

**World Bank Grant and Loan to Bangladesh for the Padma Multipurpose Bridge Project**  
**February 22, 2010**  
**U.S. Position**

Bangladeshi geography presents the country with numerous transportation challenges impeding economic development and poverty reduction. The proposal before us to construct the first fixed crossing over the Padma River, linking for the first time southwestern Bangladesh to the rest of the country, will help remove a major transportation obstacle to development. The United States welcomes this operation as part of Bangladesh's goals of inclusive growth and reducing poverty and exclusion, thanks Bank staff for their proactive bilateral engagement, and supports this project.

The United States appreciates the enormity of this endeavor. Successful implementation of this project will require much greater resources, closer monitoring and a stronger commitment to donor coordination than was the case in the Jamuna Multipurpose Bridge project in Bangladesh nearly 20 years ago. We support the World Bank's lead financier role in the project and trust that the Bank can deliver a technically complex and challenging operation in an environment where institutions have relatively low capacity and governance is weak. With this in mind, the United States would like to highlight the following points:

1. **Joint Co-financing Arrangements:** The United States is concerned that the Asian Development Bank and World Bank project documents provide for different requirements with respect to procurement guidelines and debarment lists for the same contracts (the \$1.34 billion bridge construction contract and the \$799 million river training works contract). The two banks are reportedly finalizing a MOU to address joint co-financing issues on this project and will publicly disseminate the MOU. The United States is pleased that the Bank will have the lead in the oversight of the project, and seeks assurances that the Bank's policies, procedures and guidelines for procurement, sanctions, and safeguards will be applied.
2. **Environmental and Social Impacts:** The United States appreciates the extensive environmental impact assessment completed for this project as well as the comprehensive Environmental Management and Monitoring Plan (EMMP). The EIA considered alternatives and includes a full baseline of environmental and social conditions in an analysis that was fairly well presented. We would like to see further mitigation measures for the impacts associated with induced development and with construction operations on important river resources (i.e., dolphins and hilsa fish), including sound buffering of the piling drives.
3. **Governance and Anti-Corruption Efforts:** The Padma Bridge is expected to have a transformative impact on the economic environment in southwestern Bangladesh. However, this enormous undertaking is not without major risks, particularly in governance at the project/transactional and institutional levels. Despite the risks associated with the implementation of such a large project, the United States appreciates the Bangladeshi Authorities' commitment to proper implementation and the Bank's efforts to mitigate and guard against governance, corruption and fraud risks. We applaud

the Governance and Anti-Corruption Accountability Action Plan outlined in the project document. The *Project Integrity Advisor* strikes us as a positive safeguard mechanism, and the United States encourages the Authorities to seek an individual of unquestionable integrity to serve in this important function. The United States also requests that the Bank pay close attention to maintaining transparency in the procurement process as outlined in para. 292 in order to mitigate potentially damaging risks to the Bank's reputation and credibility.

4. **Transparency and Reporting:** Given the size and complexity of the operation, the United States expects Management to keep the Board updated on the status of implementation, including the status of environmental/social and fiduciary safeguards, changes in the tariff structure and the financial condition of BBA. In addition, we believe it is important to promote full transparency for all Panels of Experts reports and government responses as well as BBA procurement data.