when Verveer had an hour-long one-on-one session with Foreign Minister Dipu Moni, the minister presented a range of complaints against Grameen Bank and Yunus. She mentioned about Grameen's high interest rates and alleged that the bank used "vicious methods" to recruit customers and obtain loan payments.

According to the cable, the foreign minister claimed that Yunus broke rules and Grameen did not comply with Bangladesh law, including auditing requirements. She said many people in Bangladesh were upset when Yunus won the Nobel Peace Prize given his corrupt practices.

She also said the government leaders understood the power of Yunus' international reputation and therefore "bite our tongues" when accolades were heaped upon him. On a personal note, the foreign minister also complained that Yunus did not visit Sheikh Hasina in the hospital when she was injured in a 2004 bomb attack.

Verveer and Moriarty met with Yunus on November 11. During the meeting the ambassadors relayed the government complaints to him. Yunus disputed all the allegations. According to him, he and Grameen complied with all laws, including annual audits.

He said the PM's attitude was "if you are not with me, you are against me". Yunus said he had hoped someone would be able to mediate on his behalf; however, he understood the difficulty in doing so as the premier and the foreign minister were not willing to meet him.

On the other hand, BNP Chairperson Khaleda Zia adopted a much friendlier tone towards Yunus, which led some to accuse him of harbouring BNP sympathy, according to WikiLeaks' cable.

Despite the wide-ranging claims of Yunus' misdeeds by the PM and FM, their biggest problem with Yunus is likely connected to his brief contemplation of poli-

sors characterised Yunus as ungrateful for the GrameenPhone deal that the prime minister had made possible.

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tics. That foray, however short, is proof in their minds that Yunus -- backed by his millions of borrowers -- seeks to usurp them.

Yunus said he had hoped someone would be able to mediate on his behalf; however, he understood the difficulty in doing so given that both Sheikh Hasina and FM Moni were not willing to meet him.

"The unwillingness of the prime minister and the foreign minister to accept positive statements about Yunus from us means that for the time being we must find other ways to support the work of Grameen," Dean said in his cable.

"Perhaps our efforts are best directed at specific Grameen projects, many of which include US companies or organisations as partners. We will also continue to work with potential mediators such as PM's Foreign Policy Advisor and long-time Yunus confidante Dr Gowher Rizvi," he said.

"This dispute also raises questions about the long-term future of Grameen Bank. Yunus is 69 years old. He told Moriarty and Verveer he had offered to retire on a number of occasions, but the bank board had refused his offers, claiming there would be a run on the bank if he left."

"Yunus said he had been grooming a successor, but claimed GOB leaders had wooed that person into their camp and now he was working against Yunus within the bank. If Grameen Bank is to continue transforming lives as it has for the last two decades, Yunus and the bank must find a way for Grameen to keep working even after Yunus is gone," said the senior US official.

People start

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launch terminal. Terminal authorities however projected that passengers' rush would double from today.

Meanwhile, the main traffic at Dhaka's Kamalapur Railway Station was inbound people returning to the city. Almost all the 21 trains that arrived in Dhaka yesterday carried hundreds of extra passengers on their roofs. Even the generator room, which is off-limits to passengers, were crammed with passengers desperate to return on time.

The Silkcity Express from Rajshahi pulled in at Kamalapur Railway Station at 3:10pm yesterday with hundreds travelling on the roof, many of them women and children. The passengers shimmied their way down from the roofs, as there are no formal ladders or steps to get down from the roof.

A railway source said 'an estimated 27,000 people arrived at Dhaka through trains' yesterday. They predicted the next three days would be even busier.

Consensus on equal

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The construction of the Gazoldoba barrage and their hydropower project the flow came down to as low as 500 CuSec.

Starting from Schomalake in Sikkim, the Teesta river flows a stretch over 600 kilometre with a catchment area of 10,000 square kilometre in India and around 2,000 square kilometre in Bangladesh. From the Dalia point of Rangpur the river travels 124 kilometres up to the Bay of Bengal.

The decision on the water treaty came just a day after Paschim Banga lawmaker Abu Hasan Khan Chowdhury, quoting Shiv Shankar Menon, said that Bangladesh would get only 25 percent of the Teesta water.

Bangladesh previously considered three proposals on sharing of Teesta water -- 20 or 10 percent water to be kept for the maintenance of the river and the rest to be either equally shared or India getting 42 percent while Bangladesh 38 percent of the remaining water.

But in the face of Dhaka's disagreement India then pushed for 52 percent share for itself and 48 for Bangladesh. Bangladesh however kept pursuing for equal share.

Since the inception of the JRC between Bangladesh and India in the 1970s, the two countries have been discussing about sharing waters of eight bordering rivers the Manu, Muhuri, Khowai, Gumti, Dharala and Dudhkumar including the Teesta and Feni, without reaching an agreement. So far they have a treaty of sharing the water of the Ganges out of 54 trans-boundary rivers flowing through them.

The deal on Teesta and Feni water sharing was agreed upon by the two sides during Bangladesh Prime Minister Sheikh Hasina's visit to New Delhi in January 2010.

Beside the Teesta deal, the two countries have also been agreed about Indian withdrawal of 60 Cusec metre of water from the river Feni, a bordering river near Ranggarh, Khagrachhari and Feni for a drinking water plant.

"This would be a separate deal. At the moment we are not withdrawing any water from the Feni River. But we also can withdraw 60 cu sec if we want," he said.

VISIT OF SHIBSHANKAR
Indian National Security Adviser Shiv Shankar Menon came to Dhaka on August 28 and had meetings with PM's International Affairs Adviser

Gowher Rizvi and Economic Affairs Adviser Mashiur Rahman.

"It was an unscheduled visit by the Indian security adviser. He came to Dhaka to clear up a misunderstanding on sharing of Teesta waters," said a source seeking anonymity.

Menon assured Bangladeshi leaders that there is nothing to be worried about the water sharing formula and an agreement on sharing the waters of the Teesta will be signed during Indian Prime Minister Manmohan Singh's visit to Dhaka on September 6-7, added the source.

According to another source, Menon got green signal from Dhaka about signing of protocols on usage of Chittagong and Mongla seaports, which would apparently provide transit facility to India.

The Indian adviser had a meeting with chiefs of intelligence and law enforcement agencies at the PMO. Indian officials including members of Special Protection Group (SPG) were also present at the meeting.

The two advisers of the PM could not be contacted till filing this report at 12:30am today.

Indian govt

FROM PAGE 20
talks," Joint Secretary (Northeast) of the Ministry of Home Affairs Shambhu Singh told reporters.

The pact will continue during the talks between government and Ulfa till a final agreement is signed.

Asked whether Ulfa cadres will surrender all arms and ammunition, the outfit's 'Foreign Secretary' Sashadhar Choudhury shot back saying "Why should we? This is not a final agreement".

"This is a gentleman's agreement and we will see how the parleys go forward," Sashadhar said.

Last month, Ulfa submitted a 'charter of demands' to the centre, which sought amendment to the Indian constitution for finding out "meaningful" ways to protect the rights and identity of indigenous people of Assam.

The group also demanded changes in some provisions of the constitution and expressed that solutions to their demands were not possible under the existing constitution.

Other demands of Ulfa include discussions on "Ulfa's struggle and their genuineness", status report on missing Ulfa leaders and cadres -- numbering around 50 -- including those missing since 2005 when Bhutan government conducted an offensive against the outfit.

Those who signed today's agreement include Joint Secretary Shambhu Singh, Assam's Home Commissioner Jishnu Baruah, Ulfa 'Foreign Secretary' Sashadhar Choudhury, 'Finance Secretary' Chitrabon Hazarika, and 'Deputy Commander-in-Chief' Raju Baruah.

Ulfa's elusive 'commander-in-chief' Paresw Baruah is still opposed to any dialogue with the government until 'sovereignty' of Assam is on the negotiation table.

Iajuddin's

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fell seriously ill on Thursday afternoon and was put on life support after being admitted to the hospital.

He has been undergoing treatment under Dr Shahabuddin Talukder at the ICCU (intensive coronary care unit) of the hospital, reports UNB.

Eminent social scientist and educationist Iajuddin took oath of office as president in September 2002 and served until February 2009.

He underwent a successful heart bypass surgery at Mount Elizabeth Hospital in Singapore in May 2006.

Clampdown

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Police picked up Abul Kalam, general secretary of Jafrabad ward unit Awami League, and his associate Mohammad Shafi from Jangal Latifpur for interrogation.

Five day labourers were also caught red-handed and later released on bond.

The labourers told police that they were collecting soil according to the direction of Kalam.

DoE fined Kalam Tk 1,05,20,00, Md Jahed Tk 55 lakh, Saiful Alam Quaderi, Md Nazrul, Md Bodiul Alam, Md Saifuddin Mohsin and Abdul Aziz Tk 5 lakh each, Noor Mohammad and Md Roni Tk 3 lakh each.

The team reached Jangal Latifpur around 11:30am and noticed cutting of a big hill adjacent to Baitus