

# Removal of minister

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its decision and also for the sake of the ongoing ACC probe," he said.

**MUHITH'S LETTER ON OCTOBER 18, 2011**  
In the letter, Muhith told WB President Robert Zoellick that Bangladesh would act promptly on the integrity vice presidency (INT) allegation and seek to resolve the problem rapidly with the WB's cooperation.

He said Bangladesh assured all development partners that it would retain the highest standard of integrity and transparency in the implementation of the Padma bridge project.

"The government [Bangladesh] sticks to this position and believes that the WB under your leadership will be helpful in allowing us to implement a dream project as expeditiously as possible," the finance minister told Zoellick.

Muhith referred to his communication with the WB vice president for South Asia on a short-listing of bridge contractors and pointed out that it was held up because of some spurious complaints. The finance minister said, "The WB took note of my submission and approved the short list."

"I am mentioning this case only to emphasise that discontended parties in tender bids are prone to bring up baseless allegations of corruption and injustice. In this case, there was clear forgery," he wrote to Zoellick.

**MUHITH'S LETTER ON JUNE 12, 2012**

In his letter to Zoellick, the finance minister said the government could associate external experts in assisting and advising in the investigation process, as suggested by the Washington-based lender.

**IQBAL'S LETTER ON JUNE 26, 2012**

In the letter to the WB Vice President for South Asia, Isabel M Guerrero, Iqbal Mahmood said the existing law for the Anti-Corruption Commission would not allow any agency to get involved directly in its enquiry process.

Instead, the ACC agreed to extend its full support to the WB regarding enquiry and investigation into the corruption allegations in the project, he said.

The letter read that the ACC was ready to give the WB full access to all materials, documents, and other information gathered by the enquiry team that the ACC had appointed in accordance with the act and the rules.

It said, "The ACC's draft agreement of cooperation would be very helpful and effective, and at the same time ensure integrity to find out sufficient evidence against officials for wrongdoing and will allow the government to take action without any delay."

Iqbal said since the WB's June 5 letter referred clearly to "officials", not "ministers", the government agreed to take action against only the officials.

"The action against the ministers would essentially await preliminary findings of the ACC," he said.

**IQBAL'S LETTER ON JUNE 28, 2012**

In a last-ditch attempt to convince the WB to resume the project, Iqbal wrote a letter to Isabel Guerrero a day before the WB cancelled the funding of the project.

He mentioned that the WB vice president for South Asia "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."

"The Honorable Prime Minister was reluctant to take action against the high-level public officials without actionable evidence, but in the larger interest of the country, and in order not to jeopardise her electoral commitment, used her routine cabinet reshuffle to adjust the portfolios to meet the Bank's demand."

"As there is no time to be lost and the matter is one of life and death to our people, and since it seems to me that there has developed distrust between the two parties, I shall be candid and perhaps more blunt than is normal," read the letter.

The three-page letter shed light on several issues, including the WB's demand for an agreement to allow WB's independent legal advisers to carry out an examination on the conduct of the enquiry.

It said the government had already informed the WB team that the ACC was ready to cooperate on all points as demanded by the WB. But the ACC as a statutory body could not sign any terms of reference with any outside agency.

**IQBAL'S LETTER ON JUNE 29, 2012**

In the letter to Guerrero, Iqbal said the government agreed to take action against all individuals believed or alleged to have been involved in corruption in the project on the basis of the enquiry and recommendations of the ACC (which would be assisted by the WB).

He said the government agreed to accept the WB's expert panel comprised of three individuals and also terms of reference for the panel.

# Court order

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grounds of Khaleda being busy in distributing relief in Chittagong.

The other accused were Harris Chowdhury, Khaleda's former political secretary, Ziaul Islam Munna assistant private secretary (APS) of Harris, and Monirul Islam Khan, APS of former Dhaka City Corporation mayor Sadeque Hossain Khoka.

Khaleda's lawyer Sanatullah Miah submitted a petition before the Senior Special Judge's Court of Dhaka for an adjournment of the hearing.

The defence counsel appealed that Khaleda could not appear before it as she had gone to Chittagong to distribute relief among the disaster-stricken people of the port city.

Accepting the petition, the court decided that Judge Mohammad Akhteruzzaman would pass the order on the new date.

The court extended the bail of Ziaul and Monirul until the next hearing.

Khaleda on February 2, got a permanent bail in the case.

Harris has been on the run, since the case was filed.

On May 31, the delivery of the order was deferred on the grounds of Khaleda being preoccupied with budget session of the parliament.

As her party enforced a hartal on April 29, the court had to defer its session for her security concern on that day.

On March 18, the deferment came on the grounds of her preoccupation with the party's organisational activities.

The Anti-Corruption Commission, on August 8 last year, filed the case with Tejgaon Police Station, accusing the four for abusing power in raising funds for the trust from unknown sources.

# Myanmar

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requested us to reschedule the date of President Thein Sein's visit after Ramadan as he himself is monitoring the situation created due to sectarian violence in the northern Rakhine province," Foreign Secretary Mijarul Quayes said.

Thein Sein was scheduled to visit Dhaka on July 15-17.

Replying to a question at a press briefing after the foreign secretary-level talks with Myanmar's Deputy Foreign Minister Maung Myint yesterday, Quayes said "We are now working on a fresh date for the visit of the Myanmar president."

He added that the scheduled meeting between the chiefs of border forces of Bangladesh and Myanmar on July 22-26 in Dhaka has also been deferred as the Nasaka chief remained busy in tackling the sectarian violence in Rakhine province, where a state of emergency has been declared following the conflict.

A fresh date for the meeting will be announced later on, Quayes said.

# Rangpur

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become the ninth city corporation in the country.

According to laws, an election to the newly formed city corporation has to be held within 180 days of publication of the gazette.

Farid Ahmed, deputy commissioner of Rangpur, told this correspondent that his office received a copy of the gazette notification around 10:30am yesterday.

As the news spread, people from all walks of life in the town came out on the streets, brought out colourful processions and exchanged greetings and sweetmeats expressing their joy.

Prime Minister Sheikh Hasina at a public gathering in the Rangpur Zilla School ground on January 8, 2011 announced the decision to upgrade the Rangpur municipality to a city corporation.

As the upgradation process had been getting delayed, people of the district on different occasions held programmes like long march, rally and road blockade to materialise their demand.

# Tremor jolts

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The epicentre of the quake was in the India-Myanmar border region, some 490km northeast of the Dhaka Seismic Observatory Centre at Dhaka University, said Prof Syed Humayun Akhter, director at the centre.

# Govt wants WB

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"And to that end, we accepted many of the World Bank's conditions by relaxing our rules and regulations."

"Despite all this, it is really undesirable and mysterious that the World Bank cancelled the loan and issued a humiliating notice," said the minister, urging the bank to reconsider its decision.

The WB on Friday cancelled its funding for the project, saying it had "credible evidence corroborated by a variety of sources which points to a high-level corruption conspiracy among Bangladeshi government officials, SNC-Lavalin executives and private individuals in connection with the Padma Multipurpose Bridge Project."

The project's major donor also said, "The World Bank cannot, should not, and will not turn a blind eye to evidence of corruption."

Muhith noted that the WB had said it had given Bangladesh credible evidence on corrupt practices.

"But their credible evidence is not acceptable to us because the evidence comes from statements of individuals whose names are unknown to us; and whose names they [the WB] would not give us... which is their [WB's] technique."

"Their credible evidence will be credible in our law when witnesses can be found."

Muhith said the Canadian authorities had sat with the government but refused to give Dhaka the evidence saying it would hinder their investigation.

"The World Bank has produced one credible evidence -- writings from a personal diary of the accused person of the Canadian company [SNC-Lavalin]. This writing is not acceptable

to our court or any other court in the world until it is independently corroborated."

"So, their claim of having credible evidence is completely meaningless."

The minister said he would discuss the matter in detail at today's parliament session.

Muhith refuted the WB's allegation that Bangladesh did not take appropriate steps to prevent a corruption conspiracy.

He produced before the media some government correspondence with the World Bank. The minister, however, did not show any correspondence from the lending agency for the sake of the ongoing investigation.

The government had been exchanging letters with the WB for the last nine months, he said, adding: "We have taken steps to remove the World Bank's suspicion."

"For example, we have brought about changes in leadership in the bridge's project. It seems that the World Bank did not take those into cognisance. Rather it [the bank] recommended further investigation into the appointment of the construction contractor, focusing its attention on the consultant."

The finance minister said the bank asked for an intensification of the investigation having taken into consideration the activities of the Canadian authorities.

The ACC opened a probe in August last year and gave a report on the matter to the bank in February, he said and added, "From time to time we only inquired about the progress of the investigation. We came to know that the World Bank did not provide any additional evidence in support of the accusation it had made. The Anti-Corruption Commission has

been carrying out the inquiry in its own way."

When a WB team held talks with the Economic Relations Division (ERD) and the ACC early last month, the government requested the team to view the allegation and the project's implementation as two issues instead of linking the two.

The bank sent another team to Dhaka on June 23 for further discussions with the ERD and the ACC. This time the WB gave three conditions, two of which the government did not agree to accept -- signing a Memorandum of Understanding with the bank and a Terms of Reference with a panel of foreign consultants.

The ACC was looking into the allegations independently and the government could not form a judicial commission for the same, Muhith said replying to a query. "But if the government, the Anti-Corruption Commission and the World Bank agree on that matter [forming a judicial commission], I have nothing to say."

The minister, however, stopped halfway a reporter's question on a WB report that mentioned former communications minister Syed Abul Hossain's involvement in the alleged graft conspiracy.

Interrupting the reporter, he said, "I shall not comment on this matter. I do not know from where you have 'stolen' this [information]. And I am not going to give you the letter [the WB report on corruption given in last September]."

On whether Prof Muhammad Yunus had anything to do with the cancellation of the funding as some quarters would suggest, Muhith said, "I do not know anything."

Asked about alternative

funding, the minister said there were two designs for the project. The one that was chosen is aesthetically beautiful and costlier. "If there is a fund crisis, we will go for the cheaper one."

Terminating the WB as one of Bangladesh's "friendly organisations," he said since liberation the bank had given the country \$1,680 crore for 251 projects. At present, 35 WB-financed projects worth \$495 crore are going on.

Muhith expressed his hope that the other WB-funded projects would continue smoothly even after the cancellation of the Padma bridge funding.

# THE PROJECT

The project's work has remained stalled since September last year amid graft allegations forcing the government to engage further with the WB in settling the issue and also look for alternative funding for the \$2.9 billion project.

The proposed 6.2-kilometre (3.85 miles) bridge over the Padma river was to connect the capital with the country's 16 southwestern districts. The bridge was to have a road and rail line.

The WB apart, the Asian Development Bank pledged a \$615-million loan for the project. Japan International Cooperation Agency (Jica) and Islamic Development Bank (IDB) also signed agreements with the government on making available \$400 million and \$140 million respectively.

The WB's credit cancellation will mean a further delay in implementing the project, which is considered crucial for about 30 million people in the southern region expected to benefit from the new road and rail connections.

At present, all traffic across the Padma relies on ferries.

# WB suggested

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the bank accounts and travel documents of former communications minister Syed Abul Hossain and high officials of his family-owned company SAHCO.

The WB made the suggestion sometime after the ACC sent it a synopsis of its investigation report on SAHCO's involvement in the process of appointing consultants for the Padma bridge project. It said that without raising any question about the authenticity of the probe report, the ACC chief said.

The anti-graft body, he noted, could not however work on the WB suggestion because its own laws did not permit it to do so.

The commission sent its investigation report to the WB on February 2 this year. In the report, it said the allegation was not proved by documentary evidence and other proof. It also read, "If any tangible evidence on the allegation emerges subsequently, we will reopen the enquiry process."

The ACC chief was holding a press conference at the commission headquarters in the capital's Segunbagicha. Journalists there were given a dossier that included a statement from the commission, copies of the letters written to the WB integrity vice-president and a synopsis of the probe report to the WB.

The commission, however, did not make public the WB's letters, terming those "strictly confidential."

On Saturday, the global lender pulled out of the Padma bridge project, citing a corruption conspiracy involving government officials, executives of the Canadian firm SNC-Lavalin and other individuals.

In a statement, it also alleged the ACC was not sincere in investigating the corruption allegation and its response was not satisfactory.

About the WB suggestion, Ghulam Rahman said it was not possible for the ACC to follow the suggestion, as the ACC Act 2004 does not allow the commission to conduct "search and seizure" during investigation into any allegation.

Bank statements can only be summoned upon the court's permission when an investigation is launched after the ACC files a case.

allegation is regarding the appointment of a 'silent agent'," he observed.

Terming the WB's allegation untrue, the ACC chairman said the decision of cancelling the fund for the bridge project was "unjust, unexpected and unwise".

He said the WB on September 21 sent a letter to the finance minister alleging that Abul Hossain and high officials of SAHCO had pressed for the appointment of SAHCO as a "commission agent" regarding the selection of contractors' pre-qualification for the main bridge's construction.

The ACC was also given a copy of the letter and then the ACC appointed a deputy director as the investigation officer. After the investigator submitted his findings, the ACC approved it through examination, he mentioned.

At the press briefing, ACC's legal adviser Anisul Huq alleged that the WB's blaming the ACC for its "unsatisfactory response" was nothing but an excuse to cancel the fund for the bridge project.

"It was premeditated by the World Bank that it would not fund the Padma bridge project. That is why the Bank authorities have raised an excuse that the ACC did not respond to them," he claimed.

The WB was also blamed by the ACC for not cooperating with the commission properly.

"The ACC co-operated with the World Bank properly by providing all necessary information it sought," Ghulam Rahman said.

"When the matter was published in the Bangladesh media, we voluntarily launched an investigation into the matter on September 19 last year. The Bank did not inform us," he said.

On the basis of the World Bank's allegation, the Canadian police in November last year launched an investigation against the Canadian engineering firm SNC-Lavalin for alleged irregularities in its bidding to be the bridge's consultant firm, the ACC chief said.

In April this year, he added, the WB handed over some "Supplemental Referral of Information" to the ACC related to the appointment of consultant for the bridge project.

Following the WB's information, Canadian police seized a notebook of Ramesh

Saha, a former vice-president of SNC-Lavalin, who was arrested by the Canadian police. Saha had mentioned the "percentage to be allotted to specific persons in connection with the award of the contract", said the ACC chief.

"The World Bank provided the names of some persons on the basis of the notebook, although the names in the notebook were mentioned symbolically," the ACC chairman said, adding: "The WB did not provide any more information but the possible names."

Ghulam Rahman said, "Following this, the commission strengthened its investigations and restructured the probe team led by a senior director. It has also questioned several individuals and the process is underway."

"The commission does not find it right to conclude without any more evidence that the persons in the list asked for bribes, and it will not be lawful too."

Regarding the Canadian police, he said until date they had not provided any information that might prove that any Bangladeshi individual was involved in any corruption.

In response to a query, Ghulam Rahman said the Canadian authorities had informed the commission that they would no more assist the anti-graft body with any information "as no information remains undisclosed in Bangladesh".

# Spain crush

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Further goals came from substitutes Fernando Torres and Juan Mata -- a minute after coming on -- in the second-half against an Italy side that had to play the last 30 minutes down to 10 men as they used up all their substitutes.

The Spanish broke the deadlock in the 14th minute as Cesc Fábregas set up Silva, who headed home and all but put the game beyond the Italians in the 41st minute as Alba, outstanding all tournament, collected a superb ball by Xavi and slotted it home.

Thiago Motta's injury in the 61st minute just after coming on as their third replacement left them with 10 men and Torres and Mata rounded off a facile victory.

# Full text of govt statement on Padma

*Dear journalist friends of the print and electronic media:*

The World Bank in a statement yesterday announced that it had cancelled the loan agreement signed with Bangladesh for the Padma Bridge financing. In the statement, the WB alleges that Bangladesh did not take appropriate steps to prevent a corruption-related conspiracy. It also claims it had sought the Bangladesh government's consent on three issues but did not get it.

In a brief statement yesterday, I expressed doubts about the rationale for the World Bank's issuing such a statement, which I think is unacceptable. I also said, "It is not correct when they say they have presented credible evidence about corruption in the Padma Bridge project and we did not take any step in this regard." Today I have invited you here to speak on this issue.

I also said that since the Jatiya Sangsad is in session I would speak there at length tomorrow. If there were a Sangsad session today, I would speak today. However, after the WB released its statement the mass media have been publishing various quasi-information and opinions. In this context, I feel it is my responsibility to make the matter clear. That is why I have invited you today and am presenting before you a brief written statement.

The World Bank is one of our friendly organisations. Since the country's liberation, it has financed \$1,680 crore against 251 projects and till now, WB credit worth \$1,450 crore has remained unpaid. At present, 35 WB-financed projects with a total investment of \$495 crore are being implemented in Bangladesh.

Initially, the WB financed projects in the road and communications sector, but it had refrained from financing this sector since fiscal year 2007-08 citing corruption during the last government's tenure. After the present government came to office, the WB in 2010 expressed its interest in financing the roads and communications sector, especially the Padma Bridge project.

On April 28, 2011, the World Bank signed an agreement with the government to be the principal co-financier in the \$290-crore project with a \$120-crore credit line. However, later it suspended financing, raising corruption

allegations against some officials involved in the project.

I have already stated that we have been continuing talks and exchanging letters with the WB for the last nine months and we have taken extraordinary steps to remove the lender's suspicions. In my concluding speech on the budget, I elaborately talked about the WB's interest in the project. The interest waned when the WB raised questions about the pre-qualification of our construction firm and put pressure in favour of a Chinese firm. It was found that the tactics of the Chinese firm was a fraud by their Bangladeshi subsidiary. When it was detected, the WB approved the pre-qualification of five construction firms. However, it seemed to us that delaying tactics were employed in the progression of the work of the bridge. And that was when our bad days began, a process that has been continuing for the last nine months.

I have earlier told the media that we communicated our reaction after we received the first written complaint of corruption from the WB. In my budget speech, I said the WB had investigated seven instances of corruption in the country and sent recommendations to the caretaker government as well as our government. In none of the seven cases was project implementation halted. In light of that experience, I advised the WB last October to de-link the project implementation and the investigation process. But it did not accept that.

We have discussed more in this regard and taken more steps. For example, we have brought about a change in leadership in the bridge project. It seems the WB did not take those measures into cognisance. Instead, the bank recommended more investigation into the appointment of construction contractors. It focused its attention on the construction consultants.

The WB expressed its opinion in this regard to us last April and asked us to expedite the investigation, taking into consideration the work of the Canadian authorities. But in actuality, our Anti-Corruption Commission started its investigation in August last year. The ACC also sent its investigation report on construction contractors to the World Bank in February

this year. The bank suggested that the commission conduct more investigation in that case. Since these matters were under the jurisdiction of the ACC, we opted not to interfere. From time to time, we only enquired about the progress of the enquiry. We came to know that the WB had not provided any additional evidence in support of the accusations it made. The ACC has been carrying out the investigation in its own way.

At the time, a World Bank team at our invitation held separate talks with the Economic Relations Division and the ACC. We had elaborate discussions with the team on June 4 and we again requested them to detach the investigation from the implementation process.

As no tender is accepted in the implementation process without a no-objection from the development partners, we proposed to give them a bigger role in the implementation process and especially in the purchase activities.

The WB on June 5 informed us about its position in writing and sought our consent on some matters. We communicated to it our opinion and measures on the matter on June 12. We also invited it for final discussions. On June 23, the WB sent another team to Dhaka for further discussions. The ERD and the ACC again held separate meetings with the team. This time the WB team wanted to reach an understanding with us on three points. It demanded a Memorandum of Understanding (MoU) between the WB and Bangladesh. It also demanded that we give our consent to the Terms of Reference (ToR) with foreign consultants about the investigation of the ACC.

In order to reach an understanding with the WB and to keep the Padma Bridge project free of corruption we conceded many of the demands. Our aim was to settle the matter in a way so that (i) we would not have to sign any humiliating MoU for probable corruption (ii) the ACC would not accept any ToR with any foreign panel to maintain its independence. Instead, we sought to reach an understanding with the WB about project implementation and continuing the investigation through exchange of correspondence. With this aim, we softened our rules and accepted various

conditions of the WB along the way.

Despite all this, the way the World Bank has scrapped the credit agreement and issued a disgraceful statement is unexpected and mysterious. I think the WB should review this. Our executive director has been continuing talks with the WB in this regard. We will wait for their reconsideration.

And for this and for the sake of the ACC investigation, we will refrain from publishing the letters from the World Bank. However, so that no unnecessary and uncalled-for comments are made, we are handing you the letters we wrote to the WB about corruption. We have kept other financiers informed of our different measures and we hope they will analyse the WB step.

From my statement and these letters, you will find that we have made all-out efforts so that corruption does not occur. Therefore, the claims made in the World Bank's press note are not at all acceptable and right. Yet we have been continuing talks with the WB, as we want a proper solution to the matter.

I will speak more elaborately on it in the Jatiya Sangsad tomorrow and I will supply that [text] to you.

# 3 sensational

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The meeting reviewed the progress of investigations into 11 cases and ordered investigators to submit charge sheets in three of those cases within a week as the probes into the issues had completed.

The cases relate to the killing of six students in a mob beating in Savar, Rajshahi University student Faruque Hossain murder and Alif murder at Gulshan in Dhaka.

Maasranga Television news editor Sagar Sarowar and ATN Bangla senior reporter Meherun Rumi were found murdered in their rented flat in the capital's West Rajabazar on Feb 11.

Saudi diplomat Khalaf Al Ali was shot dead by some unidentified people before his Gulshan residence on March 6.

On April 5, the body of workers' leader Aminul Islam was found near a college in Ghatail, Tangail. He had been missing since the evening of the previous day.