Government of Bangladesh

# The government sent the following five letters to the World Bank last month during negotiations to settle the Padma Bridge funding issue. Finance Minister AMA Muhith gave the copies of the letter to journalists at a press briefing yesterday.

Ref: 09.007.02.00.00.002.2012-57/2

The World Bank, Washington DC

Dear Ms. Isabel M. Guerrero,

start of this unhappy episode.

Subject: Implementation of Padma Multipurpose Bridge (PMB) Project.

that would help to bring out a third of Bangladesh's poor out of poverty.

Ms. Isabel M. Guerrero,

Vice President

South Asia Region

Senior Secretary

Ministry of Finance

Government of Bangladesh

Cont. to pg 2

Senior Secretary

Economic Relations Division

Ministry of Finance Government of Bangladesh

Date: June 26, 2012

Ref: 09.007.02.00.00.002.2012-57

The World Bank, Washington DC

1. Terms of Reference for Independent Experts:

Government in accordance with the legal framework of Bangladesh.

with the Bank to resolve the existing problem on the Padma Bridge issue.

Subject: Implementation of Padma Multipurpose Bridge (PMB) Project

Thank you very much for deploying the World Bank team to finalize the ways for the

resumption of the Padma Multipurpose Bridge (PMB) Project. I am very grateful to the team

for their extraordinary hard work and their efforts in finding a way forward to resolve issues.

While the proposed MOU could not be signed for reasons explained below, you will agree with

me that substantial progress has been made in all areas and that the Government of Bangladesh

Bank's Country Director in Bangladesh and the Mission had extensive discussion with the

Bangladesh Anti Corruption Commission (BACC) with the proposed ToR of the panel of

Advisers in assisting investigation into the allegations of corruptions by some officials of the

This is indeed an encouraging initiative on part of the Bank to find a way out for quick

implementation of this biggest project in Bangladesh. During the visit, Mission and officials

from your country office met the senior policy level officials of the Government and they were

assured of our all-out support. We informed them that once BACC agrees to work with your

panel of advisers; the Government will immediately agree with the procedure and operational

arrangement that will allow start of the project implementation without any further delay. Please allow me to mention here that Government is always transparent and committed to work

The BACC is an independent body and working in a very transparent manner. Bank's Country

Director and the member of the Mission informed us that BACC mentioned to them as per the

existing law, the panel of advisers' direct involvement in the inquiry may be challenged in the

court and that will put the advisers in a very delicate situation. We have also learned from your

Mission that the panel members in that case will not be available to appear before the court to

testify evidences if necessary. In addition, the existing BACC law will also not allow any

agency to directly get involved in their inquiry process. Instead, BACC for better integrity

-2-

allegation of corruption in the Padma Multipurpose Bridge Project. BACC agreed to allow WB

to have full access to all files, materials, documents, and any other information gathered by the

inquiry team, which has already been appointed by BACC in accordance with the Act and the

Rules framed. We have come to know that the draft copy of the agreement was shared with

your team. The draft introduced by your Mission to BACC would essentially be the part of

understanding between the Government and the World Bank. Your team unfortunately could

not agree with the informal draft provided by the BACC for reasons of legality, which I have

We believe that the BACC's draft agreement of cooperation will be very helpful and effective

and at the same time, ensure integrity to find out sufficient evidences against officials for

The Government of Bangladesh is fully committed to taking action against all officials and

ministers on the recommendation of the BACC. In deference to your request for immediate

action against the 'officials' for the duration of inquiry, the Government of Bangladesh agreed

However there appears to have been a genuine miscommunication. Your letter of June 05,

2012 referred to clearly to 'officials' and not 'ministers'. Our reading of the letter was

confirmed by the advice we got from our colleagues in Washington DC and therefore agreed to

the actions only against the 'officials'. The actions against the 'ministers' would essentially

We have explained to the Team that notwithstanding the miscommunication, our commitment

to taking action against the wrongdoers remains firm. We also pointed out that while we

understood the importance of June 29 date for the President of the Bank, we believe that this

delay would not materially affect the outcome of the agreement since we have accepted that

this is an essential condition for the resumption of bridge project. Your letter made it clear that

"delinking of the investigation from the construction" would only happen when independent

experts would convince you that investigation was being satisfactorily progressing. In other

words what we have proposed is that the action against the corrupt officials' remains "linked"

The two sides have a broad agreement on the operational aspects for the construction of the

bridge. The Government of Bangladesh has welcomed greater engagement and oversight in the

construction work. It is our hope that we will work with co-financiers to get them on board on

Let me share our position in brief on the on-going World Bank initiatives to resolve the crises

(1) That the Government is comfortable with the inquiry process, which will allow World

(2) That the Government is agreeable with the operational processes for implementation of

(3) That we have agreed in principle to take immediate measures against some "officials"

interpretation of the terminology "government officials" which needs more clarity.

What is important above all is that the Government is ready to reach to a consensus with the

Under the circumstances, we request you kindly to take necessary steps to resume

We thank you once again for your cooperation and look forward for your positive response.

implementation of the Padma Multipurpose Bridge Project as early as possible.

cc: Mr. Mukesh Nandan Prasad, EDS-12, The World Bank, Washington DC

Ms. Ellen Goldstein, Country Director, The World Bank, BDO

Bank to have access to all investigative files, materials, documents and any other

information gathered by the Team, which has already been appointed by the BACC in

mentioned in the World Bank's letter, though there is a difference of opinion on the

that has created bottlenecks for implementation of the Padma Multipurpose Bridge Project:

accordance with the Act and the Rules framed;

Bank on this matter of the Padma Multipurpose Bridge Project.

to the Bank's decision to 'delink' and resume implementation of the project.

3. Engagement of the co-financiers in the construction of the bridge:

wrong doing and will allow government to take actions without any delay.

to take immediate actions against the 'officials' named in your referral.

2. Actions against the officials suspected of corruption:

await preliminary findings of the BACC.

the revised arrangements.

With warm regards,

Sincerely yours.

Senior Secretary

agreed to extend its full cooperation to the Bank regarding inquiry and investigation of

has substantively agreed to the measures requested by the Bank. Let me elaborate:

Ms. Isabel M. Guerrero

Dear Ms. Isabel Guerrero,

Vice President

South Asia Region

mentioned earlier.

Economic Relations Divisio

Abul Maal A. Muhith Ministry of Finance Minister Sovernment of the People's Republic of Bangladesh

Date: June 12, 2012

No. MF/Minister/2012/145

Mr. Robert Zoelick The President The World Bank, Washington DC.

Reference: Padma Multipurpose Bridge Project.

#### Dear Mr. President,

Thank you for your letter of June 4, 2012; and I greatly appreciate your good words about me. I have also received a copy of Vice President Isabel Guerrero's letter of June 5, 2012 addressed to the Honorable Prime Minister. I am delighted to respond to both the letters.

I am pleased that the Bank has proposed a constructive way forward for the implementation of the Padma Bridge Project while the investigation of the potential corruption proceeds. Delinking the investigation process from the implementation of the Padma Bridge Project is in line with our own suggestions.

I am particularly pleased to note that investigation will be conducted within the legal framework of Bangladesh. We reiterate our commitment to a fair, transparent and an acceptable investigation. We promptly handed over both the referrals received from the Integrity Vice Presidency to the Anti Corruption Commission (ACC) which is an independent statutory body. The ACC has already set up a dedicated team for the investigation into the allegations. Surely we can associate external experts in assisting and advising in the investigation process as suggested by you. As regards action against officials suggested by you, we shall take action as soon as the ACC establishes prima facie case.

Your letter also provides an innovative solution for the implementation of the project and allows for a greater role for the financiers in the procurement process. Indeed, in a meeting with World Bank Country Director and Mr. Jack

Address: Building # 7(3rd floor), Room # 332-339, Bangladesh Secretariat, Dhaka-1000, BANGLADESH Phone 0088-02-9574477, 716902(NPS), 7168037(APS), 7168137(PRO), Fax: 9514404, E-mail: fime@finance.gov.bd

Stein we had agreed on a broad proposal which is consistent with the one outlined in your letter. In order to take this project forward expeditiously and in a time bound manner, I would like to invite Vice President Ms. Isabel M. Guerrero, Mr. Jack Stein and the Country Director to meet us in Dhaka to work out the procedural details with my team as urgently as possible.

tolerance of corruption, and to reassure you that we would take all necessary measures to ensure that there is no corruption in the award and execution of any component of the project. I hope my letter will satisfy your concerns and enable us to complete this

transformative Project to the benefit of 60 million inhabitants living across the

May I take this opportunity to reiterate the government's commitment to zero

I reciprocate your views that our partnership with the Bank dates back to the

birth of this nation and together we can do a great deal for the development of the country. I look forward to an early response from you.

With warm regards and cordial greetings,

ahulle 2012

Senior Secretary Leonomic Relations Division

Ministry of Finance Government of Bangladesh

Sincerely,

### c. c. to:

Padma river.

- 1. Ms. Isabel M. Guerrero, Vice President, South Asia Region, The World Bank, Washington D. C. 20433, U.S.A. 2. Mr. Mukesh N. Prasad, Executive Director, EDS-12, The World Bank,
- Washington DC-20433

NO: 09.213.024.02.02.004.2011-451

Date: June 18, 2012 Ms. Isabel M. Guerrero

Vice President South Asia Region

The World Bank, Washington DC Reference: Padma Multipurpose Bridge Project

Dear Ms. Isabel Guerrero.

Thank you very much for your letter of June 14, 2012 addressed to the Hon'ble Finance Minister on the Padma Multipurpose Bridge Project. The Government is very anxious to

resolve the Padma Bridge issue without any further delay and decisions communicated to you by the Finance Minister have been made with the highest political commitment and due deference to the reference made by the INT to us. 2. Let me restate our broad agreement with the proposals made by the World Bank:

a) Conduct a full and independent enquiry into the allegations of corruption as speedily as possible and take immediate actions within our legal framework; b) Select independent external advisors to assist and advise the enquiry team already

constituted by Bangladesh Anti-corruption Commission (BACC). Once your team is constituted, they can meet with BACC team and set up modalities for continuing the review and exchange of information; c) Engage the co-financiers fully in the implementation of the Padma Bridge project; and

d) Delink the investigation of the potential corruption in the Padma Bridge Project from the process of implementation of the project.

3. You have sought response from us on what you have termed "three critical issues". Our response to these issues is as follows: a) We strongly feel that this delinking should not take several months. If you were to

restart the process from where you halted it in September 2011, it should be a matter

of a month or so to begin the process. It will obviously require consultation with the development partners as well as with us to restart the process.

b) We agree that we shall begin to identify and select experts and finalize the terms of reference and the process of periodic review of the enquiry. For that you have to take

the initiative to save time. Our only suggestion is the independent advisors must be familiar with our legal system.

Contd/ page2

www.erd.gov.bd, E-mail: secretary@erd.gov.bd, Tel: 880-2-9113743, Fax:: 880-2-8113068 Senior Secretary Ministry of Finance Government of Bongladesh

Page2 c) We reiterate that swift action will be taken against the officials based on BACC's report. The BACC has already launched the enquiry and is cooperating with the Royal

Canadian Mounted Police (RCMP). The RCMP team is visiting Bangladesh on June 25, 2012 to share evidence with BACC. Actions will follow as soon as BACC 4. In order to restart the process of project implementation, I would like to reiterate the suggestion made by the Hon'ble Finance Minister for finalizing the procedural details on the

basis of the understanding already worked out with your team on June 4, 2012. 5. I hope this letter has addressed your concerns. To speed up the process, and work on a timebound framework, I will once again suggest that the Bank officials visit Dhaka as early as possible to (a) finalize the terms of reference and the appointment of external independent advisors and (b) finalize the operational procedure for greater role of the financiers in implementation process of the project.

6. I need not reemphasize the importance to us to push forward the project as speedily as

possible. The delay is not only seriously disappointing our people but also adding to the cost

7. I look forward to your positive response so that we can put this behind us and move forward in our common endeavor.

With warm regards and cordial greetings, Yours sincerely,

cc. Mr. Mukesh Nandan Prasad, EDS-12, The World Bank, Washington DC

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have to continue this

media in Bangladesh was enjoying the highest freedom and her government wanted to make them more powerful. "But", she said, "There's also a responsibility along with this free-

radios. 1996-2001 period, Hasina

in the opposition.

leaders to inform her about

She urged the journalist

journalists who live outside Dhaka. nalists that she would

extend her cooperation for the continuation of education of their children, no

matter whether she remains the prime minister

amending the Criminal Code of Procedures to stop the harassment of journal-

members.

formation of the Eighth Wage Board for the journalists. Earlier, the prime min-

ister handed over cheques among 61 journalists and their family Information Minister

also mentioned about the and BFUJ President Igbal Sobhan Chowdhury also spoke on the occasion, when BFUJ Secretary General Abdul Jalil Bhuiyan, DUJ president Omar Faruk, General Secretary Shaban Mahmud, DRU President Shakhawat Hossain Badshah and General Secretary Sajjad Alam Khan

No- 09.007.02.00.00.0002.2012-57/3 Ms. Isabel M. Guerrero

Reference: Letter no- 09.007.02.00.00.0002.2012-57/2; dated: June 28, 2012

Subject: Implementation of Padma Multipurpose Bridge (PMB) Project

Dear Ms. Isabel Guerrero,

Vice President

South Asia Region

of June 28, 2012 has been accepted by the ACC (A copy of their letter will be sent as soon

II. A copy of the Letter of Understanding (LoU), agreed to between the parties has been signed by me and is enclosed herewith.

III. One officer mentioned in your referral will proceed on leave, while the other one has already been retired from the Government Service. Action against the remaining person

I trust this will enable you to give clearance to the implementation of the project.

cc: Mr. Mukesh Nandan Prasad, EDS-12, The World Bank, Washington DC Ms Ellen Goldstein, Country Director, The World Bank, BDO.

> www.erd.gov.bd, E-mail: secretary@erd.gov.bd, Tel: 880-2-9113743, Fax: 880-2-8113088 Senior Secretary Economic Relations Division Ministry of Finance Government of Bangladesh LETTER OF UNDERSTANDING BETWEEN

THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Association (IDA). Bangladesh has also signed 03 (three) other Agreements with other Development Partners for the same purpose. In view of the concerns expressed by the World Bank we have set out this agreement between the International Development Association (the Bank) and the Government of the People's Republic of Bangladesh (the Government), hereinafter referred to collectively as "the Parties, each a "Party", on how to modify project implementation arrangements to enhance transparency and handle investigation of alleged corruption in the Padma Multipurpose Bridge Project (the Project). A. Preamble

transparent and accountable use of public resources to enhance the welfare of the People of Bangladesh. It recognizes the vision of the Government of Bangladesh in undertaking this transformational Project designed to enhance national connectivity, economic opportunities, access to services and the long-term development of South Asian regional infrastructure networks. In seeking to minimize the risk of corruption in Project implementation and hold wrongdoers

obligations and undertakings of both the parties with respect to the investigation of alleged corruption and Project implementation in order to build the Padma Multipurpose Bridge swiftly and with the highest standards of quality. B. Obligations and Undertakings of the Government

As a prerequisite for any renewed implementation of the Project, and with a view towards achieving and maintaining international standards in investigating any presence of alleged corruption under the Project, the Government:

involved in corrupt acts in connection with the Project on the basis of inquiry and recommendation of ACC (which will be assisted by the World Bank Panel). (ii) to take measures referred to in paragraph (i) (iii) to continue the said measure.

Ministry of Finance Agrees to accept the World Bank Panel of Experts (the Panel) comprised of three individuals, and to Terms of Reference for said Panel attached as an annex to the letter of

findings to the Bank and to the Government through the World Bank. The Panel however, will have informal relations with the ACC and their final decisions on any matter will be communicated to the ACC officially by the World Bank. Has appointed an Enquiry Team to handle the Investigation.

1. Agrees that upon full discharge by the Government of its obligations contained within

31, 2012 on a modified Project implementation arrangement, including revised procurement processes in accordance with the operational, fiduciary and anti-corruption policies, guidelines and procedures agreed by the Bank, the Asian Development Bank, the Japan International Cooperation Agency and the Islamic Development Bank.

Bank will, based on input and advice from the Panel on whether the Investigation and related legal processes are proceeding in a full, fair and expeditious manner, take a decision whether to delink future procurement and contracting decisions under the Project from progress of the Investigation into alleged corruption.

Project implementation arrangement, the Bank has reason to believe that the Investigation and/or any related legal processes is or are not proceeding in a full, fair and expeditious manner, the Bank shall have the right to exercise the full range of remedies available to it under the Financing Agreement for the Project, entered into between the Government and the Bank on April 28, 2011.

All undertakings, obligations and remedies set forth in the Financing Agreement for the Project, dated April 28, 2011, including anti-corruption policies, remain in effect for the

E. Privileges and Immunities

The activities carried out on the basis of this LoU shall be without prejudice to the

respective privileges and immunities of each Party, which are specifically reserved and which may be invoked at any time.

Agreed to on June 29, 2012

Senior Secretary Econmic Relations Division Ministry of Finance Government of Bangladesh

Ministry of Finance

Government of Bangladesh

Alternate Governor of the World Bank

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## Govt to try killers of journalists FROM PAGE 20 She mentioned that sion channel for the first

### the government. Saying that false and

distorted news might bring immense sufferings to the entire nation, the Awami League president sought cooperation of the journalists for the country's uninterrupted development. "We got the democracy

democratic process," Hasina said while distributing cheques of assistance at her office among sick, distressed and accident-wounded journalists as well as the family members of journalists killed in various incidents.

mission to private televi-

ted 15 more private channels along with private FM and community Hasina also claimed that her party always tried to help the journalists

About the measures

journalists, the prime min-

ister said the provision of instead of arrest warrant against journalists was introduced through

Senior Secretary

Economic Relations Division

Ministry of Finance

Government of Bangladesh

The prime minister Hedayet Ullah Al Mamun

Topu were present.

Senior Secretary Ministry of Finance

Date: June 29, 2012

The World Bank, Washington DC

In continuation of our letter under reference, this is to confirm the following on the above subject: The commitment of the Government of Bangladesh as outlined in paragraph 6 of our letter

will take more time as explained in the previous letter.

I thank you very much for your kind cooperation.

With warm regards,

Senior Secretary Alternate Governor of the World Bank

THE GOVERNMENT OF BANGLADESH

The Bangladesh Government (the Government) has signed a Loan Agreement in respect of financing of the Padma Multipurpose Bridge Project with The International Development

This Letter of Agreement (LoA) reflects the shared objectives of the Government and the Bank to: a) accelerate inclusive economic growth and poverty reduction in Bangladesh; and b) ensure

accountable for their actions, this LoU builds on the Government's promise to the people of Bangladesh to use public resources wisely and transparently to overcome long-term infrastructure deficits which constrain economic growth. The implementation of this LoU will contribute to long-term strengthening of governance and accountability in Bangladesh. The LoU sets out the

Agrees (i) to take actions against all the individuals believed or alleged to have been

 Has agreed with the Bank and its co-financiers by July 31, 2012 the structure of a modified Project implementation arrangement that grants greater oversight of future procurement processes to the financiers.

C. Obligations and Undertakings of the Bank Recognizing the importance of the Project to the population of the People's Republic of

Bangladesh, and in recognition of the actions and agreements undertaken by the Government, the Bank: this LoU the Bank will, if the requirements of the paragraph B(4) are met, agree by July

2. Agrees that, following a new pre-qualification process and prior to the launching of tenders for the first contract under the modified Project implementation arrangement the

D. Further Undertakings of the Parties

1. If at any point prior to the launching of tenders for the first contract under the modified

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3. Failure by either Party to fulfil any of its respective obligations hereunder shall render this Letter of Understanding null and void.

# after passing a long constructive criticism of bumpy path, and so we time and this time permit-

During her party's whether it was in power or said, they had given per-

or not.

 From June 2011, the Bank started delaying the responses to our numerous requests for clearing the project bidding documents and tender clearances. We were assured by the country representative that the delay was normal as per due process and there was no hint of any misdemeanor. 2. In July, we were informed that there were misgivings about consultancy and we were promised more information. Unfortunately, no information was provided for about 03 (three) months.

I would like to take this opportunity to make a last ditch attempt to resolve the Padma Bridge

past six months we have responded in good faith and with a firm resolve to iron out the

issue on which hangs the prosperity and well being of 60 million people of Bangladesh. In the

differences so that this transformative project -largest ever that the World Bank has undertaken-

As there is no time to be lost and the matter is one of life and death to our people, and since it

perhaps more blunt than is normal. To make sure that you have understood our perspective and

position, and to avoid our responses being lost in transmission, I will restate our position from the

seems to me that there has developed distrust between the two parties, I shall be candid and

3. In early October, the Vice President South Asia(VPSA) and Vice President INT visited Dhaka and provided a verbal report (but no evidence) of "pay to play" in the consultancy prequalification. The VPSA suggested in a private conversation with the Honorable Finance Minister, that if the two officers and the minister in charge were moved out, the Bank would resume the project. Bank's proposal for a ring-fenced arrangement in the construction of the bridge was hammered out in a meeting between Prime Minister's Advisor and the senior management of the Bank - Managing Director, Vice President for South Asia and the Country Director. The Honorable Prime Minister was reluctant to take action against the high level public officials without actionable evidence, but in the

Senior Secretary Economic Relations Division

accept the Bank's choice. 4. Sadly the Bank failed to deliver on its agreement. In November the Bank dropped the charge of "pay to play" and instead claimed that evidence had come to light in Canada that Bangladesh officials had solicited bribes from SNC-Lavalin officials. No evidence was shared with us and the project remained on hold. We were also informed by the Canadian Mounted Police that they had not shared any evidence with you; and nor would they share it with our Anti-Corruption Commission (ACC) until the case is disposed off by the courts.

5. In April 2012 the INT department of the Bank made a referral to us citing "evidence" that

consisted of a note in which an SNC employee had listed a number of names to whom

"evidence" was insufficient under our laws to merit criminal action against public servants (who had already been removed from their positions several months earlier.) Despite that, we asked the ACC to conduct full investigation and offered to the Bank to take full action under Bangladesh legal framework as agreed by the Bank (on June 5).

on the conduct of the inquiry. Your team laid down 5 essential elements in this regard:

 Provide the World Bank panel full access to all investigative files, materials, documents and any other information gathered by the ACC inquiry team. Provide the Bank with copies of all policies etc. governing the conduct of the ACC and this particular investigation. Provide the background information and credentials of the members conducting

 Permit the panel to observe the interviews of the individuals provided the individual concerned does not object. The Government of Bangladesh has already informed the World Bank team that the ACC is ready to cooperate on all points listed in paragraph 6 above. As it was made clear to the WB team that the ACC is a statutory independent body set up by an Act of

Parliament, under its rules, to safeguard its statutory independence, the ACC cannot sign

any Term of Reference (ToR) with any outside agency. As a matter of fact, we do not

Senior Secretary Economic Relations Division Ministry of Finance Government of Bangladesh

interfere with ACC processes. The Government's interaction with the ACC is

However, the Government of Bangladesh is fully prepared to provide the necessary assurance that it will abide by this commitment. 7. Regarding the measures, we have already agreed to take immediate action against all those individuals believed or alleged to have been involved in corrupt acts in connection with the project on the inquiry and recommendation of the ACC (which will be assisted by the World Bank panel). This was fully explained in greater detail in our letter of June 26. We reiterate that the Government's commitment to take action against officials

confined to referring the cases for inquiry and occasionally requesting for progress report.

we hope that you will find this satisfactory. Attached is a signed copy of the terms of reference for the World Bank panel. I trust that you will find our firm commitment both with respect to investigations and actions

With warm regards, Sincerely,

(Igbal Mahmood) Senior Secretary

Alternate Governor of The World Bank

international and national authorities and the World Bank.

#### Senior Secretary Economic Relations Division Ministry of Finance Government of Bangladesh

Cont. to pg 3

Senior Secretary

Economic Relations Division

Ministry of Finance

Government of Bangladesh

Terms of Reference for the World Bank's Panel. On September 22, 2011 and April 4, 2012, the World Bank issued two referral reports to the Government of the People's Republic of Bangladesh (the Government) regarding the World

Bridge Project (the Project), which stands to be financed as a US\$1.2 billion IDA credit. The investigation brought forth allegations of corruptions against some government officials under the Project. The Bangladesh Anti-Corruption Commission (ACC) has initiated an enquiry into the allegations pursuant to The Anti-Corruption Commission Act of 2004 (hereinafter the Act) and Anti-Corruption Rules 2007 (hereinafter the Rules) framed under the Act. As the World Bank has informed the Government and the ACC about the allegations of

corruption in the Project, the ACC will cooperate with the World Bank's Panel of Investigative

Experts (the Panel). The Panel will consist of three experts in the field of international

investigation and prosecution, along with their staff.

other information gathered by the Enquiry Team;

and a statement if necessary on any conflict of interest;

Bank's investigation into allegations of corruption with respect to the Padma Multipurpose

The purpose of this cooperation will be to ensure the completeness, correctness, transparency and fairness of the investigation by the ACC. Areas of cooperation by the ACC with the World Bank will include continuous sharing of information during the enquiry and investigation phases, as well as the prosecution phase if the enquiry establishes a prima facie case. Specifically, the cooperation will include:

(1) Providing the Panel with full access to all investigative files, materials, documents and any

(2) Providing the Panel with copies of all policies, procedures and disciplinary rules governing the conduct of the ACC and this investigation, including rules related to maintaining the confidentiality of the investigation and any information collected and its independence and (3) Providing the background information and credentials of the members conducting the inquiry Dated: June 28, 2012

obal Mahmood Senior Secretary (4) Engaging with the Panel by providing it with regular periodic briefings on the status of the investigation or any other information they may request as necessary to allow the Panel to assess the investigation's progress and accomplishment of investigative milestones;

> the miseries of sick and distressed and hapless

Alternate Governor of The World Bank

Ministry of Finance Government of Bangladesh larger interest of the country, and in order not to jeopardize her electoral commitment, used her routine cabinet reshuffle to adjust the portfolios to meet the Bank's demand. The Honorable Prime Minister also indicated that she had no preference as to who was appointed as the oversight consultant and would be happy to drop SNC-Lavalin and

Senior Secretary

Ministry of Finance

Government of Bangladesh

Date: June 28, 2012

Economic Relations Divisio

bribes would be paid in the event the contract was awarded to SNC. The intent to bribe a foreign official is a crime under Canadian law but the so-called unsubstantiated 6. The recent World Bank team to Dhaka sought a written agreement that Bangladesh would allow full access to Bank's independent legal advisors to examine and satisfy itself

Provide the Bank access to the ACC and the Government for periodic briefing

remains unchanged and will be taken as soon as the ACC (together with the Bank This letter has encompassed the conditions and obligations stipulated in the MoU and ToR and

acceptable and will be able to agree to resume the work of the project. I thank you for your kind cooperation and look forward to your positive response.

c.c: Mr. Mukesh Nandan Prasad, EDS-12. The World Bank, Washington DC Ms. Ellen Goldstein, Country Director, The World Bank, BDO

(5) Permit the Panel, upon their request, to observe interviews of individuals, provided the individual concerned does not object. The Panel, where necessary, will facilitate collaboration with and among the ACC and other

and be free from any interference by any official or representative of the Government, any other individual or any other institution or entity. The Panel will be able to keep their work, deliberations, conclusions and any other work product In addition, the Panel will provide to the World Bank leadership the progress reports regarding

The Panel may also provide any other preventative or technical observations to the Bank

The initial progress report by the Panel to the World Bank assessing the investigation will be

The Panel will be completely independent of the ACC and any other official of the Government

made by July 31, 2012 or as soon as possible thereafter. In order for the terms of reference to be compatible with our laws, this is an informal agreement.

the Investigation which opine on the adequacy and fairness of the Investigation

leadership and the Government of Bangladesh as it deems appropriate.

Economic Relations Division Ministry of Finance Government of Bangladesh

taken by her government for the betterment of the Hasina assured the jour- issuing of summons

Abul Kalam Azad, Information Secretary

# www.erd.gov.bd, E-mail: secretary@erd.gov.bd, Tel: 880-2-9113743, Fax: 880-2-8113088 Senior Secretary Economic Relations Division Government of Bangladesh the Government sent to the Bank on June 28, 2012 and further agrees that the Panel, pursuant to its Terms of Reference, shall serve as independent experts and reporting their