

ANNUAL REPORT 2019

BUILDING A CONDUCTIVE BUSINESS ENVIRONMENT IN BANGLADESH

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

BUILD
*for Business
Reforms*

CONTENTS

CHAIRPERSON'S REVIEW- LOOKING BACK	03
TRUSTEE BOARD	07
ABOUT BUILD	08
OUR REFORM ECOSYSTEM	09
RESEARCH	10
MAJOR POLICY REFORMS	11
MAJOR POLICY PAPERS	15
PRIVATE SECTOR DEVELOPMENT POLICY COORDINATION COMMITTEE (PSDPCC) MEETINGS	20
WORKING COMMITTEE MEETINGS IN 2019	24
MAJOR EVENTS	32
MEETINGS WITH OTHER ORGANIZATIONS IN 2019	56
GLOBAL EVENTS	63
COMMENTS ON NATIONAL POLICIES	67
SURVEYS IN 2019	69
FINANCIAL REPORT	71
SECRETARIAT	84

CHAIRPERSON'S REVIEW LOOKING BACK



Mahbubul Alam
Chairperson, BUILD
2018-2019

The Novel Corona Virus (or COVID-19) pandemic has caused a far reaching impact on our lives, businesses and mostly economy across nations and our country in particular. The Government of Bangladesh worked relentlessly to contain the outbreak of the virus despite the many unforeseen challenges. Our organization-Business Initiative Leading Development (BUILD) proactively engaged with the Government and private sector stakeholders with policy suggestions to fight against the pandemic and advising industries not to retrench workers.

Reflecting on another year of strong growth and increasing influence over policy research and advocacy for BUILD, the occasion is ripe to ponder where we go from here and what the role of public private dialogue platform, and BUILD, in particular, would be in the coming year.

2019 has been a year of tremendous achievements for the organization in

carrying out effective policy advocacy, which cemented the confidence of both government and the private sector on us.

As a think tank, BUILD brings action-oriented research to bear directly on public policy that translates into tangible impact. We conduct research on a broad range of existing policies of financial sector development, trade and investment, taxation, SMEs, sustainability and green growth to inform the government and bring reforms in policy.

For the private sector development, we tabled a number of policy recommendations at Private Sector Development Policy Coordination Committee(PSDPCC) Meeting headed by the Principal Secretary to the Prime Minister at the Prime Minister's Office and other Working Committee Meetings and the government has already implemented a significant number of policies.

CHAIRPERSON'S REVIEW LOOKING BACK

Some key BUILD policy suggestions accepted by the Government include; approval of BDT 100 crore paid up capital for foreign investors, tax holiday extended to leather and plastic sectors, Bangladesh Bank rewarded good borrowers, raising Export Development Fund (EDF) limit for leather goods and footwear industrial sectors, expansion of Green Transformation Fund facility for all sectors – a step towards green growth in Bangladesh, Bangladesh Bank simplified the definitions of micro and small businesses and updated loan limits for enterprises, a high-powered committee formed to ensure the development of leather sector, Bangladesh Bank revised policy to process the cash incentive application, stamp duty on venture capital registration reduced and simplification of sample export and import policy to increase the export of nontraditional sectors of Bangladesh.

The Principal Secretary approved the proposal for formalizing BUILD's role in providing secretarial support for PSDPCC and endorsed the suggestion for appointing focal points in all relevant ministries for coordination with BUILD and in that respect a gazette notification has been announced by the Prime Minister's Office.

In 2019, BUILD tabled seven (7) reform policy papers through different thematic working committees and PSDPCC. In the 12th PSDPCC meeting BUILD presented policy papers; Export Competitiveness of Leather and Leather Goods (LLG) sector – Problems and Prospects and Remedies; VAT and SD Act 2012 and Implementation Status and Situation Analysis of Constraints and Policy Support Needs for Export Subsidy/Cash Incentives for Exporters.

At the 13th PSDPCC meeting, BUILD presented four policy papers such as; Popularizing Rooftop Solar Power and Implementation of Solar Power Development Program Guidelines - 2013 and Net Metering Guidelines 2018, Policy Support for Women Entrepreneurs (WE) in Promoting E-commerce, Simplification of Input-Output Coefficient on

leather goods and footwears and duty drawback and eliminating problems of plastic factories in old Dhaka and relocating them to new plastic industries.

Recognizing e-commerce as a future potential business and trade platform for women entrepreneurs, BUILD called for policy support for providing e-commerce businesses legal and formal identity through providing the trade license at the 7th Trade and Investment (T&I) Working Committee.

Through the Financial Sector Development Working Committee (FSDWC), BUILD placed policy papers on Financing Schemes for Export Competitiveness of Bangladesh and Access to Collateral Free Loan for Women Entrepreneurs and a number of reforms was implemented by Bangladesh Bank proposed. Also, BUILD proposed 16 reform proposals for improving business environment and smoothen policy directives for women entrepreneurs especially in the E-commerce businesses at the 7th Trade and Investment Working Committee of BUILD.

BUILD organized the 6th SME Development Working Committee (SMEDWC) meeting and presented a paper on "Access to Finance for SMEs in Bangladesh" showing different financial constraints faced by the SMEs and women entrepreneurs such as information gaps, stringent documentation requirement, definition ambiguity and many other related issues.

Under the Taxation Working Committee (TWC), we placed Income Tax, VAT and Customs related reform proposals to the National Board of Revenue (NBR) before the National Budget announcement. Around 127 fact based proposals were placed of which 18 reform proposals were implemented.

The Sustainability and Green Growth Working Committee implemented a number of important projects. Under the Climate Finance Transparency Mechanism supported by DFID, UKAID and British Council, BUILD conducted research

CHAIRPERSON'S REVIEW LOOKING BACK

and held dialogues on green financing and green transport. BUILD also organized transactional dialogues under the Textile Sustainability Platform (TSP) for harnessing solar energy for the textile sector. Under the Climate Induced Migration Project supported, BUILD held workshop and research to develop bankable business plans for secondary cities that could provide jobs for climate migrants. We also implemented a project with Bangladesh Centre for Advanced Studies (BCAS) on promoting adaptation investment among SMEs in Southwest Bangladesh.

Apart from the working committee activities, BUILD accomplished a number of projects under Export Competitiveness for Jobs funded by Bangladesh Investment Climate Fund-2 of World Bank Group. BUILD implemented the project titled "Provide Policy Advocacy Support through Structured Public Private Dialogue (PPD)". Under this project, BUILD helped the Government implement a number of key policy reforms that significantly improved the investment and export competitiveness of Bangladesh, including those affecting women.

BUILD implemented the Textile Sustainability Platform (TSP) project aiming to strengthen environmental sustainability and resource use efficiency in the textile sector of Bangladesh and map out roles and responsibilities of the government institutions related to the water sector. Under this project, BUILD extended research, technical, and secretarial supports to ensure meaningful operation of the platform.

BUILD along with Ministry of Commerce joined the efforts of International Trade Centre (ITC) in implementing the SheTrades Outlook Bangladesh with an aim to present a useful policy tool called SheTrades Outlook, provide guidance on the possible setup of a national SheTrades Chapter in Bangladesh, find areas for collaboration based on Bangladesh's policy priorities, and allow local agencies to share their good practices related to women's participation in trade.,

To provide evidence-based inputs to the government on Electronic Vehicles, BUILD worked with different stakeholders including BRTA and set out recommendations which were later channeled through the Sustainability and Green Growth Working Committee of BUILD and Private Sector Development Policy Coordination Committee at Prime Minister's Office said the Secretary. This activities were accomplished in collaboration with JETRO.

Early in the year, BUILD organized the second round of Bangladesh-Austria Trade and Economic Forum along with Advantage Austria. BUILD has been the official partner of Austrian Embassy Commercial Section (Advantage Austria) since 2016. BUILD and Advantage Austria organized the prestigious National Energy Globe Award Giving Ceremony-2019 as well.

BUILD carried out the survey titled '4th Bangladesh Business Confidence Survey 2019' between March and August this year, covering 250 businesses across the country to understand the perception of business. The findings of the survey were revealed at a launching ceremony in presence of Hon'ble Commerce Minister and former Finance Minister. Confidence of the country's businesses is expected to improve slightly in the second half of the year 2019 compared with that in the same period of 2018 due mainly to improvement in employment situation, license and permit, telecommunication, electricity and gas supply and improvement in finance from other sources except the banking sector, said the survey.

It is in the context of this crisis of confidence that BUILD has had its most successful year ever. By building policy recommendations on solid research and evidence, our work has been crucial to seeing off the better position in the Doing Business Index of World Bank. Transforming the economy from labour-based to knowledge-based footing and following the experience of India's rise in Doing Business Index, BUILD held talks titled 'Experiences and Lessons from India's Business Reforms' as we would

CHAIRPERSON'S REVIEW LOOKING BACK

require strong role of the private sector and facilitation of the government.

As a valued member of more than 20 different high-status committees anchored at both public and private sector organizations, BUILD intensively worked with National Steering Board of the Bangladesh Water Multi-Stakeholder Partnership (MSP) Steering Committee, Water Governance and Sustainability Work Stream and Agriculture Work Stream of Ministry of Water Resources; National Consultative Committee on Export and Import Policy; Integrated Private Sector Policy Concept Note Preparation Committee, Project Implementation Committee (PIC); Member of the project for promoting Investment and Enhancement of Industrial Competitiveness of BIDA; National Single Window of Ministry of Commerce, Trade Facilitation, Committee; Simplification of Export Documentation Ease of Doing Business Committee of MoC; SDG Private Sector Working Group of ILO; Asia Pacific Business Forum (APBF) of UNESCAP and Working Group on Improvement of Investment Climate (Japan).

As part of strengthening partnership, BUILD signed a number of Memorandum of Understanding with different organizations that include the Bangladesh Center for Advanced Studies (BCAS) on to implement a number of projects.

All of this work would not be possible without a highly engaged, resourceful and dedicated team of professionals whose contribution to the public-private partnership domain in Bangladesh makes real change happen. The thanks also go to our illustrious and ever supportive Trustee Board.

Our accomplishments would be literally impossible had we not received the invaluable support from our stakeholders such as Dhaka Chamber of Commerce and Industry, Metropolitan Chamber of Commerce and Industry and Chittagong Chamber of Commerce and Industry.

We would like to extend sincere thanks to the Prime Minister's Office, World Bank Group, International Finance Corporation, UNDP Bangladesh, USAID, International Trade Centre-Geneva, Austrian Embassy Commercial Section, ActionAid, Japan External Trade Organization, and PROKAS of British Council for selecting BUILD as one of the partners. At the same time, we would extend sincere thanks to a number of Chambers/Associations that acknowledged our role and were benefited from the services of BUILD.

Thank you. It is an honour to be entrusted in the second year consecutively as the Chairperson working at the nation's leading public private dialogue platform.



Mahbubul Alam

Chairperson
Trustee Board
Business Initiative Leading Development (BUILD)

Trustee Board of BUILD in 2019

We are grateful for the round the year non-stop and sincere support and guidance provided by our Board of Trustee Members of BUILD. The Board of Trustees, constituted in the Deed of Trust in 2013, is responsible for the policy direction that the organization takes from time to time. The Board is vested with the authority and responsibility to exercise control over all the activities conducted by BUILD. Presently there are seven members who are representatives of institutions from the successful leading and prime chambers in Bangladesh and a member secretary of the organization to run routine activities.



Mahbubul Alam
Chairman of Trustee Board
President, The Chittagong Chamber of
Commerce and Industry (CCCI)



Osama Taseer
President
Dhaka Chamber of Commerce
and Industry (DCCI)



Nihad Kabir
President
Metropolitan Chamber of
Commerce and Industry (MCCI)



Farooq Ahmed
Secretary General, MCCI



Md. Joynal Abdin
Acting Secretary, DCCI



Engr. Mohd. Farque Ahmed
Acting Secretary, CCCI



Ferdaus Ara Begum
Member Secretary

WHO WE ARE

BUILD is a joint initiative of the Dhaka Chamber of Commerce and Industry (DCCI), Metropolitan Chamber of Commerce and Industry (MCCI) and Chittagong Chamber of Commerce and Industry (CCCI) working as a platform in Bangladesh for an exchange of actionable ideas between the public and private sectors. It works as a strategic partner of the Private Sector Development Policy Coordination Committee (PSDPCC) established at the Prime Minister's Office (PMO) since 2011 and extends all secretarial services through the Policy Coordination Unit (PCU) of the PMO.

It has been designed as a sustainable platform for action-oriented reform that simplifies the process of doing business in Bangladesh by working closely with the government. It assists the government undertakes business reforms through focused public-private dialogue, backed by rigorous analysis and advocacy to ensure that concrete and results-based reforms are implemented as the Government's trusted partner in promoting private sector-led growth, and a united and powerful voice for business.

BUILD features public-private dialogue on five thematic areas – Tax, SMEs, Financial Sector and Trade and Investment, Sustainability and Green Growth. It undertakes much of the analysis and advocacy to support the dialogue process, and assist in ensuring that BUILD develops specific, measurable and results-based recommendations for the Government to implement.

OUR VISION

To be a key thought leader and center of knowledge, data and experience on private sector issues in Bangladesh in an attempt to eradicate constraints facing private sector growth in Bangladesh Corporate Values.

OUR MISSION

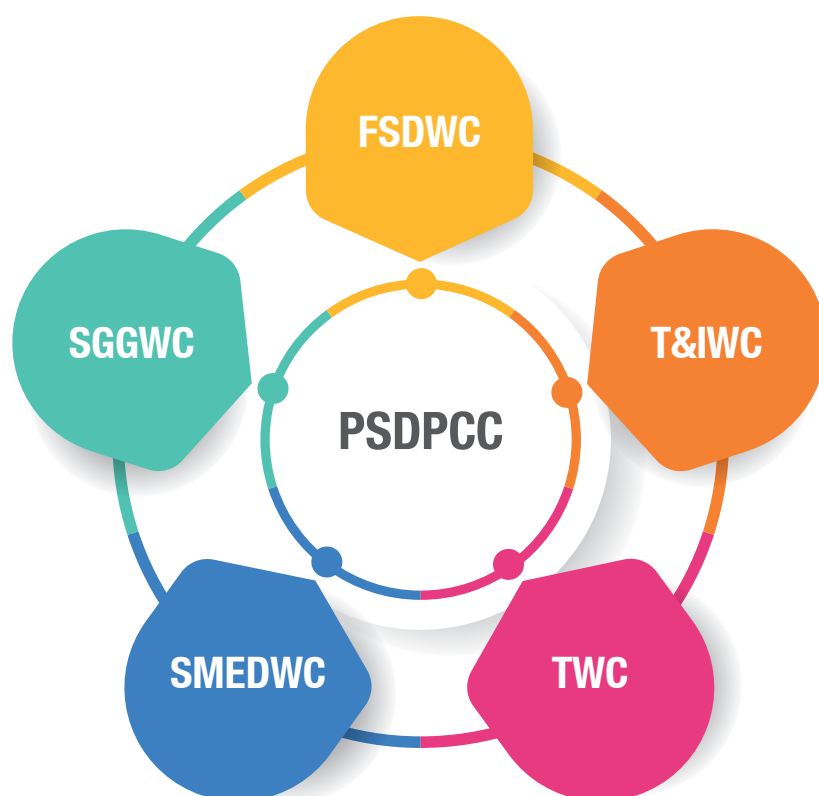
To place BUILD as a platform for fact-based and research-backed dialogue and advocacy, with the objective of identifying investment climate constraints and recommending changes to laws, policies and regulations in order to unlock growth potential of the country's private sector."

OUR VALUES

The following set of values drive the operations of the organization:

- **Professionalism:** Education, Relevant skills, Dedication, Team Spirit, Competency and Commitment
- **Integrity:** Ethical Behavior, Credibility, Appreciation, Trust and Transparency
- **Competitiveness:** Effectiveness, Efficiency, Quality Services, Pro-activeness and Dynamism

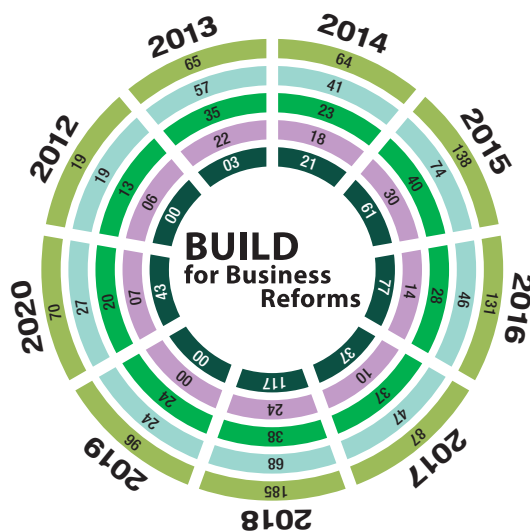
OUR REFORM ECOSYSTEM



Working Committee	Objective	Public Sector Co-chair	Private Sector Co-chair
Trade and Investment Working Committee (T&IWC)	To unlock the investment potentials of Bangladesh and address the issues related to trade and investment policies	Secretary, Ministry of Commerce	President, Metropolitan Chamber of Commerce and Industry, Dhaka
Financial Sector Development Working Committee (FSDWC)	To identify constraints to SME business and eventually create a conducive business environment for SMEs	Deputy Governor - 1, Bangladesh Bank	President, Dhaka Chamber of Commerce and Industry
Taxation Working Committee (TWC)	To bring in reforms for tax formulation and continuous re-appraisal of tax-policies and tax-laws	Chairman, National Board of Revenue	President, Federation of Bangladesh Chamber of Commerce and Industry
SME Development Working Committee (SMEDWC)	To identify constraints to SME business development and promote SMEs for alleviating poverty and generating employment	Secretary, Ministry of Industries	President, Chittagong Chamber of Commerce and Industry
Sustainability and Green Growth Working Committee (SGGWC)	To create awareness among business for climate change for green growth and environment friendly sustainable business	Secretary, Ministry of Environment, Forests Climate Change (MOEFCC)	President, BGMEA

BUILD'S COMMITMENT TO RESULTS: REFORM SCORECARD

Status of year wise Proposed and Implemented Reforms



Some Important Reforms 2019:

- Tax Holiday Incentives extended up to 2024 Tax Holiday Extended to Leather and Plastics
- Exemption limit extended from 30 lakhto 50 lakh
- Bangladesh Bank Rewarded Good Borrowers
- Raising EDF limit has raised for Leather Goods and Footwear Industrial Sector
- Expansion of GTF Facility for all Sectors – a Step towards Green Growth in Bangladesh
- Simplification of Sample Export and Import Policy to Increase the Export of Nontraditional Sectors of Bangladesh

Proposed Approved Implemented In-process To review

06

BOOKS

48

ARTICLES

10

SPECIAL REPORTS

30

COMPLETED RESEARCH

48

EVENTS

03

INTERNATIONAL EVENTS

06

CEO SERIES

288

MEDIA MENTION

38

DAILOGUES

06

NEWSLETTERS

12

PROJECTS

Our publications respond to current private sector related policy issues in the trade and commerce spheres in line with our mission and research agenda.

MAJOR POLICY REFORMS

BUILD carries out policy reforms through a structured process of identification of issues, assessment and research, development of recommendations, advocacy, and follow-up. BUILD identifies and filters crosscutting and sectoral issues through a predefined structured process. After developing SMART recommendation, these are placed before the five thematic working committees and PSDPCC for deliberation and decision. In this process, BUILD has achieved some milestone reforms, which are briefly discussed below.

Approval of BDT 100 Crore Paid up Capital for Foreign Investors

All limited companies were required to take permission from the Bangladesh Securities and Exchange Commission (BSEC) to increase their paid-up capital to above BDT 10 crore.. The existing process of taking permissions was cumbersome and time consuming. Foreign investors faced various difficulties in the process. The “Working Group on Improvement of Investment Climate” committee was formed at PMO to address problems faced by the investors.

BUILD worked on the issue of paid up capital by foreign investors and placed a study “Simplification of Policies for Raising Paid up Capital for Foreign Investors” in the 2nd Meeting of the “Working Group on Improvement of Investment Climate” at the Prime Minister’s Office (PMO) on 20th April, 2017. BUILD proposed that Ministry of Commerce may issue a letter to BSEC to implement a rule that the foreign investors may get exemption from obtaining permission from the BSEC to raise paid up capital up to BDT 40 crore provided their accounts are audited by internationally reputed and accepted audit firms. All recommendations were also placed in the 9th Meeting of the Private Sector Development Policy Coordination Committee (PSDPCC), at the Prime Minister’s Office (PMO) on 28th August, 2018. From the meeting decision, a committee was formed under the

chairmanship of Executive Chairman, BIDA and a meeting was held on 8th May 2018 where the committee proposed that the exemption may be granted up to BDT 100 Core for both Foreign and Joint venture.

Based on the above decision, recently BSEC exempted fully foreign owned companies from taking the permission from the commission for hiking paid-up capital up to BDT 100 crore, subject to submission of the encashment certificate of such capital and payment of applicable fees to the commission on November 28, 2018.

Tax Holiday Extended to Leather and Plastics

BUILD urged the Government to provide Tax Holiday benefits for leather and leather goods and plastic sectors. In the National Budget, the Government extended the benefits to leather and plastic (recycling) sectors up to June 30, 2024 from the existing June 30, 2019.

Besides the leather and plastic sectors, the Government included other potential manufacturing sectors such as agricultural machinery, furniture, home appliance, mobile handset, toys and LED television recycling for tax holiday.

Before this, 21 industrial sectors and 19 physical infrastructure development sectors enjoyed tax holidays on the basis of geographical locations at different rates for different periods of time and the benefit would expire on June 30 of 2019. The government’s continuation of the scheme and inclusion of manufacturing sectors with high potential could help promote business and investment, augment export, and create employments.

Implemented Reforms in Budget (2019-20)

- Exemption limit extended from 30 lakh to 50 lakh
- Turnover tax limit extended from 80 lakh to 3 crore
- Tax Holiday Incentives extended up to 2024
- Tax Holiday for Leather and Leather Goods and Plastics Recycling

MAJOR POLICY REFORMS

- VAT exemption on the production and supply of bread, handmade biscuits and hand-made cakes up to the value of Tk. 150 per kg
- VAT on Diesel engine produced in Bangladesh has been reduced to 5% from 15%

Bangladesh Bank Rewards Good Borrowers

The Bangladesh Bank has recently issued an order for offering incentives to its good borrowers in line with a proposal by BUILD placed in the 6th Financial Sector Development Working Committee chaired by the Deputy Governor of BB. BUILD hails this move of the central Bank as it will encourage the borrowers to be regular with their loan repayment.

As the earlier instruction for giving rebates to good borrowers did not ensure good results, on May 16, 2019, the Bangladesh Bank reissued incentives for good borrowers whereby banks will give good borrowers 10% rebate from total interests on their loans.

This initiative of the central bank is well appreciated and helpful to those who are trying to be good loan takers. We think this type of incentives of the Government should be more public and in this regard the banks may pass this information of rebates to their borrowers.

EDF Limit Raised for Leather Goods and Footwear Industrial Sector

The Foreign Exchange Policy Department of Bangladesh Bank published a foreign exchange circular no. 28 on July 11, 2019 among all Authorized Dealers (AD) in foreign exchange for leather goods and footwear industrial sector, raising the limit of Export Development Fund (EDF) to USD 20 million from the earlier USD 15 million for manufacturer-exporters other than bulk import.

This enhancement will give a big boost to the leather goods sector (especially the footwear sector), which is the 2nd largest export sector of the country. Bangladesh has been

working hard for export diversification, and this support will contribute towards that goal. The loan will be meant for manufacturers-exporters of leather goods and footwear industrial sectors for input procurements. BUILD was working quite a long time to increase the EDF limit for Leather Goods and Footwear Industrial sector along with the concerned association and stakeholders.

In the Export Policy 2018-21, as per Clause 6.2.1, it has also been agreed that the Leather and Leather Goods sector will be allowed similar limit of EDF as RMG. In that respect it is also an implementation of announced new export policy. BUILD also recommended these policies through export policy of Ministry of Commerce and placed through the Private Sector Development Policy Coordination Committee (PSDPCC) at the PMO.

Bangladesh is one of the producers and suppliers of quality leather, but supportive policies could further strengthen the prospects of the sectors. With the implementation of this reform it is expected that the sector will be more competitive in the export market and contribute further as second largest export earning source.

Expansion of GTF Facility for all Sectors – a Step towards Green Growth in Bangladesh

The Foreign Exchange Policy Department of the Bangladesh Bank has published a circular (FE Circular Letter no. 14) on June 16, 2019 to allow all export-oriented industrial sectors to avail financing from the Green Transformation Fund (GTF) established by Bangladesh Bank. The GTF is accessible for import of capital machinery for green or environment-friendly initiatives. Earlier the GTF financing was available for export-oriented textile, jute, and leather sectors; but the latest circular expands the facility for all sectors.

GTF has been a highly favorable loan facility to promote green growth in Bangladesh that has been created by the Bangladesh Bank in 2016. The reform brought about by the latest circular is expected to boost utilization of the GTF.

MAJOR POLICY REFORMS

As Bangladesh needs export diversification, it is helpful to promote concessional financial facilities like GTF for new and emerging sectors besides leather and jute. Technology transfer in the sense of adoption of greener and latest technology by a developing country like Bangladesh is an urgent priority as the fourth industrial revolution unfolds with unforeseen transformative consequences for economies around the world. GTF is a concessional financing facility that can expedite transfer of greener technology.

BUILD has earlier held consultations with the central bank to adopt measures for making GTF more accessible and well-known to the prospective clientele. With GTF facility, various export-oriented industries would be able to adopt greener machinery and technology, which would contribute to reduction of GHG emission, pollution, and resource wastage. It would also directly and indirectly contribute to Bangladesh's attainment of the Sustainable Development Goals (SDGs) as well as meet its commitments under the Nationally Determined Contribution (NDC) under the Paris Agreement.

Bangladesh Bank Updated Loan Limits for Enterprises

Bangladesh Bank (BB) updated loan limits for enterprises as per a master circular SMESPD No. 2 circulated among all the scheduled banks and NBFIs on September 5, 2019, which has cleared a number of issues and opened some new horizon for SME development in the country.

One of the aspects, in the past, the highest turnover limit for trading to be shown in case of micro, the limit was 1 crore which has been increased to 2 crore. For small enterprises, the limit was 12 crore which has been increased to 20 crore, lower limit of which is 2 crore. These provisions have given an opportunity to the banks and financial institutions to show SME loan limit in a transparent manner, which will accommodate the

government and Bangladesh Bank policies.

Bangladesh Bank in the above circular has also increased the higher limit of loan giving amount to cottage, micro, small and medium enterprises (CMSME) respectively from 10 lakh to 15 lakh (manufacturing), for micro 15 lakh to 1 crore (manufacturing), from 25 lakh to 50 lakh (trading). For small manufacturing entrepreneurs, the limit has been raised from 15 crores to 20 crore, while for medium enterprises it remains the same. Now commercial scheduled banks and financial institutions can distribute CMSME loan in villages or rural areas through Agent Banking following the 'Agent Banking Rules' of Bangladesh Bank. More than one (1) personal guarantor is not mandatory for Women Entrepreneurs in terms of loan approval. In addition to that, Personal/Social/Group insurance can be considered as a form of security for CMSME loan. This is a good step by BB to support cottage, micro and small enterprises.

The reform decision was made following a dialogue organized by BUILD July 24, 2019 on Access to Finance for SMEs where a number of bankers and NBFIs representatives were present along with Bangladesh Bank.

Stamp Duty on Venture Capital Registration Reduced

BUILD highlighted the issue of 2% stamp duty for venture capital registration in its 7th Financial Sector Development Working Committee (FSDWC) meeting held on August 7, 2019 chaired by the Deputy Governor of Bangladesh Bank.

The stamp duty is charged when an alternative investment fund is registered as a trust. Earlier the fund managers had to pay stamp duty before getting funds in hand and it created huge obstacles in mobilizing funds. BUILD recommended revisiting of the upfront stamp duty to encourage alternative investment fund in the country. It should be revisited to reduce the cost of fund, as mutual funds are exempted from stamp duty.

MAJOR POLICY REFORMS

Internal Resources Division, Ministry of Finance reduced stamp duty significantly from 2% to 0.1% on registration of the trust agreement of venture capital through SRO no. 351 Act/2019/08.00.0000.040.22.004.18 on November 5, 2019. The maximum stamp duty has been set at BDT 10 lakh and the minimum duty at BDT 5,000 on the total value of deed. The reduction of the stamp duty on registration of trust agreement will be a great support for the fund managers. It is expected to expedite financing SMEs and start-up entrepreneurs through alternative investment funds.

Simplification of Sample Export and Import Policy to Increase the Export of Nontraditional Sectors

BUILD took an initiative to conduct a study to place some recommendations to PMO and Ministry of Commerce, like the inclusion of definition of sample items, an increase of Yearly Value ceiling/maximum amount of sample to be imported, increase of De Minimis value, recommendations for BSTI as well as the procedural simplification to ensure the simplicity of sample import and export process.

BUILD's recommendation of the study was to raise De Minimis Value up to USD 40. In that context, the government has raised the De Minimis Value to BDT 2000 (USD 24) in the Customs Act, 2018 (reference: Chapter 6, Section 26, Subsection 1 (b), Customs Act 2018). It was only BDT 1000 (USD 12) as per the Customs Act 1969. This is one of the partial implementations due to BUILD advocacy.

Bangladesh Bank Revised Policy for Cash Incentive Application

Foreign Exchange Policy Department of Bangladesh Bank has issued a circular on December 2, 2019 (FE Circular No. 31) which instructed the head office/principal office of AD Banks not to process the application to release cash incentive until the entry of export earning to Authorized Dealer Bank.

BUILD conducted a brief research and prepared a policy paper namely "Situation Analysis of Constraints and Policy Support Needs for Export Subsidy/Cash Incentives for the Exporters" which was submitted to the 6th Meeting of the Trade and Investment Working Committee at Ministry of Commerce on November 13, 2018 and 12th PSDPCC Meeting at Prime Minister's Office on February 10, 2019. BUILD recommended that Bangladesh Bank should take initiative to ensure the entry of export earning to Authorized Dealer Bank before release of cash incentive against export earnings. Ministry of Commerce has already formed a committee to prepare a structured guideline to provide cash incentive/export subsidy.

The reform by Bangladesh Bank enabled genuine exporters to obtain cash incentives on time without much hassles.

BUILD also proposed that to ensure the accountability and authenticity of the duties of Audit Firms, Bangladesh Bank may strictly practice the instruction of Circular No.-FEPD (com) 291/2002-1367, Date: 02-06-2002- (issued by BB) which states that the audit firms, nominated by the AD Banks have to submit an audit certification.

A high Powered Committee Formed to Ensure the Development of Leather Sector

A high-powered taskforce is formed by the Government of Bangladesh to provide recommendation and develop action plans for the development of leather industry, which will be chaired by the Minister of Ministry of Industries (MOI). The CEO of BUILD is also member of this taskforce.

BUILD earlier placed a proposal in the 12th PSDPCC meeting and 6th Trade and Investment Working Committee meeting to form a high-powered committee with representatives of all stakeholders of Leather Sector. This high-powered committee will identify and prioritize the existing problems for short, medium and long term remedy, assign consultants for rectification, provide policies for implementation of the decisions after evaluating the entire situation of Leather Sector to regain the export growth and increase export competitiveness.

MAJOR POLICY PAPERS

In 2019, BUILD prepared a number of reform policy papers under different projects that were submitted and discussed in the Working Committee and PSDPCC meetings. Some of the policy papers are briefly discussed below.

Promotion of Environment-Friendly Capital Machinery in Bangladesh – Policy related Challenges and Opportunities

Import of capital machinery is a major indicator of industrial activity in foreseeable future. In 2017-18, capital machinery worth USD 4.48 billion was imported in Bangladesh which was 24% higher than the previous year. The government has imposed 0% to 7.5% tariff on capital machinery imports for different sectors and locations of industry. When private investment to GDP ratio grows in tandem with capital machinery import, industrial activity can be taken to be growing. As capital machinery is key to sustainability of the industry, the government should promote green and environment friendly capital machinery. To find out the policy gaps in promoting green/environment friendly capital machinery, BUILD has conducted a research study that scanned current policies and incentives related to capital machinery. The study was conducted under a component of the Climate Finance Transparency Mechanism (CFTM) project in association with BCAS. Having drawn on existing literature in a desk review, interviews with a few key informants were conducted – including officials from line ministries, business leaders, experts and civil society leaders, and so on.

Study on Sustainable Consumption and Production

Embracing the SDG 12, Sustainable Consumption and Production (SCP) as a guiding principle could significantly contribute to a more environmentally friendly and healthy society and contribute to the country's economic growth and development. To achieve this, a collective conscious

decision to develop a sustainability transition approach of the society as a whole is crucial. Two significant studies by BUILD in collaboration with GIZ, “SCP Assessment Report for Bangladesh” and “Sustainable Consumption and Production Roadmap/ Vision 2030 Document for Bangladesh” sought to guide the path of how Bangladesh can move towards mainstreaming SCP.

Study on Provident Funds

BUILD conducted a study on provident funds with support from IFC-WBG in June-July, 2019. Whilst the provident and pension fund in Bangladesh covering public sector workers are unfunded, there are many private provident funds which have been established on a voluntary basis mostly by financial institutions and larger companies. These provident funds are governed by labour laws and the Trust Act in the country, and are not subject to separate legislations. Along with the life-insurance funds, the existing provident funds' assets represent the largest available pool of long-term capital in the country. Yet the size of these funds and their investment practices are not well known. This information is required to develop capital market products which meet their needs and put in place a robust regulatory and oversight framework to ensure that the funds are well managed and their members suitably protected.

In this study BUILD has produced inventory of private provident funds and their size based on aggregating data from NBR and data collection from the Commissioners and other authorities. The goal was to identify the stock of private provident funds that could make investments in the capital markets.

The study was conducted in cooperation with NBR staff following a formal request from the World Bank. There was a survey on the licensed asset management companies in order to learn about the size and operation of the private provident funds. The licensed asset managers in

MAJOR POLICY PAPERS

Bangladesh were surveyed to establish whether they manage assets on behalf of provident funds, the size of the assets they are managing, and the number of funds they are servicing.

For data collection, survey questionnaire was sent to asset management companies electronically.

Assessing Adaptation Investment Opportunities for Micro, Small and Medium-Sized Enterprises (MSMEs) in Southwest Coastal Bangladesh

BCAS and BUILD with the support from CDKN initiated a project to explore climate change vulnerabilities, current gender-sensitive adaptation practices and potential adaptation investment options for MSMEs in Satkhira, Bagerhat and Khulna. The major activity of this project are to associate key stakeholders including government organizations, private sectors, NGOs/CSOs with the knowledge of major investment needs for adaptation of MSMEs.

Considering the objective, BCAS and BUILD conducted some additional research on investment scope of adaptation to initiate policy advocacy for private sectors and relevant ministries also two divisional level and two district level consultations. 25 Key Informant Interviews (KIIs) were conducted to accumulate the existing knowledge of stakeholders. The data was analyzed and synthesized to identify the key adaptation investment needs and opportunities of the selected sectors as well as what kind of policy changes or awareness gaps may be addressed to unfasten the investments.

BUILD organized two dialogues engaging relevant stakeholders and closely worked with BCAS to analyze the findings from the KIIs and dialogues and synthesize them to come up with relevant action points and other knowledge materials, as well as specific policy suggestions. BUILD will advocate the policy suggestions by channeling them through its multi-platform policy advocacy system.

Roles of Standby Letter of Credit (SBL/C) for minimizing the cost of funding

Standby Letter of Credit can be a good source of alternative financing. It might also play a significant role to promote export. An SBL/C is a guarantee of payment by a bank on behalf of their client. The bank issues a document which designates the conditions upon the fulfillment of which the bank will make the payment. It is a kind of Any Purpose Loan (APL).

It might be considered as a tool to minimize the cost of fund of the exporters. To avail funding, it could be tagged with Master LC or it could be adjusted to 'Bank Limit' of the exporter.

The options for alternative financing in Bangladesh are not sufficient. Moreover, Banks are not interested to explore these options. BUILD conducted a study on SBL/C to address its immense opportunities to facilitate export. Some policy reforms are to be suggested as well to enable its full usage.

SME Policies – Streamlining its role for CMI

SMEs constitute around 99% of the total industries in the country, of which a significant number (88%) are cottage and micro. Cottage industries are mostly home-based and micro industries are just slightly larger than cottage industries. It is easily understood that the policies which are meant for Small and Medium industries usually known as SMEs cannot serve the interest of Cottage and Micro enterprises, and as a result the interest of these segments needs to be addressed separately in the SME Policy.

This study is intended to analyse the new SME Policy 2019 and other related policies applicable for different scales of industries and establishments along with focusing on some core issues of SMEs (e.g. definitional issues of SMEs). It briefly discussed some existing policies and made a comparison among them. Furthermore, it analyzed the bottlenecks that restrict growth of Cottage, Micro and SMEs according to their potentials. At the end, this paper provided policy prescriptions to mitigate those barriers properly.

MAJOR POLICY PAPERS

Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy

BUILD in partnership of Centre for Gender and Social Transformation at the BRAC Institute of Governance and Development (BIGD) jointly conducted a study on “Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy” during March to June 2019 to review Bangladesh Economic Zone Authority (BEZA)'s institutional policies and procedures to recommend measures related to gender mainstreaming as well as preventing and appropriately addressing incidents of gender based violence (GBV) in BEZA as well as industries or entities established in economic zones under BEZA. BUILD placed 26 recommendations on five areas to upgrade the existing institutional policies of BEZA on GBV along with a Flow Chart on GBV Solution Management. Major recommendations of the report include: establishment of sub-economic zone for women entrepreneurs, establishment of a dedicated cell at every BEZA site to provide informative and administrative support to women entrepreneurs (WE), special insurance and pension scheme for WEs, lowering of security amount, ensuring safety measures and safety tools, and establishment of GBV Management Team in all industrial units of EZ. The final report was submitted to BIGD in July 2019.

Access to Finance for SMEs

The main obstacle of SME development in Bangladesh is access to finance. SMEs generally face more complexity accessing credit due to their opacity, unavailability of collateral, and market uncertainty.

In this regard, BUILD in collaboration with PRISM organized a dialogue on “Access to finance for SMEs in Bangladesh” to address demand-supply gaps of SME financing. Some policy recommendations were suggested in the dialogue for

accelerating SME financing such as; reducing rate of interest, waiting time, requirement of additional documents and guarantor, transaction details, addressing definitional hassles, trade license with official address and provision of non-financial services by the banks and financial institutions.

The study focused mainly on three issues, namely definitional aspects of SMEs and a review of the existing policies that include provisions on SMEs and their development. The primary objective of conducting this study was to identify and raise awareness on the major hindrances faced by SMEs in getting access to finance in general and women-owned businesses in particular.

Finally, BUILD proposed some recommendations based on the input of the dialogue in order to facilitate SMEs in access to finance. Some proposals of BUILD are already implemented which is reflected in the CMSME Master Circular 02 of Bangladesh Bank published on September 05, 2019.

Financing Schemes and Available Credit Facilities for Export Competitiveness of Bangladesh

Export from Bangladesh is an increasingly significant component of international trade and has involved significant private sector investment over the last decade. Readymade Garments, Knitwear, Home Textile, Frozen Food, Leather and Leather goods (Footwear), Plastic, Light Engineering, Jute and jute goods etc. are major exportable items. Apparels (woven garments and knitwear products) have continued to occupy a very large share (above four-fifths) of the total export. Contribution of exports to GDP has been shrinking over the years. Boosting manufacturing based export is the target of 7th five year plan and export policy. Overall eco-system also needs to be supportive for export as meeting the buyers' demand is very important in case of maintaining the growth of export.

MAJOR POLICY PAPERS

Export financing schemes can contribute significantly to maintaining export growth. Financing Schemes are all inclined to RMG. Policies for different innovative financial schemes are needed to support export diversification. SME-led Plastic sector does not get required working capital due to collateral requirements. CNC machineries are costly and not affordable for plastic sectors. Highly centralized banking system, local branches have to wait up to six months for a decision from head office for SMEs. These can derail enthusiasm of the SME exporters. This study was aimed to assess different types of export financing schemes for different export oriented sectors in the country. The study proposed relevant policy related issues regarding available export financing schemes.

Access to Collateral Free Loan for Women Entrepreneurs in Bangladesh

Collateral is one of the key terms to get the finance from any bank or financial institution. Collateral requirements are the third most important difficult areas in financing for SMEs as per the World Business Environment Survey (WBES). Although Bangladesh Bank had allowed collateral-free loan for up to BDT 25 lac for women entrepreneurs, several studies and stakeholder consultations organized by BUILD have revealed that women entrepreneurs (WEs) are not getting the facility. The objective of this study to find the reasons why the Banks and FI are not allowing WEs to get the collateral free financing as per announced policies of Bangladesh Bank. The dimension and implementation of the existing policy were analyzed and some recommendations were identified for ensuring effective financial incentives for the women entrepreneurs in Bangladesh.

Out of 32 selected scheduled banks (SCBs), only 11 banks are providing CLF loan to WEs, of which only 6 banks are providing upto BDT 25 lakhs and the remaining 5 banks are providing upto BDT 10 lakhs. BUILD identified the constraints of availing the opportunity and proposed a set of practical recommendations based on the findings. The

biggest constraints WEs face are lack of proper documentations of their business establishment, especially difficulty in issuing trade license. The paper suggested for a simplified trade license for marginal women entrepreneurs. It is also suggested to reduce number of guarantors to define personal guarantee, group based loan, new entrepreneurs; and to publish a set of standard documentation by Bangladesh Bank to be followed by the SCBs. The study also proposed for an earmarked fund from the recently announced 100 crore start-up funding in the budget 2019-20 and to innovate VC funding opportunities for WEs.

Women Entrepreneurs in E-commerce Businesses

With the transformation of communication infrastructure, a new platform of business has been developed by internet known as E-commerce or Electronic Commerce that is currently driving the global trade and economy to a considerable extent.

BUILD intends to assess what kind of supportive regulatory framework is needed for e-commerce to get trade licenses for e-commerce businesses. In Bangladesh, along with large companies, small and medium enterprises (SMEs) have adopted e-business platforms for the last few years. The government has formulated National E-commerce Policy 2018 articulating several pillars and controlling factors for establishing e-commerce friendly environment in Bangladesh. However, a large part of the female population remain excluded from the digital world and therefore from the e-business domain in Bangladesh due to low level of women's use of internet.

Women entrepreneurs in Bangladesh have recently been more aware on stepping into e-commerce businesses and exploring new sectors for their business development. However, regulatory environment is fragmented for Women owned Businesses, E-commerce enterprises are not getting trade licenses and thus bank financing is difficult for them.

MAJOR POLICY PAPERS

National Budget 2019-20

Every year BUILD places Income Tax, VAT and Customs related reform proposals under its Taxation Working Committee mentioned (TWC) to the National Board of Revenue (NBR) before announcement of the national budget. In 2019-20 BUILD placed budget proposals in a Pre-budget meeting organized by NBR. Around 127 fact based proposals were placed of which 18 reform proposals were implemented.

A fruitful Dialogue on Revisiting Tax Holiday Policy in Bangladesh for New Export Sectors were organized by BUILD on May 19, 2019 in cooperation with BIDA, Where Executive Chairman, BIDA was present as the Chair and Chief Guest and Member (Income Tax Policy) was present as Special Guest representing Chairman, NBR.

Some highlighted reforms implemented under Finance Act-2019 are as follows:

- The income tax exemption threshold for SMEs in ITO 1984; Six Schedule; Section; 29 has been increased to BDT 50 lac from present level of BDT 30 lac. (Finance Act 2019, Section: 50(ka)(UMO)Page: 31(19135));
- Exemption from tax of newly established industrial undertakings set up between the period of July, 2019 and June, 2024, etc. (Finance Act 2019, Section 21);
- VAT exemption limit has been fixed up to BDT 50 Lac (Finance Act 2019, Section: 53(11))
- The turnover tax registration limit has been increased from Tk 80 lakh to Tk 3 (three) crore.

Simplification of Process and Policies to Obtain Services from RJSC for the Private Sector

RJSC is the sole authority which facilitates formation of companies etc. and keeps track of all ownership related

issues as prescribed by the laws in Bangladesh. But, private sector participants raised their voice on obtaining service from RJSC such as transfer of share, requirement of submission of both hard and soft copies, issuance of share within authorized capital limit, forfeiture of shares, problems is transfer of power of attorney, e-mail communication is ignored by RJSC, intellectual experience and intelligence of a person is ignored, asking for unnecessary documents, prototype of the required documents as per RJSC preferred format is not available, auto generated online notices for directors or shareholders where applicable etc. With the request of Ministry of Commerce, BUILD has taken an initiative to conduct a research on “Simplification of Process and Policies to Obtain Services from RJSC for the Private Sector”. The findings and recommendations of the study were relevant for Ministry of Commerce to improve the position of Bangladesh in Ease of Doing Business report. The study also supports policy simplification to boost private sector investment.

Concessional Credit for Green Business

Concessional credit for green business is an important incentive mechanism. The government of Bangladesh has announced some funding for greening and sustainable development of industrialization. Green Transformation Fund (GTF) is one of the financing sources for the private sector for their green transformation. Bangladesh Bank oversees the policy regarding GTF. Private sector in the country can avail this foreign currency fund for procuring environment friendly capital machineries. However, the utilization of this fund was poor after its inception in 2016. BUILD will conduct a study on 'Situation Analysis of GTF – Its Diversification for Greening Industries'. In this study, the present situation of GTF utilization would be overviewed and recommendations will be identified to expedite green transformation in non-textile sector for green transformation.

PRIVATE SECTOR DEVELOPMENT POLICY COORDINATION COMMITTEE (PSDPCC) MEETINGS

Private Sector Development Policy Coordination Committee (PSDPCC) is the only strategic public sector platform for private sector-related policy review, coordination, identification of investment barriers and fostering public-private cooperation. PSDPCC has been established as per a Government Notification no 03.068.022.03.00.24.2011-377 on September 12, 2011 by the Prime Minister's Office and a gazette (03.068.022.2015/onsho.3/13) notification on 1st January, 2020 as per the decision of the 13th meeting of the PSDPCC where BUILD has been endorsed officially from PMO for providing secretarial services and research.

The Government of Bangladesh (GOB) established PSDPCC at the Prime Minister's Office in 2011 headed by the Principal Secretary to the Prime Minister and comprised of Secretaries and Heads of relevant Ministries and Government Agencies which among others include – Finance, Commerce, Industry, Energy, Communication, ICT, Central Bank etc. private sector-related Ministries. The private sector is represented by the heads of the different private sector Chamber Bodies. The goal of the committee was to coordinate and catalyze activities of government agencies and private sector working related to Private Sector Development (PSD) related matters. The committee

takes an inter-ministerial integrated approach to make decisions on regulatory policies. The Policy Coordination Unit (PCU) at the PMO supports the Committee's decision implementation.

BUILD is providing all secretarial services and working very closely with the PMO. It is recognized as the primary source of information and a strategic partner of the PSDPCC working since 2011. In 2019, BUILD has successfully accomplished some PSDPCC meetings which are as follows:

12th PSDPCC Put Thrust on PSD and Export Diversification

12th PSDPCC meeting was held on February 10, 2019 at the Prime Minister's Office under the chairmanship of Md. Nojibur Rahman, Principal Secretary to the Prime Minister while the Private Sector Industry and Investment Adviser Salman Fazlur Rahman was also present in the meeting.

Talking about Bangladesh's aspiration to become a middle-income country, Salman Fazlur Rahman MP, Private Sector Industry and Investment Adviser to the Prime Minister said that we urgently need to overcome challenges for private sector growth and export diversification in particular that remains the key issue.



The Private Sector Industry and Investment Adviser to the Prime Minister speaks at PSDPCC Meeting at PMO.

PRIVATE SECTOR DEVELOPMENT POLICY COORDINATION COMMITTEE (PSDPCC) MEETINGS

The meeting initially started by stocktaking of the last PSDPCC meetings and underscored the reforms proposed already and implemented through the earlier meetings. As part of updating the implementation status of the 11th PSDPCC meeting, BUILD CEO Ferdaus Ara Begum informed that out of 48 proposals from the last PSDPCC meeting, 20 reforms and 5 decisions were implemented.

BUILD CEO informed that the Ministry of Commerce has implemented maximum reforms through the Export Policy 2018–2021 which is an action-oriented plan of the government which highlights specific sector level interventions and will support export diversification immensely. Following this development, the Principal Secretary announced the Ministry of Commerce as the reform champion. In the meeting it was also informed that Bangladesh Securities and Exchange Commission (BSEC) issued a gazette notification for allowing 100% foreign owned private company to increase paid up capital up to BDT 100 crore without the permission of BSEC and the high profile meeting also requested to extend similar facilities for local and joint venture companies.

There were three presentations made by BUILD: Export Competitiveness of Leather and Leather Goods (LLG) sector – Problems and Prospects and Remedies; VAT and SD Act 2012 and Its Implementation Status and Situation Analysis of Constraints and Policy Support Needs for Export Subsidy/Cash Incentives for Exporters.

The issue of operationalization of CETP in the Tannery Industrial Estate of Dhaka (TIED) Savar came up in the discussion and in that respect the issue of understanding gaps, policy and procedural aspects were highlighted. The presentation also presented a comparison of incentives of RMG and the leather and leather goods (LLG) sector.

Private Sector Industry and Investment Adviser to the Prime Minister asked the concerned ministry on how CETP can be made fully operational as one of the criteria to obtain the LWG certification. He also opined that a significant amount of money has been spent for the project, but the outcome of the project is not as per expectation. While listening to private sector's points of views, he requested all key actors of the government to attract businesses and consider equal incentives for all sectors in order to ensure export diversification.

In regard to the policy reform paper on VAT and SD Act 2012, the Principle Secretary and Chair of the PSDPCC suggested that an effective dialogue needs to be conducted soon in presence of Finance Minister, Senior Secretary of Ministry of Finance, NBR and other related ministries so that the understanding gap still remains in implementing VAT and SD Act 2012 can be resolved.

In regard to cash incentive, the presentation requested for a comprehensive policy with set criteria of value addition for existing and new industries to provide cash incentive so that misuse of it can be avoided.

Asif Ibrahim, Founder Chairman of BUILD informed that all incentives provided for RMG would need to be extended to all export sectors.

The meeting was attended by eight Secretaries from different ministries and private sector leaders from FBCCI, MCCCI, DCCCI, FICCI, and SMEF along with high government officials.

Preparatory Meeting of 13th PSDPCC Meeting at PMO

Ferdaus Ara Begum, CEO of BUILD had a meeting with Md. Nojibur Rahman, Principal Secretary, and PMO on 31st October 2019 to discuss the 13th meeting of the Private

PRIVATE SECTOR DEVELOPMENT POLICY COORDINATION COMMITTEE (PSDPCC) MEETINGS

Sector Development Policy Coordination Committee (PSDPCC). The Principal Secretary intends to hold the meeting in the presence of the Private Industry and Investment Adviser to the PM, Salman Fazlur Rahman as he plays a significant role for the benefit of the private sector. The expected date for the meeting was decided in the last week of November 2019 upon the availability of the Adviser. Mohammad Salahuddin, Director General-1, PMO was present in the meeting.

13th PSDPCC Made a Call for Further Public-Private Collaboration for Achieving Development Targets

13th Private Sector Development Policy Coordination Committee (PSDPCC) meeting was held at the Prime Minister's Office on November 27, 2019 under the chairmanship of Md. Nojibur Rahman, Principal Secretary to the Prime Minister.

reforms from the 5th to 11th PSDPCC meetings, 28 reforms were implemented.

BUILD presented four policy papers and they include Popularizing Rooftop Solar Power and Implementation of Solar Power Development Program Guidelines - 2013 and Net Metering Guidelines 2018, Policy Support for Women Entrepreneurs (WE) in Promoting E-commerce, Simplification of Input-Output Coefficient on Leather goods and Footwear's and Duty Drawback and Eliminating Problems of Plastic Factories in old Dhaka and Relocating them to new Plastic Industries. CEO of BUILD mentioned that government has taken initiative to relocate the plastic industries in old Dhaka but as the process is taking time, the existing plastic industries are facing issues in renewal of trade license and environment clearance certificate.

While presenting the policy paper on the Rooftop Solar Power Study, TahmidZami, Additional Research Director of BUILD stressed that incentives and benefits as independent



Md. Nojibur Rahman, Principal Secretary to the Prime Minister is chairing the 13th PSDPCC meeting at PMO.

The meeting initially did stocktaking of the 12th PSDPCC meeting held on February 10, 2019 and mentioned the reforms proposed already and implemented BUILD CEO Ferdaus Ara Begum informed that out of 64 proposed

power producers (IPPs) as stipulated in the Private Sector Power Generation Policy 1996 should be made enforceable for rooftop solar power developers. In the mandatory list of upcoming Import Policy solar equipment's would need to be

PRIVATE SECTOR DEVELOPMENT POLICY COORDINATION COMMITTEE (PSDPCC) MEETINGS

included. BSTI would need to upgrade its capacity for ensuring testing and certification services, he said. SREDA Chairman highlighted the progress made in integrating OPEX and tripartite agreement in the Net Metering Guidelines and stressed ongoing close coordination by SREDA with stakeholders to implement reforms.

BUILD proposed for a coordinated E-Commerce Cell under the National Digital Commerce Policy of MOC with clear delineation of the composition and function of the body with clearing definitional issues of Market Place Based Digital Commerce in another Reform Policy Paper presented in the meeting. E-commerce can be included as a separate category to get Trade License not as IT-enabled services (ITES). The study emphasized the importance of interoperability among different payment systems as well as cross-border trade. For Cross Border E-Commerce, BUILD requested Bangladesh Bank may issue a circular for promoting cross border E-Commerce trade by mentioning some specific criterion (requirement of L/C, duration of retention and repatriation of Foreign Exchange etc.) in consultation with respective associations and bodies.

BUILD CEO proposed that Government needs to specify DEDO's role in determining the input-output coefficient during the transition period as the new VAT Act however doesn't have a clear specification about Duty Exemption and Drawback Office's role. An automated system is supposed to replace DEDO's role in this task, though such a system is not in place yet.

Talking about Bangladesh's aspiration to become a middle - income country, Md. Nojibur Rahman, Principal Secretary, Prime Minister's Office said that the government places high importance on ensuring access to energy for all people and sustainable and renewable energy enjoys priority in this regard. He appreciated the role of BUILD for coming up with specific suggestions on promoting renewable energy, with specific importance to rooftop solar. Specific issue-based working groups could be formed involving concerned government organizations as well as adequate private

sector representation for taking consolidated implementable decisions to move ahead on solar energy, e-commerce and other areas presented by BUILD in the meeting.

Principal Secretary approved the proposal for formalizing BUILD's role in providing secretarial support for PSDPCC and endorsed the suggestion for appointing focal points in all relevant ministries for coordination with BUILD.

Secretary, Planning Division mentioned that the Hon'ble Prime Minister provided guidance that the government would extend all support to private sector-led development. He informed that in order to support private sector, government would undertake various infrastructure development projects. Principal Secretary endorsed the importance of procuring raw material, production and market for supporting private sector.

Obaidul Azam, Additional Secretary, Ministry of Commerce echoing the request of chair of the PSDPCC volunteered to lead a coordination cell for electronic commerce under the Ministry of Commerce with participation of all relevant stakeholders including BUILD.

Thanking the Prime Minister's Office for holding the PSDPCC Meeting routinely under the leadership of the Principal Secretary, BUILD Chairman Mahbul Alam said that this platform is the best example for acting as the united voice of the private sector to ensure that the major issues impeding the development of the private sector are addressed in a meaningful way with an emphasis on private sector led growth in achieving our vision.

The meeting was attended by Secretaries from different ministries including high level officials from PMO, BEZA, MoEFCC, BIDA, Road Transport Division, Bridges Division, DoE, Bangladesh Bank, SREDA, NBR, Ministry of Commerce, ICTSD, DEDO, A2I ICT Division, Finance Division, PPP Office and private sector leaders from FBCCI, BGMEA, DCCI, FICCI, e-CAB, BPGMEA, LFMEAB, representative from the World Bank, along with senior government officials.

WORKING COMMITTEE MEETINGS IN 2019

Working Committee Meetings in 2019

Working committee is one of the main channels of BUILD for advocating the policy issues towards reform implementation. BUILD has five thematic working committees through it advocates and addresses the policy issues. In 2019, a number of working committee meetings have been organized by BUILD in collaboration with different Ministries.

Trade and Investment Working Committee Meeting

BUILD organized a dialogue on Developing e-commerce Businesses by Women Entrepreneurs in collaboration with International Trade Centre, under the 7th Trade and Investment Working Committee (T&IWC) of BUILD on 24th August, 2019, at MCCL. Recognizing e-commerce as a

future potential business and trade platform for women entrepreneurs, BUILD has called for policy support for providing e-commerce businesses legal and formal identity through providing the trade license.

Meheruna Choudhury, Gender Consultant of BUILD presented the keynote paper highlighting different dimensions of e-Commerce and proposing some changes in the digital policy 2018 of MOC.

Speaking as the Chief Guest, Md. Mofizul Islam, Senior Secretary, Ministry of Commerce widely appreciated women entrepreneurs who have diversified their product range from traditional goods and urged them to gain competitiveness in the international market through developing product quality.



Md. Mofizul Islam, Senior Secretary, Ministry of Commerce speaks at the meeting.

WORKING COMMITTEE MEETINGS IN 2019

Having endorsed the recommendations of the BUILD presentation, he suggested women in Bangladesh to come out the barrier of social norms and develop mindset of their own and their surrounding people. Regarding BUILD's recommendations on inclusion of e-aspects in national Intellectual property policy and detailing out rules for foreign investment in e-commerce, he assured that such issues will be looked into.

The Secretary also informed that electronic platform entitled e-gov.com.bd is being established in association with e-cab and A2i and creating 'Digital Feriwala' which will be knocking door to door.

Rezwanul Haque Jami, National VAS Consultant, A2i, PMO informed the participants of Ek Shop platform under which 5297 Union Digital Centers have been established.

Total Proposed/ Placed (2012-2019)	Approved	To Review	In-process	Implemented
182	92	80	36	51
	51%	44%	20%	28%

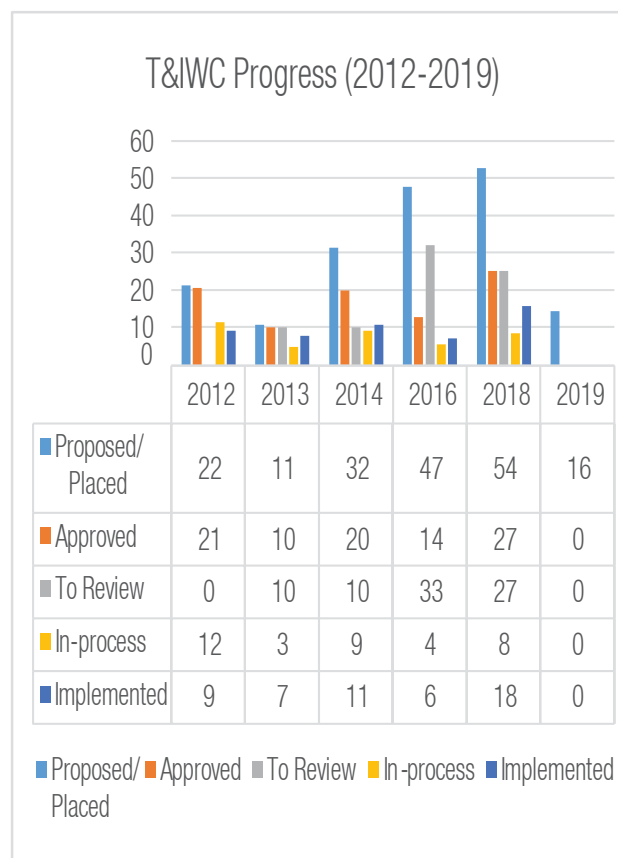
Speaking as a Resource Speaker, M. Nawat Ashekin, Head of e-Commerce Services, SSL Wireless told that we need to change our mindset if we really want to develop e-commerce while he put thrust on refund policy.

Hosna Ferdous Sumi, Private sector specialist, IFC informed that she is the task team leader of a project supported by Ivanka Trump, First Lady of the United States and informed that they have a plan to create a suitable database connecting all related platforms.

Ferdaus Ara Begum, CEO BUILD moderated the open session and informed that BUILD as a PPD platform has identified e-commerce business for WE as one of the potentials and would like to continue advocacy to address regulatory constraints of WE.

Tanvir Ahmed, Country Coordinator, International Trade Centre summed up the discussion highlighting the main points with commitment to working for developing e-commerce in collaboration with BUILD.

Md Abdul Kafi, Former Member of NBR and Chief Executive, The VAT Solutions informed that NBR through an SRO/172 in June 13 exempted VAT at 15% from the showrooms of women entrepreneurs(WE), which is definitely a good policy to encourage WE.



WORKING COMMITTEE MEETINGS IN 2019

Summary of Trade and Investment working committee Meeting



SME Sector development Working Committee meeting

BUILD in collaboration with the EU funded program, Poverty Reduction for Inclusive and Sustainable Market (PRISM) - TA to Bangladesh Small and Cottage Industries Corporation (BSCIC) organized a dialogue on “Access to finance for SMEs in Bangladesh” under its SME Development Working Committee (SMEDWC) to address demand supply gaps of SME financing at the conference

room of Metropolitan Chamber of Commerce and Industries (MCCI) on July 24, 2019.

The chief guest of the dialogue was Md. Abdul Halim, Secretary, Ministry of Industries. S.M. Rabiul Hassan, Executive Director, Bangladesh Bank and Md. Mostaque Hassan, ndc, Chairman (Additional Secretary), BSCIC were present as special guests. The dialogue was chaired by Chairman of BUILD and President of CCCI Mahbubul Alam.



(From right) Industries Secretary Md Abdul Hali (R4), Bangladesh Bank Executive Director SM Rabiul Hassan (R6) and Bangladesh Small and Cottage Industries Corporation (BSCIC) Chairman (Additional Secretary) Md Mostaque Hassan (R5), BUILD Chairman Md. Mahbubul Alam(R3) BUILD CEO Ferdaus Ara Begum (2) and Private Sector Specialist, IFC-WBG Hosna Ferdaus Sumi (R1) launch the SME Directory at the dialogue.

WORKING COMMITTEE MEETINGS IN 2019

Some policy interventions were suggested at the dialogue for accelerating SME financing such as; reducing rate of interest, waiting time, requirement of additional documents and guarantor, transaction details, address definitional hassles, trade license with official address and also provide non-financial services by the banks and financial institutions.

Speaking as the Chief Guest, Industries Secretary informed that the formulation of a new industrial policy is in process where BUILD and other Chambers/associations can contribute to make it SME friendly. He also proposed that through the research capacity of BUILD and PRISM, they could come up with a standard of allocating credit facilities for SMEs.

Chairman (Additional Secretary), BSCIC endorsed the views of the BUILD presentation that there are difficulties in both supply and demand side. He informed that BSCIC does not demand collateral from SMCI's. He also added that if there are more funds, they could sanction more loans to SMCI's. One Stop Service (OSS) in BSCIC is in the process, they would also encourage foreign investors to establish industries in the Economic Zone supported by BSCIC.

BUILD CEO Ferdaus Ara Begum introduced the program and informed that under SMEDWC, BUILD and PRISM will work on result area-3 of PRISM for improving the coordination of SME and SMCI's development. She demonstrated an overview of reform proposals of SMEDWC held on April 12, 2018 and informed that Export Development Fund (EDF) facilities for leather and leather goods has been extended, tax holiday facilities benefits for leather and plastic sector has also been given.

Ali Sabet, Team Leader, PRISM – TA to BSCIC, welcomed the participants and informed that several policies are

required for SME development and financing following the examples of some ASEAN and EU countries.

Mehrana Islam Chowdhury, Gender Consultant, BUILD presented a paper which has displayed financial constraints faced by the SMEs as well as women entrepreneurs such as information gaps, stringent documentation requirement, definition ambiguity and many other related issues. She specially recommended some alternative financing such as loan guarantee schemes, export financing support, direct financing by the central bank, peer to peer support etc.

Sixteen SME Heads of banks and NBFIs were present along with Bangladesh Bank, Ministries and donor organizations etc. SME entrepreneurs, business association and chamber members, Swiss contact and IFC-WBG, among others, were present and spoke on the occasion. Most of the bank representatives said that due to documentation and regulatory requirement, SME/SMCI/Women entrepreneurs do not to qualify for loans. They are not able to provide financial statements trade license etc.

In addition to that, the quality of their products has not been always up to the mark. Fund deviation is another problem raised by the bank and NBF representatives. From the entrepreneur side, stringent regulatory

requirement such as collateral security, high interest rate, negative mindset, long waiting time were the some of the identified problems faced by the entrepreneurs.

Leela Rashid, General Manager, Bangladesh Bank, informed that even government is trying hard and provided sector specific targets for SME entrepreneurs to improve the situation, but it has not progressed well yet. In regard

WORKING COMMITTEE MEETINGS IN 2019

to definition she had given some clarification and wanted to work jointly with the private sector.

S.M. Rabiul Hassan, Executive Director, Bangladesh Bank informed that if the credits, which are already disbursed are not recycled, access to finance situation will not be improved. He added that, Bangladesh Bank is working hard and going to implement indicative target based lending focusing on manufacturing sector specifically. He put emphasis on the diversification of lending policies, changing of the behavioral attitude of all stakeholders. Bangladesh Bank is willing to revisit the guidelines if specific recommendations emerged from the dialogue, which are eligible to be included in the guideline, he added.

Mahbubul Alam, Chairman of the Trustee Board, BUILD, and President of Chittagong Chamber of Commerce and Industry (CCCI) conducted the session and informed that BUILD has proposed 708 business policy and process related reforms of which 222 reforms implemented and 122 reforms are in process of implementation. He added that BUILD and PRISM will prepare reform recommendations emerged from the dialogues for implementation by BISIC, Ministry of Industries and Bangladesh Bank.

Hosna Ferdous Sumi, Private Sector Specialist, IFC-WBG requested for preparing reform recommendations along with agency wise suggestions for better implementation. She urged for addressing the information gap properly.

Md. Mahbubur Rahman, National Project Director, PRISM; Director, Marketing, BSCIC sum up the discussion and highlighted some of the reform recommendations such as group wise loan suggested by IPDC Finance and NCC bank which will help reducing the problem of loan guarantors.

Financial Sector Development Working Committee meeting

BUILD has called for ensuring financial schemes and credit lines for exporters in order to maximize export competitiveness at the Dialogue on Financing Schemes and Available credit Facilities for Export Competitiveness under the 7th Financial Sector Development Working Committee (FSDWC) Meeting on August 7, 2019 at DCCI Board Room.

Speaking as the Chair Ahmed Jamal, Deputy Governor of Bangladesh Bank said that we have simplified the Foreign Exchange Guideline to support the private sector and are implementing a number of reforms for export competitiveness.

Having underscored the gravity of the dialogue he appreciated for supporting the central bank learning inputs from the grassroots that incredibly supporting Bangladesh Bank for preparing befitting policies.

The Ministry of Industries has drafted the SME Policy 2019 and is currently awaiting approval of the Cabinet Division, which was not coordinated with the Bangladesh Bank. So, the Deputy Governor requested the Ministry of Industries to hold a coordinated meeting with them before gazetting the SME Policy 2019.

Echoing the voice of the participants, Waqar Ahmad Choudhury, Sr. Vice President of DCCI urged the government to look for alternative financing facilities rather than borrowing all funds from public sector banks while implementing mega projects.

BUILD organized the meeting and presented two policy papers on Financing Schemes and Available Credit Facilities for Export Competitiveness of Bangladesh and Access to Collateral Free Loan for Women Entrepreneurs

WORKING COMMITTEE MEETINGS IN 2019

in Bangladesh. The first presentation shows how the SMEs in Bangladesh is constrained by limited access to credit, leaving them with a financing need while the second study unveils constraints while availing collateral-free long-term credit for SMEs run by women entrepreneurs. The study recommends guarantor identification, personal guarantee, group based loan, setting standards for definition of new entrepreneurs

The entrepreneurs also urged for a simplified trade license for marginal women entrepreneurs and an earmarked fund from the recently announced 100 crore startup funding.

Having expressed gratitude to the central bank, CEO of BUILD, Feradus Ara Begum updated the working committee members about the implementation of last working committee meeting and said that we have increasing demand for loans but complicated process is driving our entrepreneurs away.

The dialogue laid importance on different pre-shipment finance and post shipment financing schemes for export competitiveness that includes Export Development Fund, Long Term Financing Facility, Green Financing, Green Transformation Fund, Refinancing Schemes by Bangladesh Bank and Islamic Shariah based finance, packing credit, factoring etc. It also proposed for some alternative financing such as Mezzanine Structures, Special Funds, ESCO Contracts, Impact Funds, Subordinated Bonds and many others.

Swapan Kumar Bala, Commissioner to the Bangladesh Securities and Exchange Commission (BSEC) informed that for greater securitization of funding one person company (OPC) is going to be corporatized so that documentation related issues can be resolved. It was also informed that venture capital fund can also be explored for the women entrepreneurs. In case of venture capital funding a number of reforms have been taken but stamp



(From left) BUILD CEO Feradus Ara Begum, Bangladesh Bank Deputy Governor Ahmed Jamal and Sr. Vice President of DCCI Waqar Ahmad Choudhury are seen at the meeting among others.

WORKING COMMITTEE MEETINGS IN 2019

duty at the rate of 2% still remains which increased upfront cost of the entrepreneur. These issues hamper the funding issue of the new entrepreneurs.

Dr. Shah Md. Ahsan Habib, Director, BIBM laid emphasis on both demand and supply side of funding so that the gap should be minimized.

The other proposals were mixed funding, simplification of packing credit policy by utilizing offshore banking, extension of the limit of LTFF for more than one year by Bangladesh Bank, reduction of the documentation needs, incentive facilities for cottage, micro and small over and above improving the mindsets of banks were recommended by the participants.

Representatives from different banks, NBFs, lending agency and venture capital representatives and multinational companies including representatives from public and private sectors attended the meeting and took part in the discussion.

Sustainability and Green Growth Working Committee Meeting

A meeting between the Ministry of Environment, Forests, Climate Change (MOEFCC) and BUILD was held at the

Secretariat in a bid to discuss agenda of the upcoming Sustainability and Green Growth Working Committee Meeting of BUILD.

BUILD CEO Ferdaus Ara Begum provided a brief and said that BUILD in association with MoEFCC and BGMEA has launched this platform to exchange views among all intending sectors of the economy about the environment and related policies, suggest research-backed reforms for bridging the implementation gaps and conduct dialogues with the concerned government organization to support the private sector in having safe investment and sustainable business by using announced policies of the Government. The platform would engage the government, the private sector and other stakeholders for creating awareness among private sector about climate change, environmental damage, disaster risk reduction for developing compliant and resource efficient entrepreneurship. She urged the Government to adopt policy measures to promote environmental sustainability in the plastic sector that cover areas like pollution reduction, recycling and reuse of plastic; better coordination among regulatory agencies and stakeholders.



MOEFCC Secretary chairs the meeting

WORKING COMMITTEE MEETINGS IN 2019

MOEFCC Secretary Ziaul Hasan expressed concerns about the waste treatment issue and informed that the ministry has already started activities for the COP26 due in December 2020.

It was discussed that BUILD will be invited in the ministry's programs on preparing COP26 with an objective to bridge the gaps of information exchange in regard climate change issues and then build capacity of private sector to provide related input so that the Government can negotiate with the international community.

The date for a SGGWC meeting was tentatively scheduled in March 2020, for which BUILD would prepare working paper. It was discussed that in line with the direction for 13th PSDPCC, letter will be sent to the Sustainable and Renewable Energy Development Authority (SREDA) to form a working committee to develop the renewable energy and rooftop solar power. MOEFCC secretary agreed to appoint a focal point in PSDPCC to represent the ministry.

Along with them MOEF Additional Secretary (Environment) Mahmud Hasan, Additional Secretary (Development) A. Shamim Al Razi, Deputy Chief of MOEFCC Zakia and Additional Research Director of BUILD Md. Tahmid al Zami, Sr. Communications and Advocacy Associate Moshaddek Alam were present at the meeting.

Taxation Working Committee

A meeting was held between FBCCI and BUILD regarding VAT and SD Act 2012 on 2nd February, 2019. Senior Vice President, Secretary and Additional Secretary of FBCCI was present in the meeting. Ferdaus Ara Begum, CEO, BUILD made a detailed presentation of VAT and sought attention of FBCCI.

The FBCCI positively acknowledged the efforts of BUILD regarding the policy recommendations on VAT and SD Act 2012 and pledged to work together in this issue.

Another meeting was held between Member (VAT Policy), National Board of Revenue (NBR) and BUILD regarding VAT

and SD Act 2012 on 6th February, 2019. Mentioning major policy reforms implemented by the NBR, where CEO of BUILD presented the recommendations on VAT and SD Act 2012 and its implementation. NBR endorsed the recommendations and suggested for further review of them. Some policy recommendations proposed by BUILD were in principle agreed and the rest would be taken care of after internal review of NBR (VAT policy wing) before going for final implementation of the new VAT Act.



BUILD CEO Ferdaus Ara Begum speaks at the pre-budget meeting of NBR with BUILD, BEZA, BEPZA, BIDA and Hi-Tech Park Authority.

MAJOR EVENTS

2 8th Anniversary Celebration of BUILD



Celebration of 8th Anniversary of BUILD is in progress

BUILD celebrated its 8th Anniversary on October 28, 2019 at Eden Ball Room, Amari Dhaka Hotel, Gulshan 2 and its milestones as the public private dialogue platform in Bangladesh. On the occasion of BUILD's 8th Anniversary, successfully launched the 4th Business Confidence Survey 2019-20.

H.E. Tipu Munshi, MP, Minister of Ministry of Commerce graced the event as the Chief Guest while Abul Maal Abdul Muhith, Hon'ble Former Finance Minister, Md Sirazul Islam, Executive Chairman, BIDA, Dr. MdJafar Uddin, Secretary, Ministry of Commerce, GoB, Judith Herbertson, Head of DFID Bangladesh and Golam Mainuddin, Vice-President, MCCI attended the event as the Special Guests. BUILD Chairman Mahbul Alam led the event and thanked BUILD team and said that our achievements of implemented reforms in the last years with specific mention of the year 2018.

We appreciate the keen interest of the Government in supporting our efforts. We gratefully acknowledge the

support from the Principal Secretary of Prime Minister's Office, the Private Industry and Investment Adviser to the Honorable Prime Minister including all the Co-chairs of five Working Committees; Secretary of Ministry of Commerce, Secretary of Ministry of Industries, Chairman of National Board of Revenue, Secretary of Environment, Forest and Climate Change and Deputy Governor of Bangladesh Bank in particular and all Co-chairs of five Working Committees who played a tremendous role in holding meetings said the Chairman.

BUILD turns nine on 18th October 2019. To mark the occasion, the BUILD Team along with invited guests led by Commerce Minister cut an anniversary cake over the launching. People from varied circuit joined the event.

Joining as a Special Guest, Abul Maal Abdul Muhith, Hon'ble Former Finance Minister expressed happiness in joining the launching in 2011 of BUILD and thanked the private sector especially DCCI, MCCI and CCCI.

MAJOR EVENTS

On this occasion, Judith Herbertson, Head of DFID Bangladesh said “it is good to see BUILD thriving. I am happy also to learn that BUILD aims to initiate a platform for Public-Private Partnerships, where the private sector will work hand in hand with Government to promote further trade and investment in the economy”.

BUILD was launched in October 2011 as a Public Private Dialogue (PPD) platform to facilitate structured dialogues between the public and the private sectors under an institutional framework. BUILD is envisaged as the bridge that will connect the public and private sector for better communication, coordination and collaboration in bringing reforms in business policies and procedures to improve the country's investment climate in Bangladesh. BUILD has been recognized as the primary source of recommendations for meetings of the PSDPCC, established at the Prime Minister's Office (PMO).

Dialogue on Electric Vehicles and Sustainable Transportation System in Bangladesh

A dialogue titled “Electric Vehicles (EVs) and Sustainable Transportation System in Bangladesh” is organized by

BUILD and Bangladesh Centre for Advanced Studies (BCAS) held on January 31, 2019 at the MCCI conference room.

Abdullah Al Mohsin Chowdhury, Secretary of the Ministry of Environment, Forest and Climate Change said that Bangladesh needs to promote electric vehicles with standard design and the policies should be formulated carefully and comprehensively to regulate and promote the EVs. There is a need for further research on EVs and BUILD, BUET, and other organizations should come together to provide evidence-based inputs to the government on EVs. He also said that the recommendations came in the dialogue can be channeled through the Sustainability and Green Growth Working Committee of BUILD and PSDPCC at Prime Minister's Office.

Ferdous Ara Begum, CEO of BUILD delivered her welcome speech at the event and said countries around the world are transitioning to electric vehicles to reduce greenhouse gas emissions.

In Bangladesh, around 10 lakh EVs are plying in the street, most of which are three-wheelers popularly known as easy bike, said Ehsan-E-Elahi, Additional Secretary of the



Abdullah Al Mohsin Chowdhury, Secretary of the Ministry of Environment, Forest and Climate Change speaks at the meeting.

MAJOR EVENTS

Ministry of Road, Transport and Bridges. He said the ministry is now working on formulating a guideline that will allow easy bikes to get registrations.

Md Ziaur Rahman Khan, a professor at the BUET's electrical and electronic engineering department opined that availability of charging stations is highly important to make EVs popular in Bangladesh.

Both fiscal and financial incentives should be offered for EVs to make the environment-friendly vehicles more widespread, said Siddique Zobair, member of the energy efficiency and conservation department of the SREDA.

Greenhouse gas emission from the transport sector in Bangladesh will be increased 118 percent by 2030 from the current level, said Md Tahmid Zami, additional research director of the BUILD, while presenting a keynote paper. But, the country plans to reduce greenhouse emission by 9 percent within 2030.

Asif Ibrahim, Former Chairman of BUILD moderated the dialogue and urged the government to consider EVs for developing a sustainable transportation system considering ecological balance in Dhaka and for the transport sector in Bangladesh.

Representatives BRTA, BITAC, BMW, DOE, MCCI, DCCI, Rahimafrooz and CPD attended the meeting among others.

Electric vehicles are the future of transportation- Commerce Minister

A dialogue on 'Prospects and Policies of EV in Bangladesh' was organized by BUILD, JETRO and Terra Motors at Amari Dhaka, on March 13, 2019 where findings of the study on 'Battery-Run Three Wheelers in Bangladesh conducted by BUILD was presented.

Commerce Minister Tipu Munshi was present as Chief Guest and said electric vehicles (EVs) are the future of transportation, as decarbonizing the transport sector has become a buzzword. He emphasized the need for a clear

policy framework on regulating Battery Run Three Wheelers (BRTWs) at the earliest and need for establishing charging stations for electric vehicles.



Commerce Minister Tipu Munshi speaks as the Chief Guest at a Dialogue on Prospects and Policies of Electric Vehicles in Bangladesh, organized by BUILD, JETRO and Terra Motors at Amari Dhaka, on March 13, 2019.

According to the study of BUILD Bangladesh has been losing BDT 192.5 million a year by not bringing the battery-run three-wheelers under registration and licensing. Presently, around one million such vehicles are currently plying in the country. Also, over one million employments have been created in this sector, including 58,000 jobs in five districts where 52,000 battery-driven three-wheelers run mentioned in the study report of BUILD. These vehicles consume around 450 MW electricity a day, it added. But due to absence of monitoring, regulations and charging stations, this sector witnesses unauthorized consumption of power. Bangladesh can save US\$ 200 million to \$ 400 million a year by reducing air pollution in four cities of the country. The study suggested the need for formulating a comprehensive policy to streamline the sector.

Abul Kalam Azad, Principal Coordinator (SDG) of Prime Minister's office (PMO), said that (EV) are the future of transport, as decarbonizing transport is a must to achieve SDG goals. He said that efficient policies are needed to harness the benefits of development of electric three-wheelers. He also emphasized the need for research and development activities on battery manufacturing, focusing on lithium-ion (LI) battery, recycling of battery and attraction of FDI in manufacturing electric vehicles in the

MAJOR EVENTS

country. "The private sector and donor organizations have come forward and we need to develop our capacity to address the Fourth Industrial Revolution issues," he added.

Hiroyasu Isumi, ambassador of Japan to Bangladesh was present as Special Guest in the program. He said that although there is a huge demand for battery-run three-wheelers in Bangladesh, there is lack of government initiative for the formalization of the sector. He also put emphasis on SDG-11 on Sustainable Cities and Communities for which a sustainable transport system is an imperative. The battery-driven three-wheelers can be an alternative which has already been proved to be a very useful means of transport in Bangladesh like in India, Vietnam and China, he said.

Daisuke Arai, Country Representative, JETRO Dhaka Office, underscored the need for framing policies to attract more investment in this sector. Asif Ibrahim, former chairman, BUILD, highlighted the organization's continued mission to address regulatory barriers by evidence-based research and policy advocacy.

Tahmid Zami, additional research director of BUILD, presented the findings of the study on 'Battery-Run Three Wheelers in Bangladesh' while Akihiro Ueda, Director of Asia EV Business and MD of Terra Motors, India, presented the private sector perspectives on the existing scenario of the battery-run three wheelers.

Siddique Zobair, Member (Additional Secretary, Sustainable and Renewable Energy Development Authority (SREDA), reflected on the charging infrastructure policy being prepared by SREDA. He said that most of the charging systems are not efficient. Regarding a different type of tariff rate for easy bikes, he said the government is ready to lower it, if the users charge the vehicles at off-peak hours. He also said that SREDA has almost completed the draft policy for charging stations.

Other Resource speakers Dr. Md. Ziaur Rahman Khan, Professor, Bangladesh University of Engineering and Technology (BUET), Dr. Syed Md. Ihsanul Karim, Director, BITAC, Munawar Misbah Moin, President, Accumulator Battery Manufacturers and Exporters Association of Bangladesh and Mesbah Uddin Ahmed, General Manager and Head of Corporate Division, IDLC Finance Limited who contributed and endorsed the proposals made by the study of BUILD. About two hundred representatives from different public and private sectors were present to interact in the session.

Pre-budget Dialogue on Tax Holiday Policy of BUILD Underscored TH policy Simplification and Automation

A Pre-budget Dialogue on Revisiting Tax Holiday Policy of Bangladesh for Promoting Investment and Export took place on May 19, 2019 in the Conference Room of Bangladesh Investment Development Authority (BIDA). Business Initiative Leading Development (BUILD) in collaboration with BIDA organized the dialogue.



Kazi M Aminul Islam, Executive Chairman of the Bangladesh Investment Development Authority (BIDA) speaks at a pre-budget dialogue on Revisiting Tax Holiday Policy for Promoting Investment and Export organized by BUILD at BIDA office.

Chaired by Kazi M Aminul Islam, Executive Chairman of BIDA, the dialogue brought together representatives of government, international organizations, extractive industries, civil society, and think tanks and provided the opportunity to advance the work under the National Board of Revenue.

MAJOR EVENTS

BUILD CEO Ferdaus Ara Begum presented the study on Revisiting Tax Holiday Policy of Bangladesh for Promoting Investment and Export conducted by BUILD and suggested to revisit the policy for extending support to other new investment sectors with some policy options to ensure maximum benefit from Tax Holiday (TH) policy in the country.

Mohammed Humayun Kabir FCA, Former President, Institute of Chartered Accountants of Bangladesh said as the Resource Speaker that there should be a balance between revenue collection and rate of exemption.

Speaking as a Resource Speaker Sayed Anminul Karim, Former Member (Income Tax Policy), NBR said that the income tax policy needs to be revisited to reduce the existing tax gap. Domestic transfer pricing, Tax holiday, beyond companies such as service can be included in TH policy.

Debabrata Roy Chowdhury, Director of Nestle Bangladesh Ltd said that we need performance based awarding TH in place and urged that the cleaner enterprises should get TH facility for a certain period and accelerated depreciation system needs to continue. Hidden cost of tax holiday which is a discouraging factor needs attention.

Kanon Kumar Roy, Member (Tax Policy) of NBR in reply to the points raised by the speakers in the meeting agreed to some extent and noted that though it is already late but he would try to accommodate some important reform proposals to be reflected in the upcoming Budget. He said that the refund process has been simplified through a recent executive order, it takes seven days to get refunds now. He observed that after initiating the automated income tax form next year the TH awarding and renewal of TH would be quicker and simpler. He also expressed concern about the decision-making power of NBR regarding capacity development and human resource management.

Abul Kasem Khan, Former President, DCCI spoke about competitiveness of industries and underscored the need for considering off-factory issues and logistics arrangement and said that the Tax Holiday for non-traditional industries need to be revisited for expanding the export base. A comprehensive analysis of TH and its cost-benefits effect to the economy need to be done by NBR. He categorically requested for continuation of the Tax Holiday benefits supporting reform recommendations of BUILD.

Speaking as the Chair, Kazi M. Aminul Islam, Executive Chairman, Bangladesh Investment Development Authority (BIDA), PMO termed Tax Holiday as a complex issue and thanked BUILD for coming up with a comprehensive paper. He emphasized on an inclusive development and for standard transformation, he said policy shift is required. He added that in the less developed areas also there are differences, so a separate categorization can be included to extend benefits for much less developed areas.

Echoing the BIDA Chief, Hosna Ferdaus Sumi, Private Sector Specialist of World Bank Group in her closing note requested NBR to adopt tax holidays as one of the instruments to encourage investment and upgrade the doing business ranking.

2nd Transactional Dialogue on Rooftop Solar System for Textile Industry

The second Transactional Dialogue on rooftop solar system for Textile Industry was held on June 24, 2019 at the Conference room of International Finance Corporation (IFC) at Gulshan.



BUILD CEO Ferdaus Ara Begum speaks at the dialogue at IFC.

MAJOR EVENTS

Ferdaus Ara Begum, Chief Executive Officer of BUILD commenced the meeting by welcoming the distinguished participants from both public and private sector and gave a brief introduction on the purpose of the program.

AdibaMehnaz Ahmed, Operations officer, IFC introduced PaCT program that started in 2013 focusing on environmental sustainability. Major impacts was in the water savings, waste water management, energy savings and GHG emission etc.

Mohammad Tanvir Al Fazal, Resource Efficiency Consultant, IFC made a presentation highlighting textile sector's large amount of unutilized roof tops to generate energy through using solar power.

Dr. Mohammad Tamim, Pro-Vice Chancellor, Brac University and former Professor of BUET said that government's new renewable energy target is ambitious to achieve. He is more concerned about the energy price. Initially the traditional energy price was very low compared to renewable energy price. This was the main reason behind low achievement in renewable energy development. Now the scenario is changing. Energy price has come to a reasonable level and hopefully in near future the price of renewable energy will be less than traditional energy.

Md. Tahmid Zami, Additional Research Director, BUILD presented a paper based on a brief study on the policies of use of solar energy in the country and proposed some reform recommendations specifically for inclusion in the Guideline for Implementation of Solar Power Development Program-2013.

Salina Jahan, Member (Renewable Energy), SREDA, appreciated the efforts and findings of the study of BUILD and IFC. She said that textile sector was the biggest GHG emitter in the industry, as around 38% of total GHG emission of industry comes from this sector. The initial approach of the government was to establish 5% of its total

energy demand from renewable source. But this initiative was not working well as there were no clear guideline or policy for the industry owner on how to implement the renewable projects.

Engr. Hassan Muhaiminul Aziz, Assistant Manager (Monitoring), RE Project, IDCOL, said that IDCOL mainly provide financing and technical assistance on projects. He mentioned that the quality of the equipment of solar projects was a concern in CAPEX model. In OPEX model it was not a serious concern as the developers/EPC must use efficient materials for maximum output.

A number of participants especially from government organization presented their opinion on the policies of solar energy and how to promote rooftop solar energy and utilization of benefits of net metering guidelines (NEG) in Bangladesh.

Workshop on SME Policy 2019 for Achieving Timebound Action Plans

Ministry of Industries, BUILD and Poverty Reduction through Inclusive and Sustainable Markets (PRISM) jointly organized a day long Workshop on the 'SME Policy 2019' at the Victory Hotel on 11th December 2019. Kamal Ahmed Mojumder MP, Hon'ble State Minister, Ministry of Industries, was present in the workshop as the Chief Guest which was chaired by Md. Abdul Halim, Secretary, Ministry of Industries.



BUILD CEO hands over BUILD publications to Kamal Ahmed Mojumder MP, Hon'ble State Minister, Ministry of Industries at the Workshop on SME policy 2019.

MAJOR EVENTS

Hon'ble State Minister, MoI thanked the organizers including MoI, BUILD and PRISM for taking such an excellent initiative within the three months of getting cabinet division approval of SME Policy. He emphasized the role of SMEs in maintaining economic growth and put thrust on role of BSCIC, SME Foundation to ensure the development of small enterprises. He also informed that government is sincere in supporting SMEs and thus having a number of initiatives, this type of workshops is very much helpful to understand the real needs of the SMEs.

Md. Abdul Halim, Secretary, Ministry of Industries stated that MOI would be provided with all the necessary supports to implement the targeted action plan in due time. In this regard, he expects coordinated efforts from all the concerned organizations. In regard to monitoring and evaluation he also emphasized the role of National SME Development Council and the National SME Task Force as the main organs to take stock of implementation of the time-bound action plan entrusted to different government and private organizations. Referring to short term, mid and long term activities, he expressed his hope to implement all activities on time.

Mostaque Hassan, Chairman, BSCIC said that BSCIC has been playing a pivotal role in nurturing the small, micro and cottage industries since its inception and informed that to mitigate environmental pollution BSCIC has taken an initiative to establish 50 industrial parks aiming to achieve SDGs 2030.

Earlier Ali Sabet, Team Leader of PRISM welcomed all the participants from govt. and non-govt. organization and stated that the 'SME Policy 2019' would undoubtedly play an important role to improve the present scenario of the SME sectors.

Ferdaus Ara Begum, CEO, BUILD delivered the keynote speech and highlighted the important areas of the policy including definitional issues comparing other countries and said that the threshold of employment and investment is higher in the country, she also raised the need for including cottage industries in the SME Policy which make up 68 lac

establishments out of total 78 lacs or 87.52% of total industrial establishment according to the 2013 census. The key note has shown the number of short, medium and long term time-bound activities will be difficult for the concerned organizations to implement unless required infrastructure and logistical support are ensured.

Policy Intervention Needed to Engage More Women Entrepreneurs in Public Procurement

BUILD in collaboration with the International Trade Centre (ITC) and with the support of the Ministry of Planning and Central Procurement Technical Unit (CPTU) organized a policy dialogue on "Engaging Women Entrepreneurs in Public Procurement" on December 1, 2019 at the Conference Room of CPTU. Nurul Amin, Secretary, Planning Division, Ministry of Planning, was present as chief guest while Md. Ali Noor, Director General (Additional Secretary) of the CPTU as special guest.



Nurul Amin, Secretary, Planning Division, Ministry of Planning, was present as chief guest while Md. Ali Noor, Director General (Additional Secretary) of the CPTU as special guest. Ferdaus Ara Begum, Chief Executive Officer (CEO) of BUILD chaired the meeting.

Ferdaus Ara Begum, Chief Executive Officer (CEO) of BUILD chaired the meeting and at her welcome speech, she stated that the participation of women entrepreneurs in the labor force is 36.3% where 91.8% of them are operating their business in an informal way. The contribution of women entrepreneurs in the economy could be increased if proper facilities are provided to them. It was found in a study that due to lack of access to finance, access to marketing, access to information and required capacity the full potentiality of women entrepreneurs could not be explored.

MAJOR EVENTS

Mehrana Islam Chowdhury, Gender Consultant, BUILD in her keynote presentation demonstrated some policy related recommendations and emphasized on maintaining a gender-disaggregated data. There is a special provision for subcontracting in the policy where women owned SMEs can contribute.

Tanvir Ahmed, Country Coordinator, Bangladesh International Trade Centre (ITC) expressed that access to information is the main problem for women entrepreneurs in public procurement.

Md. Ali Noor, DG, CPTU stated that due to some restriction in policy, some necessary steps could not be taken properly. He argued that WE can participate under quotation method and limited tender method but they need to know the issues elaborately. He assured for policy reforms and informed about inclusion of Most Economically Advantageous Tender (MEAT) in the policy as suggested by the BUILD presentation. He suggested that more dialogues could be arranged in the future regarding this issue to engage more women entrepreneurs (WE) in public procurement.

Nurul Amin, Secretary, Planning Division, Ministry of Planning said that the business environment is more

favorable now for women than any time. He informed about the women help desk in every district, which could be made effective to provide service. He pointed out that women are less involved in corruption than men are. Therefore, involvement of WE in Public Procurement can give good result. Women should be proactive about figuring out important tender notices in national dailies.

BUILD Organized Consultation on Identifying Opportunities for Business Growth in Khulna

BUILD and Promoting Knowledge for Accountable Systems (PROKAS) jointly organized a dialogue on “Consultation on Identifying Opportunities for Business Growth” in collaboration with Government & Climate Change Funding on January 23, 2019 in Khulna to identify growth opportunities and investment needs in the southwestern Bangladesh region. Tahmid Zami from BUILD made a presentation highlighting potentials of Khulna Division and neighboring districts for addressing climate migration.

Sharif Atiar Rahman, Senior Vice President, Khulna Chamber of Commerce and Industry mentioned that the recent initiatives of the government in developing the southwest region. However, climate change is posing an



Private Sector Stakeholder in Khulna along with the Teams of BUILD and PROKAS of British Council are seen at the end of the consultation in Khulna.

MAJOR EVENTS

unprecedented challenge to the region. It is important to identify the proper growth opportunities to ensure that the displaced and affected people of the region can continue to have decent jobs.

Md. Nasim Uddin, Vice President, Jhenidah Chamber mentioned that as Jhenaidah is situated on high land, it has less vulnerability to climate change. The main problem faced is the lack of access to finance by farmers. If they are provided with easy loans, they can easily employ climate migrants from other districts. A representative from Bagerhat mentioned that crab fattening in Bagerhat has high export potentials for the country, moreover the shell of crabs is also a high-opportunity sector. A woman entrepreneur from Kushtia Chamber highlighted the handicrafts made by young women in Kushtia, usually organized into small groups. However, the handicraft workers need better training.

Gerry Fox, Team Leader, PROKAS expressed his delight at the interest demonstrated by the stakeholders. The government provides infrastructure and policies while the civil society is the facilitator to bring together these stakeholders to address emerging challenges. PROKAS and BUILD are happy to bring together the private sector to explore the opportunities for the region for growth so that the necessary investment areas can be identified.

Md. Hossain Sawkat, ADC and Administrator of Jessore mentioned the agricultural potential of Jashore. The Jashore and Satkhira region supply a large share of the vegetables and flowers to the different districts of Bangladesh and packaged flowers are being exported abroad. There is need for cold storage facilities for vegetables.

Md. Maksudur Rahman, CEO, Bangladesh Environment Development Society shared some lessons from BEDS' longstanding engagement in sustainable development in Southeast Bangladesh.

Ferdaus Ara Begum, CEO, BUILD summarized the main findings of the discussion in terms of the key constraints, leading sectors, as well as opportunities for investment or improvement. She requested the participants to prioritize the recommendations.

Consultation on Identifying Opportunities for Business Growth in collaboration with Government and Climate Change Funding

A Dialogue named "Consultation on Identifying Opportunities for Business Growth in Collaboration with Governments and Climate Change Funding" was jointly organized by BUILD and PROKAS at the Parjatan Motel, Rajshahi on March 24, 2019.



Representatives from BUILD, PROKAS, RCCI and District Level Chambers around Rajshahi Division took part at the dialogue.

MAJOR EVENTS

In the session, CEO of BUILD, Ferdaus Ara Begum gave her welcome remarks on behalf of BUILD and PROKAS to the participants for joining the program. She also expressed her special gratitude to Rajshahi Chamber of Commerce and Industry for their cooperation in arranging the event.

Gerry Fox, Team Leader, PROKAS expressed his thanks and mentioned that this consultation program is organized to find out the growth potentials of different sectors of this region. He also said that private sectors are the important driver of the economy. So, huge contribution of private sectors for the development of the country is compulsory.

Aminul Islam from Chapai Nawabganj Chamber of Commerce and Industries stated that not only Bangladesh but also other countries are observing irregular weather pattern.

Md. Ishhak Ali, Sr. Vice President of Sirajganj Chamber of Commerce and Industries said that Sirajganj is surrounded by rivers. For this reason river erosion is a big problem here. Many people have to be displaced from their house because of this natural disaster. River situation is also a very alarming problem in this area.

Rosette Naznin, President of Rajshahi Women Chamber of Commerce and Industry said that RMG industries are rarely found in Rajshahi division. This sector could be a great source of employment for both male and female.

Dialogue on an Alternative Prosperous Sustainable City for the Future Business Opportunities, Government Services and Climate Induced Migrants Held

A dialogue on An Alternative Prosperous Sustainable City for the Future Business Opportunities, Government Services and Climate Induced Migrants was held on 2nd May 2019 at Mongla Port Authority Conference Room where Habibun Nahar, MP, Deputy Minister, Ministry of Environment, Forest and Climate Change, GoB was present as Chief Guest.

Ferdaus Ara Begum, CEO, BUILD presented a paper on Identifying Opportunities for Business Growth in Mongla

based on Experiences of Rajshahi and Khulna Division. In this presentation she highlighted some business opportunities for Rajshahi and Khulna based on the dialogue held in January and March 2019 and now working for identifying opportunities for Mongla.



Habibun Nahar, MP, Deputy Minister, Ministry of Environment, Forest and Climate Change, GoB speaks at the meeting.

Gerry Fox, Team Leader, PROKAS informed about the increasing trend of climate induced displaced migrants in the slums in Dhaka. He suggested the country can avail a portion from the billions of dollars of climate funds so that migrants can settle in dignity in secondary cities.

Habibun Nahar, MP, Deputy Minister, Ministry of Environment, Forest and Climate Change, GoB informed about the trust fund of the government, which is about 3000 crore now and it is needed to be utilized in proper manner. She also highlighted the problems of Mongla arisen out of cultivation, which has increased salinity.

Talukdar Abdul Khalek, Mayor, Khulna City Corporation highlighted some historical references about the situation of Mongla in 1991 and its recent development. He appreciated the role of the present government for keeping the infrastructural development of Mongla as their high priority. Mentioning several problems in the region, he informed that there is no deep tube well in Mongla and safe drinking water is one of the major problem. He also referred to establishment of different health complexes for which a number of doctors is given appointment but they could not be kept in these health complexes.

MAJOR EVENTS

Julfiqar Ali, Mayor, Mongla Port Poursava had given a picture of the present situation of Mongla, emphasized on waste management plant actions for addressing salinity and water logging issues and also actions for protecting children health from the dust arising out of different mills and factories in Mongla.

Dr. SelimulHaque, Director of International Center for Climate Change and Development moderated the session and informed that a survey is going to be conducted in the next six months for developing climate friendly resilient towns under which BUILD and PROKAS are now working.

A K M Faruq Hassan, Chairman of Mongla Port Authority informed that different types of climate change impact which are mainly natural and manmade.

In the open session, representatives from different newspaper working for climate change, Bengal Institute, Bangladesh Bank, Janata Bank, LGED and women councilors put forward their comments and proposed several actions for addressing climate change issues.

Identifying Opportunities for Business Growth in Selected Business Sectors

A workshop titled, “Identifying Opportunities for Business Growth in Selected Business Sectors” was organized by BUILD, supported by PROKAS project of British Council, funded by UKaid, at Mongla on December 4, 2019. The Mayor of Mongla Md. Zulfikar Ali was present as the Chief guest in the program.



BUILD CEO speaks at the meeting at Mongla.

The President of Bagerhat Chamber of Commerce and Industry was also present, along with Kamrunnahar, Vice-Chairman (Female) of Mongla Municipality. A number of local entrepreneurs, representatives from civil society organizations, and media were present at the workshop.

Out of 40 potential industrial sectors, 3 sectors were finally selected for further consideration for investment, based on their economic viability and market potential, prospects for employment creation targeted at the climate-displaced population in the South West districts, and their beneficial environmental and social impact. These 3 sectors are plastic recycling, coconut fiber based products, and water treatment.

After opening remarks by the organizers and dignitaries, a brief presentation was made on the investment proposals of the selected 3 business sectors, followed by an interactive discussion session. The following major recommendations were received at the workshop:

- A system for token cash reimbursement ranging from 25 to 50 paisa per PET bottle should be introduced nationwide to promote systematic disposal and collection of PET bottles. Color coded trash bins for disposing PET bottles should be kept at all public places.
- Coir products should be included in the list of agro-based products in the National Export Policy and National Industrial Policy in order to benefit from conducive policy and regulatory framework. Cash incentive for export of coir products should be raised to 20% instead of the prevailing 10% rate. Coir products should be brought under VAT exemption.
- In order to promote adequate supply of coconut husks and matured coconut in general, policy and fiscal measure should be framed to encourage establishment of manufacturing plants for virgin coconut oil and desiccated coconut powder.

MAJOR EVENTS

- Major interventions are required on an urgent basis to address the ongoing ecological crisis resulting from rising salinity in water in the South Western districts. Ponds and other natural reservoirs of fresh water in the region should be brought under survey and conservation measures need to be strictly enforced with immediate effect.
- New and innovative technologies should be explored from global sources to install/replicate in the region for desalination powered by solar energy, or other sustainable technology should be explored and transferred.

Workshop at Khulna Highlights Vulnerability of SMEs due to Climate Change and the Need for Mobilizing Investments for Adaptation

Business Initiative Leading Development (BUILD) in partnership with Bangladesh Centre for Advanced Studies (BCAS) organized a workshop on “Assessing Adaptation Investment Opportunities for Micro, Small, and Medium Enterprises in Khulna” on December 4, 2019. The program was supported by ICLEI – Local Governments for

Sustainability- South Asia and Climate and Development Knowledge Network (CDKN).

Ferdaus Ara Begum, CEO, BUILD mentioned that as one of the most climate vulnerable countries, Bangladesh needs to bring all stakeholders together for ensuring proper adaptation to the impact of climate change. The SMEs often lack the resource, expertise, and policy support to adapt to the effects of climate change and hence require special attention. Tahmid Zami, Additional Research Director of BUILD presented the keynote to initiate the discussion highlighting the objectives of the project.

Kazi Masudul Islam, Director of Khulna Chamber of Commerce and Industry (KCCI) mentioned that SMEs are the main provider of employment and should therefore be nurtured against adverse impacts of climate change. Businesses should take part in reforestation efforts of the government.

Nasim Uddin, Vice President of Jhenaidah Chamber of Commerce mentioned that banks should extend finance to eligible SMEs affected by disasters due to climate change and chambers and trade associations could come forward to support the SMEs in availing necessary financing.



Kazi Masudul Islam, Director of Khulna Chamber of Commerce and Industry speaks at the meeting

MAJOR EVENTS

Humayun Kabir, Director of Bangladesh Frozen Foods Association welcomed the initiative to hold dialogue on adaptation to climate change for SMEs. He mentioned that the global temperature may grow by 1 degree Celsius by 2030 and 2 by 2050 and salinity is quickly reaching upstream in Bangladesh.

The workshop featured discussion on specific sectors such as agro-processing and food, jute, handicrafts, and water. Discussants highlighted their vulnerabilities as well as necessary measures to counteract the negative impact. In the agro-processing and food sector, the focus was mainly on the shrimp sector. Increasing salinity in the coastal region is making farming of prevalent shrimp varieties increasingly unsustainable. Saline-adaptive varieties of shrimp should be introduced in this regard.

In the jute sector also, saline water and weather patterns are creating challenges for jute cultivation, and more research should be conducted to ensure that jute sector is not negatively affected by climate change. Jute sector representative urged all to spread awareness for using jute packaging and implement the Mandatory Packaging Act so that plastic could be replaced by natural fibers.

A number of business sector representatives, government and NGO officials, Chamber and media representatives were present to interact.

Meeting with WeConnect at BUILD

A meeting was held at the BUILD office with Nicolas Picard, Research, Analyst, and Project Manager of WEConnect International on 6th February, 2019 with an aim to share activity updates of BUILD and WEConnect International and have a discussion on the upcoming programmes of both organizations. From BUILD,



BUILD CEO is with Nicolas Picard, Research, Analyst, and Project Manager of WEConnect International

Ferdaus Ara Begum, CEO, BUILD and Mehruna Islam Chowdhury, Gender Consultant, BUILD attended the meeting.

Nicolas informed that the first phase of training of women entrepreneurs under the IFC project. He invited the CEO, BUILD at the forum to be organized by WEConnect International and IFC on March 27th on "Promoting Inclusive Sourcing in Bangladesh".

BUILD greets Salman Fazlur Rahman

Mahbubul Alam, Chairman of BUILD and President of Chittagong Chamber of Commerce and Industry and Ferdaus Ara Begum, CEO of BUILD (First from left) joined



BUILD Chairman greets Salman F. Rahman, MP, Adviser to the Prime Minister on Private Industry and Investment.

in a courtesy call with Salman F Rahman, Prime Minister's Adviser for Private Industry and Investment at Hotel Westin on 3rd February 2019 as a sideline meeting during a Dialogue on Power Supply organized by FBCCI.

Meeting with PaCT Team of IFC

A meeting was held between BUILD and PaCT team of IFC on February 13, 2019 at IFC. Sumit Manchanda raised the issue that TSP would have a new form in the next phase where PPD/ policy reform would be complemented by other activities, such as creating a roadmap or strategy – with specific indicators, deliverables, metrics, etc.- for the RMG

MAJOR EVENTS

sector delineating how Bangladesh will face the upcoming challenges including the phase-out of privileges enjoyed by Bangladesh due to Least Developed Country (LDCs) status, the issues of robotics, voluntary standards and commitment, cotton-based vs. other kinds of fiber, backward integration, competitive advantage, product diversification, and so on.

The sectoral stakeholders would have to take part in the process. Thus in the next phase, factories – both smaller and larger, brands, as well as government organizations like BEZA, Ministry of Commerce, Ministry of Industries, Department of Environment, etc. would be included.

Call On Meeting of BUILD with Minister of Road Transport & Bridges



Mahbubul Alam, Chairman of BUILD and Ferdaus Ara Begum, CEO of BUILD greet Hon'ble Minister of Road Transport & Bridges Obaidul Quader, MP.

Mahbubul Alam, Chairman of BUILD and Ferdaus Ara Begum, CEO of BUILD met a courtesy call with the Hon'ble Minister of Road Transport & Bridges Obaidul Quader, MP on 5th February, 2019 at his office. At the meeting, BUILD Chairman requested the Minister to be the Chief Guest at the dialogue on the prospects and policies of electric vehicles in Bangladesh jointly organized by BUILD and JETRO. In response, the Minister agreed to join the meeting and suggested BUILD to keep in touch with his office.

BUILD Trustee Board Members Held Talks with Salman F Rahman

BUILD Trustee Board Members held talks on various issues focusing on business policy reforms to attract more domestic and foreign investment with Salman Fazlur Rahman, the Prime Minister's Adviser on Private Industry and Investments on July 15, 2019 at his office in Gulshan.

BUILD Chairman Mahbubul Alam who is also the President of Chittagong Chamber of Commerce and Industry urged the Adviser to support and strengthen the Private Sector Development Policy Coordination Committee at the Prime Minister's Office and to use it as an effective tool for resolving private sector development policy issues.



BUILD Chairman Mahbubul Alam hands over a set of BUILD publications to Salman F Rahman, the Prime Minister's Adviser on Private Industry and Investments, GOB.

It works as a structured platform to unlock regulatory constraints for investment. The organization is presently working on five specific thematic areas, each co-chaired by a public sector chair, especially secretary said the Chairman of BUILD.

Welcoming the Trustee Board of BUILD, the Adviser emphasized on finding means for improving on the ease of doing business ranking of the country.

MAJOR EVENTS

He said that our Government keeps working to improve enabling the business environment through a platform where both the government and the private sector work together to promote trade and investment, in particular, to: promote an improved investment climate in Bangladesh; significantly reduce the cost of doing business; and increase private sector development and investment, thereby creating jobs and opportunities for growth.

Highlighting a number of reforms already implemented through the public private dialogue platform, BUILD CEO made a presentation of the activities and said that BUILD has been working for building an enabling business environment and initiating a platform for public-private dialogue (PPD) between the government and trade/commerce-based professionals. The dialogues are based on research-backed inputs to facilitate ease of business through relevant regulatory and policy reforms in Bangladesh.

BUILD Trustee and President of Dhaka Chamber of Commerce and Industry OsamaTaseer put light on identifying the appropriate sectors where investment and policy support should be directed.

Asif Ibrahim, Founder Chairman, BUILD and former DCCI President also attended the meeting upon invitation of the Trustee Board. He said that the barriers to doing business should be removed on a fast track basis. Key constraints like contract enforcement, availability of land and infrastructure, and so on, should be addressed actively and meaningfully said he.

Meeting with the BICF Mid Term Review team

To discuss and evaluate the key implementation through Sectoral Public Private Dialogue (SPPD) project managed by BUILD that is one of the components of Export

Competitiveness for Jobs (EC4J) under the Bangladesh Investment Climate Fund (BICF)-II, a meeting between BICF and BUILD took place on 25th February, 2019 at the conference room of International Finance Corporation. Stakeholders of Leather & Leather Goods, Tannery, Plastic, Bicycle & Battery Sector etc. were present.

Anneke Slob, Senior Evaluator, of Anneke Slob Consultant and TahminaShafique, Senior Economist of Economic Growth and International Development were present on behalf of the Mid-term Review Team.

The main objective of the this Mid Term Review meeting was to exchange views on the evaluate the progress of the BICF (II) with the concern stakeholders and also how the stakeholders are getting benefits from this program for export diversification and job creation in the field of the identified sector.

Meeting between BEZA and BUILD Held

Ferdaus Ara Begum, CEO, BUILD met Paban Chowdhury, (Secretary) Executive Chairman, BEZA on 24th April, 2019 to discuss some policy related issues of BEZA which are underway.



BUILD CEO hands over a report on current scenario of investment in Bangladesh, initiatives as well as reform policy papers prepared by BUILD to Paban Chowdhury, (Secretary) Executive Chairman, BEZA

MAJOR EVENTS

CEO, BUILD gave a brief of the study that BUILD and BIGD are conducting together and enquired Executive Chairman of BEZA about the policies of BEZA to address the gender base violence, action against sexual harassment, initiation of investment friendly policy, introducing a child care facility in Economic Zones in Bangladesh. Executive Chairman of BEZA thanked the team for initiating the study and ensured for all support. He gave a brief overview of the status of BEZA, its plan of extension and informed about the One Stop Services (OSS) center which is almost ready to provide about 59 services to the foreign investors. He also requested the Delegates from BUILD to have a look around of the OSS of BEZA.

In the OSS, BUILD team had detailed interaction with the plan and operational structure of the OSS, which would be a number one business facilitation center along with all related infrastructure.

Executive Chairman of BEZA assured CEO, BUILD that all the issues placed by BUILD will be addressed properly. He placed some examples of policy simplification for the investors at EZs in getting a trade license and other related permission to attract investment as well as to reduce the time and cost of investment in EZs.

BUILD in partnership of Centre for Gender and Social Transformation at the BRAC Institute of Governance and Development (BIGD) is jointly conducting a study on “Incorporating Gender Best Practices Gender Based Violence (GBV) and in BEZA’s Institutional Policy” to review Bangladesh Economic Zone Authority (BEZA)’s institutional policies and procedures to recommend measures related to gender mainstreaming as well as preventing and appropriately addressing incidents of gender based violence (GBV) in BEZA and industries/entities established in economic zones under BEZA. As part of the initiative, BUILD and BIGD met BEZA Officials.

Meeting between BUILD and GIZ on Electric Vehicle

A Team of GIZ joined a meeting with BUILD CEO for discussion on Electric Vehicle on April 9, 2019 at BUILD.



Michael Fink, Consultant, Transport Policy of GIZ and Sabah Shamsy, Technical Advisor, Energy Efficiency and Grid Integration of Renewable Energy (EEGIRE) and Transformative Urban Mobility Initiative (TUMI), Internationale Zusammenarbeit (GIZ) GmbH joined the meeting. The meeting put light on sustainable transport policies as GIZ is currently working on sustainable transport with Singra Municipality, Natore on Electric vehicle.

Meeting with Rajshahi City Corporation Mayor in Rajshahi



BUILD CEO hands over BUILD publications to Mayor of Rajshahi City Corporation AHM Khairuzzman Liton.

CEO BUILD handed over a set of publication of BUILD to the Mayor of Rajshahi. As part of the consultation on identifying opportunities for business growth in collaboration with the Government and climate change funding, BUILD CEO

MAJOR EVENTS

briefed the Mayor of Rajshahi City Corporation AHMKhairuzzmanLiton at the Nagar Bhavan about the consultation taking place at the Parjatan Motel Rajshahi. The meeting was attended by Jerry Fox, Team Leader, PROKAS, British Council.

Meeting between BUILD and Department of Environment

A meeting was held with Director General, DoE on April 29, 2019, 10:00 am at the Office of the Department of Environment (DoE), Dhaka. The main agenda of the meeting was to discuss initiatives taken by the DoE for the management of waste of the plastic sector to be implemented by the Private sector. Ferdaus Ara Begum, CEO, BUILD gave a brief about the agenda of the meeting where she mentioned about the inclusion of plastic manufacturing sector in Green Category of Environment Certificate (EC) proposed in the Export Policy -2018-21. As per the stakeholders of the plastic sector, manufacturing plastic products are less hazardous for the environment because raw materials are 100% useable.

A draft SRO has been prepared by the DoE to phase down plastic pollution an implemented by the stakeholders of the plastic sector which is in the Ministry of Law for vetting. Through this SRO it is expected that the government may pursue extended producers responsibility (EPR) issue with a more structured way to the private sector. CEO, BUILD said, to prepare the private sector for managing plastic waste in an efficient way and get accustomed with EPR will require long term advocacy and policy incentives. To formalize plastic recycle industry and channelized into a circular economy also requires proper policy intervention and advocacy. In view of these, an awareness dialogue program is suggested which can be organized jointly by DoE and BUILD.

A Working Committee has already been formed in DoE to work for pollution control in the plastic sector. In behalf of BUILD, CEO proposed to be a member of this committee to work in association with this committee as BUILD is also advocating policies for the benefits of the plastic sector.

At this point, DG, DoE requested BUILD to give comments on draft E-waste Rules for Electrical and Electronics products which are in process of finalization. In regard to queries about GHG emission, He gave a copy of the 'Third National Communication of Bangladesh to the United Nations Convention on Climate Change' to BUILD for better understating.

Meeting between BUILD and PUM

As part of conducting a technical scan of a number of tanneries with a specific aim to assess the status of expertise and the understanding of processes: what is known, what needs to be done, where is practical support required etc, PUM senior leather experts Hans Akkerman and Jan Willem Merx including the leather consultant K.M. Asadun Noor met BUILD CEO on April 11, 2019 at BUILD. In general, BUILD CEO discussed the leather industry situation with the mission.

Preparatory Meeting on 4th Joint Japan-Bangladesh Public-Private Economic Dialogue

A preparatory meeting of the 4th Joint Japan-Bangladesh Public-Private Economic Dialogue (PPED) took place on June 20, 2019 at BIDA Conference Room.



BIDA Executive Chairman Kazi M Aminul presides over the meeting

MAJOR EVENTS

BUILD CEO Ferdaus Ara Begum joined the meeting as one of the members of the Working Committee formed by the Prime Minister's Office.

BIDA Executive Chairman Kazi M Aminul Islam presided over the meeting and put light on side events, networking during the PPD in Dhaka. The meeting was attended by Director General of East Asia and Pacific Wing, Ministry of Foreign Affairs, Vice President of FBCCI and Representative from Ministry of Industries among others.

Meeting between Secretary, Ministry of Industries, BUILD & BIGD Joint Research Team

BUILD & BIGD Joint Research Team led by Ferdaus Ara Begum, Chief Executive Officer of BUILD had a meeting with Abdul Halim, Secretary, Ministry of Industries to his valuable comments on Gender Based Violence issue for the project on Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy.



Abdul Halim, Secretary, Ministry of Industries is in a meeting with BUILD Team

During the discussion CEO, BUILD provided the Secretary with a brief on the prevailing scenario in BEZA, Mirsora that was observed during a team visit to the zone. Regarding the primitive level of industrial development at the zone, the CEO asked the Secretary for his recommendation on how the workers' issues can be addressed at this stage in BEZA rules and regulations.

Secretary, Ministry of Industries focused on maintaining a supportive environment within the economic zones that would keep good industrial relations between the workers, entrepreneurs and the authority. Local government needs to create a safe environment for female workers in EZ. Separate Gender Policy may not be required for BEZA. However, efficient implementation of the prevailing rules and laws need to be ensured. Operational Manual for Individual Industrial Units needs to be monitored by BEZA.

BEPZA is a very successful example for the industrialization in Bangladesh as well as to attract foreign investment; BEZA's laws would be formulated by considering the existing laws of BEPZA.

Field Visit to Abdul Monem Economic Zone (AMEZ) Limited

In order to understand situations of child care center, safety, sanitation, construction of building, gender base violence, sexual harassment, etc. in the economic zones, BUILD CEO along with a BGD Team paid a visit at Abdul Monem Economic Zone Limited on 25th June, 2019.



A.S.M. Mainuddin Monem, CEO of AMEZ speaks at the meeting.

A.S.M. Mainuddin Monem, CEO of AMEZ informed, that there are a significant number of local and foreign employees engaged in the workforce of Honda Motor Company in AMEZ among them 7% are women. Trained female workforces are recruited from UCEP Bangladesh.

MAJOR EVENTS

Director, Project Director, DGM-Government Relations, Business Development AMEZ and Advisor to Abdul Monem Economic Zone Limited; Gender Consultant, BUILD and Research Associate of BUILD and BIGD were also present at the meeting.

Field Visit to Mirsarai Economic Zone, Chattogram

As part of conducting a study on Incorporating Gender Best Practices and Gender Based Violence (GBV) in BEZA's Institutional Policy, BUILD CEO paid a field visit to Mirsarai Economic Zone on 26th May, 2019 and met officials of BEZA, owners of companies at Economic Zone and developers.



Officials of BEZA, owners of companies at Economic Zone and developers pose during a meeting with BUILD CEO.

Having welcomed BUILD CEO and others, Md. Ferdous Wahid, Assistant Engineer (Civil), BEZA Development Project (Phase-1) assured that BEZA will circulate relevant acts and policies as per the generation of future demand to facilitate women workforce.

Engr. Mohd. Farque, Secretary (in Charge) of Chittagong Chamber of Commerce & Industry accompanied BUILD and BIGD team.

Field Visit to Meghna Industrial Economic Zone

As part of the field visit, BUILD and BIGD Team went to the Meghna Industrial Economic Zone (MIEZ), Sonargaon, Narayanganj on 16th June, 2019 to understand perspectives on gender best practices and gender based violence (GBV) in BEZA's Institutional Policy. Ajoy Mukherjee, Head of Plant,

Meghna Beverage Ltd. informed that 5-10 industrial units are in operation or in under construction in MIEZ. Foreign Investors from Switzerland, Japan, and Australia, etc. have established their plant in the EZ.



Representatives of Meghna Industrial Economic Zone receive publications from BUILD CEO.

Apart from BUILD CEO, Visiting Fellow and Acting Head, Center for Gender and Social Transformation and Gender Cluster, BIGD; Assistant General Manager (Quality Control), Meghna Beverage Ltd.; Assistant Manager, Meghna Beverage Ltd., Research Associates of BUILD and BIGD were present in the meeting.

Meeting with Chattogram Women Chamber of Commerce and Industry

To recognize women's rights as a non-negotiable agenda, and build on women's existing capacities, develop strategies and design programmes in BEZA's institutional policy, a consultation on - "Gender Best Practice and GBV



(Gender Based Violence) in BEZA's Institutional Policies took place on May 25, 2019 at CWCCI. The consultation was organized by BUILD, Chattogram Women Chamber of Commerce and Industry (CWCCI) and Brac Institute of Governance and Development (BIGD).

MAJOR EVENTS

Meeting with Department of Environment (DoE)

A meeting was held with Director General, DoE on October 23, 2019 at Department of Environment (DoE), Dhaka. The main agenda of the meeting was to discuss the initiatives taken by the DoE regarding efficient plastic waste management, Extended Producer Responsibility (EPR) issue and Sludge Management.



BUILD CEO hands over Business License Guidebook of BUILD to DG of DOE

CEO, BUILD gave a brief introduction of BUILD and how it works for improving the business environment and policy reforms for the betterment of the private sector. While briefing the DG, DoE about the agenda of the meeting she expressed her interest to know about the status of the draft S.R.O on the Plastic sector for Extended Producer Responsibility (EPR) in which BUILD has put some comments. The status of being one of the committee members of the Working Committee formed by DoE to work for pollution control was another agenda. She mentioned that the inclusion of plastic manufacturing sector in the Green Category of Environment Certificate (EC) is a long demanding issue from the private sector as the stakeholders of the plastic sector believe that manufacturing plastic products are less hazardous for the environment because raw materials are 100% useable.

Dr. A.K.M. RafiqueAhammed, Director General of DoE welcomed BUILD officials and replied to all the queries. He informed that a workshop on EPR has organized by DoE in September and a National Level Committee will be formed soon. DOE has sent draft E-Waste Rules and draft Solid Waste Rules to the Ministry of Environment, Forest and Climate Change (MoEFCC) for validation.

Regarding the inclusion of plastic manufacturing sector in Green Category of Environment Certificate (EC), DG said DoE will review the proposal and having required assessment they will decide whether it can be included in the green category. He also requested to give comments on draft amended Environment Conservation Rules-1997 which is in the website of the Ministry of Environment, Forest and Climate Change (MoEFCC).

Syed Nazmul Ahsan, Director (ECC) requested BUILD to pursue the issue with BEZA for establishing such facilities of sludge management mechanisms immediately. He opined that before preparing Sludge Management Rules, sludge management mechanisms need to be established and private sector can play a role in this mechanism establishment.

CEO, BUILD urged that the government should provide facilities like allotting land for dumping e-waste and establishing all facilities. MirzaShawkat Ali, Director of DoE said, Government wants to develop a proper e-waste collection system through E-waste Rules and still it is a challenge. Both Private and public sector need to be work together and strong advocacy is required in this regard. An assessment of the recycling of E-Waste has been done by DoE where it has seen that the growth of e-waste in Bangladesh is 20%-22%. So it has an enormous possibility for the e-waste recycling industry.

MAJOR EVENTS

Participation of WE in Public Procurement Urged by BUILD

The CEO, BUILD provided a brief on BUILD's role in research and policy advocacy. She informed the CPTU officials on the functions of five working committees of BUILD and its role in the PMO. She inquired the DG, CPTU about the status of women participation in public procurement, to which the DG mentioned that the extent of women participation would depend on the desire of the procurement entity.



BUILD CEO hands over Business License Guidebook of BUILD to DG of CPTU.

CPTU DG raised question on whether it would be necessary to include women related provisions in the public procurement regulations, as according to him, the existing provisions are supposed to treat men and women equally. In this context, the DG mentioned about the various initiatives adopted by the government for ensuring women empowerment, such as, quota for women in government jobs. The DG questioned on the effectiveness of keeping quota for women in various government operations including public procurement. In response to the question by the Gender Consultant of BUILD whether privilege provision can be kept in the regulation for women owned businesses (WOB) through specifying specific products/services procurement by government from them.

Mehrana Chowdhury, Gender Consultant, BUILD informed the DG that women entrepreneurs complained that they don't get information on advertisements for tenders and also are not aware of the training facilities of CPTU. Regarding this aspect, the DG informed that there is a help desk at CPTU that operates 24/7 and the helpdesk provides information on the process of submitting tender through e-GP.

Md. Aziz Taher Khan, Director, CPTU informed that recently sustainable public procurement is being given importance. One of the SDG on gender equality is also being given importance. However, he could not give any precise measure that has been adopted for ensuring gender equality in the process. In this context, the CEO, BUILD gave her view that there is no gender segregated data on e-GP tendering process, which creates problems in getting the actual number of women bidders under e-GP.

DG said that CPTU will arrange programmes for consultation with stakeholders on measures to be adopted for facilitating WOB in getting greater access to public procurement. He mentioned that BUILD would be included in such initiative to be adopted. The DG also asked BUILD representatives to provide CPTU with a concept paper on this issue including the examples of policy practices of other countries for promoting WOB in public procurement.

Coordination Meeting on Climate-Induced Migration under PROKAS

On October 2, 2019, BUILD team led by Ferdaus Ara Begum, CEO, BUILD along with Md. Tahmid Zami, Additional Research Director, BUILD attended the Coordination meeting of CIM component of PROKAS. Gerry Fox, Team Leader, PROKAS along with Abul Basar, Nurul Islam and other members of PROKAS team joined the meeting. The meeting was attended by representatives from Bangladesh Centre for Advanced Studies (BCAS), RMMRU, C3ER of BRAC University, and ICCAD. Participants discussed

MAJOR EVENTS

completed work, upcoming activities, as well as challenges and opportunities in their respective components under the CIM of PROKAS.



BUILD team led by Ferdaus Ara Begum, CEO, BUILD join the session.

Meeting between BUILD and Asiatic on Climate-Induced Migration

On October 23, 2019, Md. Tahmid Zami, ARD, BUILD visited Asiatic for a meeting on climate-induced migration. Apurba Karmakar, Shadman Khan and Grace Kanta Sarkar were present on behalf of Asiatic. The participants discussed on effective methods for communication in the area of climate-induced displacement in different zones of Bangladesh.



BUILD CEO speaks with the representatives from Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA).

Meeting between BUILD and BPGMEA

A meeting between Business Initiative Leading Development (BUILD) and Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) was held on September 17, 2019 in the conference room of BUILD. The main purpose of the meeting was to discuss about the obstacles which are being faced by the entrepreneurs of plastic sector in old Dhaka city for getting and renewal of Trade License and Environment Clearance Certificate.

So in this situation it is difficult to the entrepreneurs conducting the business because both are the important requirements of getting finance from banks. Govt. sanctioned different project for the Plastic Industrial Park, so that the industries can be relocated from old Dhaka but the implementation of those projects still remain at the preliminary stage mainly due to problems associated with land acquisition and bureaucratic tangles.

The meeting was attended by Shamim Ahmed, Vice President and Narayan Chandra Dey, Secretary General of BPGMEA, Ferdaus Ara Begum, CEO, Md. Tahmid Zami, Additional Research Director, Chaity Ghosh, Research Associate from BUILD.

Preparatory Meeting of BCS Launching with Commerce Secretary

A call on the meeting was held between Dr. Jafor Uddin, Secretary, Ministry of Commerce and BUILD on 27th October 2019. Ferdaus Ara Begum, CEO and Kanis Fatama,



Dr. Jafor Uddin, Secretary, Ministry of Commerce speaks at the meeting. Senior Research Associate were presented from BUILD while Obidul Azam, Additional Secretary, Tapan Kaniti Ghosh, Additional Secretary (Export) were from the counterpart in the meeting.

CEO, BUILD gave a brief introduction of BUILD. She informed about the Trade and Investment Working Committee activities to the Secretary as he is one of the Co-Chair of this Committee. She informed around 51 reforms have been successfully implemented through this committee. She also informed that the project titled 'Provide Policy Advocacy Support Through Structured Public-Private Dialogue (SPPD)' that has been implemented by BUILD which was a part of the Export Competitiveness for Jobs (EC4J), a project of the Ministry of Commerce.

MAJOR EVENTS

Meeting with Mongla Municipality Mayor

Md. Zulfikar Ali, Mongla Municipality Mayor convened a meeting with BUILD CEO on September 9, 2019 at BUILD to discuss the upcoming FGD on Climate Induced Migrants taking place in Mongla at the end of November 2019. The meeting decided to interview migrant families, scientists, urban planners, human rights advocates, and government officials across Mongla. He said that people are attracted to Mongla as an alternative to Dhaka but because of salinity and flooding, there's not much opportunity in Mongla but migrants can make good money.



Md. Zulfikar Ali, Mongla Municipality Mayor convened a meeting with BUILD CEO.

Meeting on Private Provident Fund

A BUILD Team led by its CEO Ferdaus Ara Begum met Kazi Delwar, Former Member of NBR and Ali Zafar, Senior Economist, IFC-WBG on September 16, 2019 and discussed a project on "Private Provident Fund (PPF) In Bangladesh" from August 2019 with collaboration with International Finance Corporation (IFC)-WBG. The project



A BUILD Team led by its CEO Ferdaus Ara Begum met Kazi Delwar, Former Member of NBR and Ali Zafar, Senior Economist, IFC-WBG

takes stock of the private provident fund and its size based on aggregating data from the National Board of Revenue and Income Tax Zonal Offices.

This project will initiate a step in developing either additional regulations or legislative amendments or new legislation that would enhance the transparency, benefit security and investment quality of PPF and increase their contribution in the capital markets, especially the corporate bond market development.

BUILD Joined National Resilience Programme

Bangladesh Planning Commission and UNDP jointly organized an inception workshop on "Supply Chain Resilience of RMG Sector in Bangladesh" was held on 18th December, 2019 at BICC. Goal of National Resilience Programme is to sustain the resilience of human and economic development in Bangladesh through inclusive, gender responsive disaster management and risk informed development. The study focused on review of existing supply chain of RMG in BD, implication of natural disaster and climate change related risk in RMG sector etc. Research team has planned to collect data of flood, cyclone and earthquake since last 50 years.

Dr. Rubana Huq, President, BGMEA emphasized on the inclusion of other industries in that respect. Numbers of scattered projects are there on National Resilience Program (NRP). In Bangladesh, rate of production is higher than consumption. Merchandise consumption needs to be diversified. Bangladesh National Building Code (BNBC) needs to be implemented as soon as possible. A first track group would be formed to monitor the activities of NRP. Ferdaus Ara Begum, CEO, BUILD said that the time frame to conduct the study is too short to implement the full objectives of the report while required data collection on specific issues would be different and recommended proper policies and actions for the sector.

MAJOR EVENTS

Lack of GTF Utilization by Non-Textile Sector Despite being Available Irrespective of Manufacturing-Exporting Industries

A team from BUILD led by CEO, BUILD met the representatives of Sustainable Finance Department (SFD), Bangladesh Bank (BB) on 28 November, 2019 at Bangladesh Bank. Khondkar Morshed Millat, General Manager, SFD, BB was present in the meeting. The meeting was held to discuss the current situation of Green Transformation Fund (GTF) of BB.

CEO, BUILD expressed her gratitude to SFD, BB for expediting the utilization of GTF in recent months. GTF, in the earlier stage, faced severe constraints in private sector usage. After rigorous advocacy from BUILD in cooperation with Bangladesh Bank (BB) it has opened up GTF irrespective of all manufacturing-exporting sectors. As per information given by SFD, BB on 28 November, 2019, the utilization of GTF has increased up to USD 45.8 million in 9 projects which have come from textile industries. However, no application from non-textile sector for obtaining GTF causes a major concern for ensuring green transformation in all sectors and also export and industrial diversification in the country.

According to representatives from SFD, BB 80% of the clients in the leather sector do their banking through state-owned commercial banks. Some of the eligibility criteria for authorized dealers in GTF are that there will be no shortfall in capital adequacy, no liquidity shortfall and the NPL will not exceed 10%. The state-owned commercial banks in the country do not fulfill the eligibility criteria for GTF. According to SFD, corporate governance, account transparency and bankability are performed well in the textile sector. It is no doubt that sustainability is correlated to ethics and textile sector is performing well in these areas. The non-textile sectors have to do a lot in this regard.

SFD, BB informed that the current 200 crore taka fund named Refinancing Scheme for 51 products will soon become 400 crore taka fund which is the area where BUILD looks forward to conducting advocacy for increasing this fund more for the private sector.

In the meeting, the issue of current interest rate in GTF was also discussed. According to SFD, BB it is difficult to take clients from non-textile sector for commercial banks as risk premium is high in non-textile sector compared to the textile sector. It will be difficult for banks to sustain if current margin of 2.5% is decreased and as a result, financing the private sector will be difficult. However, BUILD would request BB whether the interest rate of 1% for central bank can be reduced.

BUILD requested SFD to review the documentation required for availing GTF, the current documentation requirement has been reduced to 26 from the previous 29 documents. GM, SFD also informed that a structured guidance note for GTF is on the way and it will address all issues regarding GTF.

CEO, BUILD requested SFD to provide an update regarding the proposed meeting to be held between SFD and its technical advisory committee. According to SFD, the technical advisory committee consisting of representatives from Department of Environment (DoE), Dhaka University (DU), Bangladesh University of Engineering & Technology (BUET), Association representatives, GIZ, Experts on Carbon Footprint does not function well. SFD, BB thinks that restructuring of the technical advisory committee is a dire need.

CEO, BUILD informed about the APEC list for capital machinery. She said that the APEC list can be a starting point to identify the indicative list of capital machinery that can come under GTF coverage. There is also a need for awareness generation among the private sector in this regard.

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

Meeting with BIDA on Private Sector Development Policy

A meeting on Private Sector Development (PSD) Policy was held at BIDA, PMO on 6th January, 2019 with the aim of implementing the goal of Private Sector Policy formulation, a decision made in the 11th meeting of PSDPCC committee. The meeting was chaired by Nabhash Chandra Mandal, Executive Member-3. Mehruna Islam Chowdhury, Gender Consultant, BUILD as member of the Working Committee on PSD Policy formulation and Belalur Rahman, Research Associate, BUILD attended the meeting.

Finalization and actions to be taken for the implementation of the decision number one to six, undertaken at the previous meeting of the Working Committee were approved at this meeting. These decisions included the procedure of the draft policy formulation for the private sector development. The procedure includes collecting sectoral profile from associations through FBCCI, presentation of the sectoral profile at the Working Committee meeting and assessment of the presented information, short listing of the thematic inventory and collecting expert opinion from resource persons on the list and based on that drafting of the PSD Policy. It was also proposed that final policy will be formulated after the Working Committee presents the draft to representatives of associations, regulatory authorities, resource persons and main committee members and after any required revision thereafter.

Meeting with EEE Department of BUET

The meeting was held on January 14, 2019 at the Department of EEE of BUET to discuss about Easy Bike (EV). Tahmid Zami, Additional Research Director, BUILD presented the available information gathered and requested the participants to share their views on EV and put their valuable comments on it.

Md. Ziaur Rahamn Khan, Professor of BUET and a board member of SREDA has already done a study on EV with the support from SREDA and GiZ. That study specifically focused on the impact on electricity by Easy bike and the charging system of easy bike. As a large number of EV (easy bike) have already been playing on the roads of using the power from our national grid, he tried to find out the opportunities save electricity as well as increasing the efficiency of charging. Standardization of EV needs to set and include in import policy to limit the entry of ineffective vehicles, reduce the risk of accidents and ensuring the efficient use of energy.

In response to Li-ion battery, they said that awareness building is a must as the risk of use is very higher than the lead acid battery.

BUILD for Increasing the Tax-free Limit for Individual Taxpayers

BUILD CEO proposed an increase in the tax-free ceiling for individual taxpayers to BDT 0.3 million. BUILD's calculation demonstrates that the government will not lose revenue due to the proposed increase of tax free threshold. She proposed a new slab of minimum tax at BDT 5,500 the income group who are earning between BDT 0.25 to 0.3 million, the proposed new slab for minimum tax would help to earn additional BDT 100 crore revenue. She also highlighted the issue of rationalization of Advance Income Tax (AIT) on industrial raw materials at import stage along with other tax related proposals. She also suggested offering tax cards to all taxpayers, while extending the existing facility at the pre-budget meeting the National Board of Revenue organized on April 15, 2019 at NBR.

Bangladesh Investment Development Authority (BIDA), the Bangladesh Economic Zones Authority (BEZA), the Bangladesh Export Processing Zones Authority (BEPZA), the Bangladesh Hi-Tech Park Authority (BHTPA) and BUILD joined the meeting.

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

Technology-based education to reap benefits in the 4th Industrial Revolution

Md Abdul Halim, Secretary of Industries Ministries speaks as the Chief Guest at Seminar on the 4th Industrial Revolution: Potentials for Bangladesh Economy” organized by Industries Ministry at Bangabadhu International Conference Center on April 1, 2019 where CEO BUILD was present as Resource Speaker.



Industry Secretary Abdul Halim speaks at the meeting.

Speakers at a seminar called upon the government to lay emphasis on technology-based education at college and university level to reap benefits in the Fourth Industrial Revolution (4 IR).

Ferdaus Ara Begum, CEO of BUILD said a technology transfer center should be built in the country. It will transfer ideas to industries. “Now we can buy all things from online market sitting at home. So many workers are being jobless. We must increase technological activities for job creation,” she also said.

Pre-HLPF Consultation Session by BRAC

With the High Level Political Forum (HLPF) on Sustainable Development Goals (SDGs) scheduled on July 4, 2019, BUILD worked as a Co-Anchor while BRAC acted as the main Anchor to do a study to take citizen’s views on the progress in achieving the development targets of SDG 8 and highlight the role and achievements of private sectors and CSOs in Bangladesh on this goal.

BUILD, CEO attended a consultation process to develop the status report to be presented in the HLPF. At the meeting, she critically mentioned that training programs being



CEO, BUILD is seen speaking at the consultation process in the BRAC Auditorium in presence of a number of private sector and CSO representation.

organized by different CSOs are almost same, skill development have diversified requirements, taking a look on these issues we need to develop skill based on the context and need of the country.

Private Sectors Contribution to Delivering SDGs

A “Roundtable Discussion on the Contribution of the Private Sector in Delivering SDGs” was jointly organized by Citizen’s Platform for SDGs, Bangladesh and Metropolitan Chamber



Asif Ibrahim, Adviser of BUILD speaks at the meeting.

of Commerce and Industry (MCCI) on 11 April 2019 to share and receive opinion of private sector for the ongoing study reports on six goals to be presented at the High-Level Political Forum (HLPF) on Sustainable Development in 2019. During the consultation process, the need of proper documentation on private sector’s contribution in SDG delivery was highlighted. Asif Ibrahim, Former Chairman of BUILD and BUILD CEO Ferdaus Ara Begum attended the meeting among others.

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

Safe Workplace for Women Workers

ActionAid launched a global campaign for safe workplace for women workers on May 4, 2019. They showcased examples of Gender based Violence at workplace and other related programs to create awareness among all concerned in that respect. A number of panelists contributed to the issue they are from government, embassies, concerned business association, NGO, donor organizations etc. CEO BUILD was included as a panelist to interact with the other concerned in that respect.



CEO BUILD highlighted the issue of economic empowerment and proper education both for male and female. Hierarchical laws, informal judgment such as Salish in the rural areas impedes proper treatment for victim. Partnership with business and trade associations can help and at the same time they can also think this type of social issues as one of their work areas for supporting women at work. CEO also referred high level performance forum 2019 to be held during July 9-18, along with other six SDGs including SDG17 for partnership development will be discussed, women related issues or SDG 5 would also need to be well discussed to address gender inequality and mainstreaming gender issues.

Modernization and Improvement of the Industrial Policy 2016

BUILD CEO Ferdaus Ara Begum attended a meeting on “Modernization and Improvement of the Industrial Policy 2016” at Ministry of Industries on 4th August, 2019.

The meeting was chaired by Md. Abdul Halim, Secretary of Ministry of Industries CEO placed some recommendations



BUILD CEO speaks on Modernization and Improvement of the Industrial Policy 2016

which would be considered by MOI while upgrading the existing Industrial Policy as well as preparing the Industrial Policy 2021, these were: unified definitions as well as contribution of large, small, medium, cottage and trading industries to GDP both in numeric and percentage form needs to be identified separately. Besides Industrial Policy 2021 should consider the provisions of Intellectual Property Act and prospects of 4th Industrial Revolution issues more strongly as Bangladesh itself is in a transition.

Representatives of BSCIC, BSEC, BCSIR, BEPZA, EPB, BBS, BSTI, BITAC, NSDC, ICB, SMEF, FBCCI, MCCI, BECCI, DCCI, BCI, CCCI, NASIB, BPGMEA, BGAPMEA etc. were present in the meeting.

Japan-Bangladesh Relationship to Progress Further

The 4th Bangladesh-Japan Public Private Joint Economic Dialogue Networking Session was held at Biddyt Bhaban,



Delegations from both Bangladesh and Japan join the signature event.

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

Dhaka on July 4, 2019 under the chairmanship of Kazi M Aminul Islam, Executive Chairman, BIDA. Chairman highlighted that Japan tobacco has acquired Akij Tobacco which was a deal of \$ 1.4 billion. In the ADB Outlook report Bangladesh is the most prosperous among the 45 south Asian economies and is looking for building knowledge and technology based diversified economy like that of Japan. Government of Bangladesh will extend all policy support for the Japanese investors.

Shinchi Aburaya, Co-Chairman, Japan Bangladesh Committee for Commercial and Economic Co-operation (JBCCEC) said that the number of Japanese companies in Bangladesh has been doubled in last five years which is 273 now.

Representatives from YKK, JETRO, Bangladesh Economic Zones Authority, Ministry of Power, Energy and Mineral Resources, Ministry of Industries, BASIS also spoke in the occasion.

Ferdaus Ara Begum, CEO, BUILD in the open floor discussion said that bicycle and light engineering sector have been identified as high priority sectors. Bicycle industry has two different value chains which are not complementing. Whether they can be integrated and a policy prescription in this regard can be made. As Japanese investors have been showing their interest in investing in the Automobile sector, Bicycle in the Light Engineering sector can also be encouraged.

Aspiration for inclusive development reflected in budget

A national policy dialogue titled "Budget 2019-20 and Inclusive Development" organized by Unnayan Shamannay at Banglamotor in Dhaka.

Former Governor of Bangladesh Bank (BB) and Chairperson of Unnayan Shamannay Prof Dr. Atiur Rahman said that policy attention towards the broader people as well as

intention of pacing up the journey of inclusive development have been clearly reflected in the Budget for FY 2019-20. Strong political will is required to translate these commitments into action.



Former Governor of Bangladesh Bank (BB) and Chairperson of Unnayan Shamannay Prof Dr. Atiur Rahman moderates the session.

Speaking as the panelist BUILD CEO Ferdaus Ara told that increase of tax at source on savings certificate from 5% to 10% will increase burden for the people who have to depend on small savings, while increase of tax at source from 3% to 10% on exports will be a problem even though these taxes are adjustable but it takes much time to get the refund.

Truncated rates of VAT is now increased to seven which was six in the earlier VAT act. 123 products and services will have to be included under these truncated tax, in the past 38 services were included under truncated tax which has been increased to 43 in the new VAT Act. Truncated VAT is not creditable which means these items will face price enhancement said she.

Workshop on Private Sector Business Opportunities in Mirersarai

BUILD cooperated with Bangladesh Centre for Advanced Studies (BCAS) to organize a workshop at Chittagong Chamber of Commerce and Industry (CCCI) on private sector opportunities in Mirersarai on September 28, 2019. The meeting had Mahbubul Alam, President, CCCI and Chairman of BUILD as the Chief Guest while Dr. Atiq Rahman,

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

Executive Director, BCAS presided over it. A range of stakeholders especially the local business community from Mirersarai and Chittagong took part in the meeting. Participants discussed challenges and opportunities in a



BUILD Chairman speaks at the meeting.

number of priority sectors in the area. Tahmid Zami, Additional Research Director of BUILD represented BUILD at the meeting.

Consultation Session on Private Sector Engagement in SDGs Held

Ministry of Planning and UNDP jointly organized a “Consultation Session on Private Sector Engagement in Sustainable Development Goals in Bangladesh: Bonding and Beyond” on 2nd November, 2019 at Hotel InterContinental, Dhaka under the Engaging with Institutions (EI), IP Project.

Objectives of the session were to ensure the engagement of private sectors in SDGs to attain more employment opportunity, developing cheaper services, ensure supply of skilled workforce in private sector, incentives for innovation, offering more opportunities for public-private partnership etc.

Asif Ibrahim, Director, BGMEA and Founder Chairman of BUILD suggested that there could be collaboration between PSDPCC (BUILD provides secretarial support to this committee) and GED to ensure the official

engagement of private sector in SDGs. Ferdaus Ara Begum, CEO, BUILD put emphasize on the elimination of policy uncertainty and policy unpredictability to boost the private sector growth and investment.

Representatives from PMO, Ministry of Planning, GED, UNDP, NSU, DU, BGMEA, MCCI, NGOs and private sector leaders glorified the session through their valuable remarks.

Strategic Coordination Meeting on Climate-Induced Migration supported by PROKAS

On November 18, 2019, BUILD attended a Strategic Coordination Meeting for PROKAS Climate-Induced Migration IBP held at the office of PROKASH, Baridhara with participation from other partner organizations such as Bangladesh Centre for Advanced Studies (BCAS), Center for Climate Change and Environmental Research (C3ER), International Centre for Climate Change and Development (ICCCAD), Asiatic, and RAMRU. Gerry Fox, Team Leader of PROKAS welcomed the participants to the meeting and explained that the purpose was to take stock of progress achieved and identify the future pathways.

Ferdaus Ara Begum, CEO of BUILD presented the progress achieved by BUILD under the project. She asserted that private sector can step in to facilitate integration as well as provision of livelihoods for climate migrants in secondary towns. She explained that Mongla could be a key secondary town to attract climate migrants from Southwest Bangladesh that is one of the most climate-vulnerable parts of Bangladesh. She identified coco coir, water management, and plastic recycling as three sectors of interest for which BUILD has been developing business plans. The goal was to create enabling environment for employment generation in selected businesses in the Mongla Region for climate migrants and to engage the private sector and other stakeholders to identify opportunities with growth potential and provide ways forward for increased public-private collaboration. BUILD would hold a dialogue at Mongla in the first week of January.

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

The meeting was attended by leading experts and thought leaders in the area such as Dr. Salimul Haque of ICCAD, Dr. Atiq Rahman of BCAS and others. The meeting ended with some commonly agreed areas where future work under the project could concentrate.

BUILD Attended High Level Roundtable Discussion on Implementation of SDGs

Ferdaus Ara Begum, CEO, BUILD attended high level roundtable discussion on “Capacity Development of Chambers of Commerce and Business on Implementation of SDGs and ILO’s Global Report on Future of Work findings in Bangladesh” on 15th December, 2019 at Bangabandhu International Conference Center (BICC). The program was organized by Bangladesh Employers’ Federation (BEF) in collaboration with MCCI, DCCI, CCCI, SCCI, BGMEA and BKMEA. Salman F. Rahman MP, Advisor to the Honorable Prime Minister, on Private Industry and Investment glorified the session as Chief Guest.



BUILD CEO delivers speech focusing on climate migrants of coastal areas of Bangladesh.

Habibullah N. Karim, Vice President, BEF presented key note presentation on “Engaging the Private Sector in Attaining SDGs” on which he stated the role of private sector in SDGs, framework of engagement in implementation process of SDGs and goal wise accountability task force model etc.

Asif Ibarhim, Founder Chairman of BUILD recommended some issues for the implementation of SDGs as data collection mechanism needs to be formalized, CSR needs to be linked with SDGs, government may provide incentives to use of renewable industry, recycling industry etc.

Ferdaus Ara Begum, CEO, BUILD focused on “no one will be left behind”. It is time to work for the climate migrants of

coastal areas of Bangladesh. BUILD has taken initiative to add climate migrants’ workforce in the main economic stream of Bangladesh through engaging them water recycling, plastic, coco coir and agro food and fish industry, she added in her speech.

Salman F. Rahman MP focused on creation of skilled labour force for value added work through technical skill development training to facilitate 4IR as well as implementation of SDGs. He praised the proposal to provide an institutional form of “Jakat Fund” for financing SDGs.

Combined PSD Policy Meeting Held at BIDA

5th meeting of the Working Committee of Preparing Combined Private Sector Development (PSD) Policy, chaired by Shah-Alam, Director, Policy Advocacy & Planning, BIDA was held on 9th December, 2019 at Bangladesh Investment Development Authority.

Alam, informed the meeting that as per the decision of previous meeting, BIDA sent letter of request to 269 organization/ association/ chambers etc. to send constraints faces in business operation and details of nominated representatives for further advancement of the working committee. But, only 16 entities among the 269 have responded to the request of BIDA.

It was decided unanimously in the meeting that BIDA will invite at least two associations in a week to present their constraints and policy recommendations. BIDA will ensure the presence of concern government agencies in that respect. Besides, BIDA will contact to FBCCI to ensure the engagement of private sector in the process. BIDA expects that the committee will be able to send compact and logical recommendations to Prime Minister’s Office on preparing Combined Private Sector Development (PSD) Policy.

Representative of BUILD, Ministry of Industries, NBR, Bangladesh Bank, BASIS, BEIAA, BTA, BFFEA, NASCIB, BAPA, BCSEA, Bangladesh CNG Filling Station & Conversion Workshop Owners Association, Bangladesh Steel Manufacturers Association, Association of Export Oriented Shipbuilding Industry in Bangladesh etc. were present in the meeting.

MEETINGS WITH OTHER ORGANIZATIONS IN 2019

Need Assessment Workshop on SMEs Held

BUILD and PRISM Project organized a workshop on the Need Assessment of SME Women Entrepreneurs-Focusing on Product Quality and Technological Issues on 6th March 2019 at Conference Room of SME Foundation. As part of supporting the agenda of the SME Development Working Committee (SMEDWC) of BUILD, this assessment workshop is specifically scheduled to assess the SMEs' needs on 'Product Development-Quality and Technological Issues' pertaining to Light Engineering, Leather, Jute and Plastic Sub-sectors.



BUILD CEO speaks at the workshop at SME Foundation.

The workshop was chaired by Md. Mahbubur Rahman, Project Director of PRISM National Project and Joint Secretary, Ministry of Industries (MoI), GoB.

The main objective of the workshop was to collaborate varied stakeholders for taking inputs from relevant stakeholders focusing on the need of SMEs in Bangladesh. Challenges of SMEs mainly women entrepreneurs regarding lack of knowledge and ideas about the marketing activities, product quality maintenance and problem in getting loan from financial institutions came out of that workshop. Ferdous Ara Begum, CEO, BUILD summarized the discussion and highlighted financial and support for maintenance of quality of their produced products, separate HS code for Handicrafts products, long term capital for women entrepreneurs, adequate and updated technological information for marketing of products produced by the SMEs and ensured for policy advocacy through SME Development working committee of BUILD as a platform and utilizing the PRISM project support.

Open Discussion Session on Path Design of Plastic Industry Export at EC4J

Ferdous Ara Begum, CEO, attended an open discussion session chaired by Md. Obaidul Azam, Project Director

(Additional Secretary) of EC4J Project on "Path Design of Plastic Industry Export" which was held on 28th August, 2019 at EC4J Office. Shubhashish Bose, Consultant, EC4J Project and Former Senior Secretary of Ministry of Commerce was also present in the session.



Md. Obaidul Azam, Project Director, EC4J Project discusses on Path Design of Plastic Industry Export at EC4J

Md. Obaidul Azam, Project Director, EC4J Project pointed out some issues which would be included in the "Path Design of Plastic Industry Export" as- (1) up gradation of testing facilities to ensure standard and quality of plastic products, (2) easy availability to access of finance, (3) reduce cost and lead time to avail raw materials, (4) facilitate Bangladesh Institute of Plastic Engineering and Technology (BIPET) to ensure technological up gradation as well as to generate skill manpower of plastic industry in Bangladesh, (5) declare tax holiday for 5 years, (6) improve market expansion through need based diversified product etc.

CEO, BUILD informed the session that there is a strong domestic base of plastic industry in Bangladesh which would be a strength to capture the export market. Contribution of plastic industry to deemed export is huge with USD 900 mn. To ensure sustainable export growth of this sector it is high time to focus on high value added plastic items as well as skill and technological advancement of this sector.

Hosna Ferdous Sumi, Private Sector Specialist-Trade and Competitiveness, IFC informed that there is huge export potential of toy industry. Policy needs to be initiated to capture the share of world toy industry through standard and quality toy products, she suggested.

Besides representatives of Department of Environment, BSTI, IFC, World Bank etc. put their valuable comments to grace the session.

GLOBAL EVENTS

BUILD Organized Second Bangladesh- Austria Business Dialogue

Bangladesh economy will be double to trillion dollars in the year 2041 when the country will graduate to a developed one. For this, the country would go through massive development in the next 23 years and this gives the idea that there is an urgent requirement of huge investment, most of which must be made by the private sector, said Executive Chairman of the Bangladesh Investment Development Authority (BIDA) Kazi Aminul Islam at the Bangladesh-Austria Business Dialogue organized by BUILD and Advantage Austria on February 19, 2019 at MCCI Conference Room.



(From left) Kamrul Islam, senior general manager of GPH Ispat, Osama Tasveer, President of the DCCI, Asif Ibrahim, founder chairman of BUILD, Kazi Aminul Islam, Executive Chairman of BIDA, Md. Mahbubul Alam, Chairman of BUILD, Md. Mofizul Islam, Secretary for Commerce, Ferdous Ara Begum, CEO of BUILD, and Robert Luck, Commercial Counselor of Austria for Bangladesh, at a business dialogue in Dhaka

A panel discussion with the title “Economic priorities of the new government of the Bangladesh” provided different views on possibilities for cooperation in Bangladesh and the Austrian companies present with whom B2B meetings are possible.

Md. Mofizul Islam, Secretary for the Ministry of Commerce presented the keynote paper and highlighted key opportunities for foreign investors while Asif Ibrahim, founder chairman of BUILD led the panel discussion. Osama Tasveer, President of the Dhaka Chamber of Commerce and Industry (DCCI) and Kamrul Islam, Senior General Manager and CFO of GPH Ispat spoke as resource speakers.

Md. Mahbubul Alam, Chairman of BUILD and Robert Luck, Commercial Counselor of Austria for Bangladesh delivered welcome note.

In the open session, entrepreneurs referred to several sectors to join a collaboration of which water sector, glass fiber, modernization of light engineering sector and tanning. It was also underscored that 60% of GDP Austria is coming from trade and they depend largely on outsourcing. Bangladesh could be a country of enormous manpower and high tech people could be outsourced.

Tasveer said, Bangladesh, the natural gateway between South Asia and ASEAN, is the growth powerhouse and emerging economy in the global arena with commendable development in all economic and social fronts.

The country has stepped into accelerated growth trajectory, marking 7.8 percent plus economic growth, reaching \$274 billion and is looking forward to 8 percent plus growth soon. Referring to the ‘Nation Brands 2018’, a report prepared by London-based Brand Finance, he said Bangladesh has ranked Bangladesh at 39th in the Global Brand Value Index, with brand value of \$257 billion, among the 100 most valuable nation brands in the world. BUILD Chairman urged Austria to invest in higher end RMG, leather & footwear, shipbuilding, agro processing, pharmaceuticals, medical equipment, automotive, electronics and technology driven innovative businesses in Bangladesh. However, we need about \$14.62 billion additional resources per year to bridge the infrastructure development financing gap. This offers huge opportunities for Austrian investment in cross-sectional infrastructure development, said he.

Dr. Robert Luck said that this visit is an indication of an increasing interest of the Austrian business community to Bangladesh as one of the fastest growing economies in South Asia.

“The first Forum meeting resulted in a number of projects for skill development, education and e-library etc. The

second official high profile business delegation to Bangladesh in such a short time is a clear testimony that Bangladesh has created enabling business environment for foreign companies and attract important EU country like Austria to be engaged with business in the country,” said Ferdaus Ara Begum, CEO, BUILD.

BUILD Facilitated the Austrian Business Delegation

Bangladesh’s economy is showing a continuous positive dynamic with various development initiatives under the present government. The modernization of the infrastructure including streets, railways, ports, electricity and internet is one of the government’s top priority fields to focus while educational sector needs further improvement to withstand the international competition.

With this observation, a group of Austrian companies is eager to penetrate the business opportunities in Bangladesh and for that a high-power delegation comprising heads and representative of eleven leading companies visited Bangladesh from February 18 to 21, 2019.

The delegation comprising Austrian Foreign Minister Karin Kneissl and Federal Minister for Europe, Integration and Foreign Affairs Karin Kneissl identified Bangladesh as the country that has already got well developed IT, pharmaceutical and textile sectors. In honour of the Austrian Minister, the Honorary Consul of Austria in Bangladesh Tasvirul Islam hosted a dinner on February 19, 2019.

Eleven Austrian top companies from various sectors such as renewable energy, health care and medical equipment, education, e-government solutions, disaster mitigation and firefighting vehicles, food and beverages as well as financial services are part of this business delegation. The companies include Andritz Hydro GmbH, bit media e-solutions GmbH, Med-El Elektromedizinische Geräte Gesellschaftm.b.H., paysafecard.com Wertkarten GmbH,

Raiffeisen Bank International AG, Red Bull GmbH, Rosenbauer International AG, VA TECH WABAG GmbH, VACE System-technik GmbH, VAMED ENGINEERING GmbH etc.

BUILD also arranged B2B meetings for both Bangladeshi Companies and Austrian Companies to create a common platform for exchanging ideas on business expansion.

Apart from business meetings and briefings at International Finance Cooperation (IFC) and International Monetary Fund (IMF), official meetings took place at different important ministries to discuss which areas of cooperation can be explored in the future.

Further, in support of Austrian MED-EL and Austrian Development Agency, hearing healthcare services was launched in Bangladesh. The service, a remarkable Social Impact Project to improve awareness, diagnosis and rehabilitation for hearing impaired people in Bangladesh, was launched on Wednesday, February 20, 2019 evening in the presence of Federal Minister for Europe, Integration and Foreign Affairs, Dr. Karin Kneissl and Bangladesh Government Representatives.

The first visit of Austrian Delegation to Bangladesh resulted in the launching of hearing healthcare services with the Ministry of Health in Bangladesh.

SheTrades Outlook Stakeholder Consultation and Pilot Surveys in Bangladesh Organized by MOC, BUILD and ITC

BUILD, the International Trade Centre (ITC) and the Ministry of Commerce, GoB co-hosted a national stakeholder consultation meeting on April 1, 2019 at Apparel Club of BGMEA in Dhaka.

The purpose of the workshop was to present the new She Trades Outlook (STO) policy tool, discuss good practices, as well as identify areas for collaboration aligned with Bangladesh’s policy priorities. The event in Bangladesh

GLOBAL EVENTS

follows the launch of the pilot phase in Malaysia, Jamaica, and Ghana, with a view to administer surveys in 25 countries by the end of 2019.

Chaired by CEO, BUILD Ferdaus Ara Begum, the inaugural ceremony was attended by Dr. Judith Fessehaie, Policy Lead, SheTrade Initiative, who explained how this initiative has been working in other countries where policy commitments for supporting Women in Business is very important.

Dr. Selim Raihan, Professor of Economics of Dhaka University and Executive Director, SANEM was also present. Mashfiqulbne Akbar, Private Sector Development Adviser of DFID elaborated how UKAid is supporting the program and has a plan to expand it. Highlighting the role of women in the economy, the CEO of BUILD informed that Bangladesh attained 48th position among 148 countries and is top among South Asian countries in gender equality. SheTrades could be a supporting element for further development of women in business in Bangladesh.

The STO is supporting evidence-based policy-making by collecting and analyzing data, identifying gaps, and enabling dialogues and consensus on high impact policy measures. Taking into account different dimensions, contexts, and geographies, the STO creates an innovative digital tool for

Commonwealth governments, trade and investment support institutions, development partners, lead firms and women's business associations to pinpoint actionable items and benefit from evidence-based policy change.

In the initiation of launching of Bangladesh pilot of STO, more than 35 government and private organizations supporting different initiatives of Women in Business were present to inform different policies in the country. Group work was held to identify institutions, good practices to share with the international community as a feedback on some indicators covering areas such as: Trade Policy, Business Environment, Culture, Legal Basis, Access to Finance and Access to Skills. The survey has been enriched from the inputs given by the workshop participants.

Senior and midlevel officials of Ministry of Finance, Agriculture, Environment Forest and Climate Change, Commerce, Women and Children Affairs, Planning, and BIDA, along with representatives from Dhaka University, Bangladesh Bank, SME Foundation, BFTI were present. Private sector representatives from MCCI, DCCI, SANEM, TTBC, ICCB, BGMEA, PRISM, LFMEAB, Institute of Hotel Management and Hospitality, Rahimafroze etc. were present and interacted in the workshop.



Participants from different public and private entities join the workshop.

BUILD Attends Shillong Dialogue-2019, Meghalaya, India

BUILD Research Associate Md. Nuruzzaman joined the Shillong Dialogue-2019 held from 23-24 October 2019 and organized by Asia Confluence (Follow up dialogue of 2018) in Shillong, Meghalaya, India. It aims to setup improved regional connectivity among India's Eastern and North Eastern states along with four immediate eastern neighbors (Bangladesh, Bhutan and Nepal comprise a geographically connected region in Eastern South Asia and South East Asia). Since long time, people, ideas and skills have shared within the region, given the historical, cultural and economic similarities.

It also gives the natural complementarities that the plains and the hills have. In the last few decades, however, political borders that mark out the various nation states of the region obstructed this natural and historical flow. This region has come to be known widely to be the least integrated in terms of economic coordination and modern trans-boundary connectivity.

Speaking about the role of BUILD for private sector development in Bangladesh, Md. Nooruzzaman, put light on

how BUILD could intervene in the process of functioning agro-horti value chain across the regions. BUILD can be the part of proposed feasibility study and regional policy dialogue as it has a structured capacity and capability in policy reform agenda of private sector development said he.

2nd International Conference on Climate Finance by BCAS in collaboration with BUILD

The International Conference on Climate Finance (ICCF) 2019 was held on March 9-10, 2019. BUILD was the private sector partner of the event. Government officials, academic experts, private sector representatives, and international delegates from a range of developed and developing countries attended the event. In Day 2 of the conference, the session 6 was held on engaging private sector for climate finance.

The session was chaired by Ferdaus Ara Begum, CEO, BUILD. Md. TahmidZami, Additional Research Director, BUILD made the keynote presentation "Electric Vehicles and Sustainable Transport in Bangladesh". The study provided an assessment of how to promote climate finance for harnessing environment-friendly electric vehicles in Bangladesh.



Participants from different public and private entities join the workshop.

COMMENTS ON NATIONAL POLICIES

BUILD's comments on Monetary Policy Statement for first half-2019

Bangladesh Bank has announced Monetary Policy Statement (MPS) for the first half of 2019, it is an expansionary monetary policy with 12% growth of Broad Money (M2) which is a continuation of previous MPS.

The current account deficit for FY 2017-18 was \$0.85 billion, while it was \$1.3 billion in FY 2016-17. The trade deficit is alarmingly high that may hit current account balance significantly than the previous FY due to negative trade balance and outward payments. From the statistics of Bangladesh Bank it is seen that around 30% of total import was commenced for importing capital machinery for industry, power sector and high priority mega infrastructures.

The inflation is apparently in a tolerable level (5.54%) which was 5.78% in June, 2018, but still higher than the emerging economies (4.6%). There exists no supply shock, demand pull factor for the existing higher inflation in the economy. The present level of inflation is caused by disruption in the indigenous market forces.

The interest rate for deposit reached 5.26% where spread rate 4.23%, the banks are mobilizing the deposit of common people. The value creators' and value extractors' share in the money mobilization process is unevenly rationed. The spread rate should be around 3% and the interest rate for deposits can be set 5.5% for a fiscal. A policy intervention is needed to maintain Repo rate at around 5.5% which would give the commercial banks to gain competitive edge in credit expansion mechanism.

The M3 (which is mainly National Saving certificates) trend is declining and reached to 11.5% from 20% in 2012. There should be a policy direction to encourage saving, even at grassroots level.

BUILD's Comments on Leather & Leather Goods Policy

A meeting was held on February 20, 2019 in the conference room of the Ministry of Industries (MOI) to know the views of Leather sector stakeholders on the draft Leather and Leather Goods Development Policy 2019. The meeting was chaired by the Secretary in Charge of MOI. BUILD CEO Ferdaus Ara Begum was present in the meeting to put forward her valuable comments and opinions on the draft policy prepared by MOI. She emphasized on a specific definition of Leather footwear needs to be included in the upcoming policy. She also mentioned that the compliant issues regarding Tannery Industrial Estate Dhaka (TIED), environment friendly production process, training & technological aspects, financial needs and support for SMEs etc. of this sector should be clearly identified in the policy. As per the decision of meeting, BUILD sent a written statement of comments and recommendations regarding the policy to MOI.

BUILD's Comments on SME Policy

BUILD has submitted the comments on Draft SME Policy 2019 to the Ministry of Industries (MOI). A few recommendations of BUILD suggested for the previous Draft SME Policy 2018 are included in the latest draft. In the new draft, the subjects like 'Backward Linkage with Large Industries', 'Maintain a database of SME Entrepreneurs' and 'Establishing an Environment Friendly Industry' are highlighted extensively according to BUILD's recommendations. However, in new comments, BUILD suggested reconsidering the title of the policy as it is emphasizing the strategies rather than policies. It was also recommended to include some priority sectors in the policy because name of any sector is not mentioned there. Reflection of SDG 8.3 in the policy was prioritized in the recommendations. At the end of recommendations, BUILD suggested to arrange regular coordination committee meetings about the strategies and action plan.

COMMENTS ON NATIONAL POLICIES

BUILD's Comments on Monetary Policy Statement

Bangladesh Bank(BB) has announced Monetary Policy Statement (MPS) for the FY 2019 - an expansionary monetary policy with 12.5% growth of Broad Money (M2) which is 0.5% higher than previous MPS. The decision of yearly MPS may not be rational as MPS is declared on the basis of the pulses of current situation of indicators which fluctuate frequently.

The current account deficit for FY 2018-19 was \$5.28 billion, while it was \$ 1.3b in 2016-17. Incentives for remittance senders needs implementation.

The inflation is apparently at a tolerable level (5.47%) which was 5.54% in December, 2019, but still higher than the emerging economies (4.6%). There exists no supply shock, demand pull factor for the existing higher inflation in the economy. The present level of inflation is caused by the indigenous market forces disruption. Govt. has decided to increase the price of utilities (Gas and electricity) around 25% may heat towards inflation increase.

The Non-food inflation is on the rise since FY-2017 it would be invigorated for the above cause. Food inflation shows a positive sign since 2017 as primary (Agricultural) sector is the main source of supply of food items but it covers 27% of spending at household level where Non-food items covers the most. MPS could give stress on calibrating the policies to adjust the price level of non-food item.

Private sector credit needs to be encouraged in line with the government's policy. One of the key issues is the public sector credit growth as opposed to a steady fall of private sector credit growth. In the projection, private sector credit is expected to grow slower than that of public sector, attributed to the larger size of the former. The public sector credit growth is also due to the mega projects, resulting in crowding out of private credit.

However, government has focused on more foreign aid to avoid crowding out domestic private sector credit. MPS could have some direction in having more private sector investment towards employment creation and GDP contribution.

The single digit lending rate may be difficult to achieve, but measures should be adopted to facilitate access to finance for businesses including SMEs. Banks lent more at the end of financial year for quickened ADP implementation and also bought foreign currency from the central bank for financing import under public sector projects, contributing to a liquidity crunch arising from regulatory and confidence issues. Moreover, household savings are being attracted by high-yielding National Savings Scheme instruments. With private deposits drying up, banks are lining up for deposit from public sector. This has resulted into failure of banks to keep up their promise of low deposit interest rate as well as single-digit lending rate (6% and 9% respectively), as well as keeping up the mandatory loan-deposit ratio. State-owned banks enjoy good deposit and lower loan-deposit ratio, while the situation of private commercial banks is opposite. However, a few state-owned banks too have been mired in loan scams, and the main problem faced by some key state-owned banks is capital shortfall.

Stronger oversight over banks' financial health and due diligence should be ensured so that there can be proactive measures against capital shortfall or irregularities. Banks should be prepared to comply with the global framework BASEL III. In addressing the issue of non-performing loans, Bangladesh Bank has spoken in favor of bankruptcy proceedings to deter non-performance of loans. In April 2019, Bangladesh Bank revised its loan reclassification policy, extending the timeline for classifications of loans as substandard, doubtful, and bad each by three months. Strict due diligence policies would need to be highlighted.

SURVEYS IN 2019

Survey on Regulatory Unpredictability in Business Decision

A survey on 'Regulatory Unpredictability in Business Decision' has been conducted by BUILD to collect information on how regulatory uncertainty affects investment decisions by businesses. Such information can help reveal the costs of regulatory uncertainty not only to individual businesses but also the economy, and thus to society as well. Better knowledge of such costs may encourage government to take actions to reduce uncertainty. This questionnaire has been designed in a way that will be helpful to retrieve the findings on the investment of the entrepreneurs in business plans, reasons for deviating from implementation plans, reasons for not planning any investments at all and the economic consequences of not investing such as impact on job creation, export, productivity and investment.

Scope of the Survey is to collect opinions of the all kinds of entrepreneurs Dhaka, Khulna and Chittagong. The Survey accommodated a certain percentage of Women Entrepreneurs. Sectors have been covered are: RMG, Leather, Leather goods, Plastic, Light Engineering, Food, Furniture, Information Technology, Machinery and Equipment, Transport, Consulting & Advisory Services etc. Duration of survey, Findings

Baseline Survey for Women Traders

BUILD has jointly worked with IFC under BICF-II project to carry out a baseline survey to collect information regarding how much time and cost women entrepreneur need to



Women Traders attend the survey.

obtain different certificates, licenses and permits. Different bottlenecks of the export/import process are aimed to be analyzed through this study. To conduct this study, BUILD in collaboration with IFC-WBG has organized five survey workshops to measure the time, cost and process requirements related to export and import for women-owned enterprises in Bangladesh.

The 1st survey workshop on women owned Businesses to measure time, cost and process for export and import was held at IFC Conference Room on 20 April, 2019.

Participants from various sectors actively participated in the workshop and provided valuable inputs in the focus group discussion part.

2nd Baseline Survey on Male Traders

The survey workshop on men owned businesses to measure time, cost and process for export and import was held at IFC Conference Room on 28 April, 2019. The workshop was organized for conducting a survey on the measurement of time, cost and process for import and export for the men entrepreneurs. The survey questionnaire was prepared by BUILD in collaboration with IFC-WBG to capture some issues such as time, costs and process for export, import by the men owned business in Bangladesh. IFC and BUILD jointly conducted the survey aimed at observing whether women in conducting businesses and trade face any kinds of challenges in the whole process in comparison with that of the men entrepreneurs.



BUILD CEO presents a paper for the survey in presence of the Male Traders.

SURVEYS IN 2019

Business Confidence to Grow in Jul-Dec 2019- BUILD 4th Business Confidence Survey (BCS)

The country's overall business confidence index may gain 0.55 point in July-December compared to January-June of the current year, according to a survey report released by BUILD on October 28, 2019.

According to the survey, the overall business confidence index for July -December to grow to 10.87, which was 10.32 in January-June while it may decline to 10.84 in January-June 2020.

The 4th Business Confidence Survey 2019, conducted by the Business Initiative Leading Development (BUILD) and supported by the Metropolitan Chamber of Commerce and Industry (MCCI), was released at Amari Dhaka Hotel.

According to the fourth edition of the Bangladesh Business Confidence Survey, macroeconomic uncertainty, unofficial payment, costly logistics and taxation issues will worsen the business environment next year.

However, high inflationary expectations, a volatile exchange rate, and wage hikes will make the confidence level fall by a small margin in the first half of 2020, the report added. The overall Business Confidence Index is perceived to reach

10.87 points during the July-December period this year from 10.32 points in the corresponding period of the previous year. The index is set to drop to 10.84 points from January to June in 2020.

At the launching ceremony of the report, entrepreneurs asked policymakers to reform the business environment to actually ease doing business in the country – not just for improvement on an index.

They also expressed their resentment at various government offices for taking extra time on tasks like registering, approving, and handing over ownership of a business.

Tipu Munshi, MP, Honorable Minister, Ministry of Commerce was presented as Chief Guest in the program while Abul Maal Abdul Muhith, Former Finance Minister, GoB was presented as the Special Guest. Md Sirazul Islam, Executive Chairman of BIDA, Dr. Jafar Uddin, Secretary of MOC and Golam Mainuddin, Vice President of MCCI were also presented as Special Guest in the Program. Shehzad Munin, President of FICCI spoke as Resource Speaker in the Survey result disseminating event. Country Head of DFID in Bangladesh Judith Herbertson also spoke in the program. The event was chaired by Mahbubul Alam, Chairman, BUILD.



Guests hold copies of the Business Confidence Survey 2019 report at its launching event held at Amari Dhaka Hotel in Dhaka on Monday, October 28, 2019.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

We have audited the accompanying Financial Statements of BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) Trust which comprise the statement of financial position as at 31 Dec 2019, the Statement of Income and Expenditure and the Statement of Receipts and Payments for the year then ended and a summary of significant accounting policies and other explanatory information.

Trustee's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards in and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD) at 31 Dec 2019, and its financial performance and statement of income and expenditure, statement of receipts and payments for the year then ended in accordance with Accounting policies as mentioned in Notes no. 2.00 in this financial statements.

Dated: Dhaka
03 August 2020


ATA KHAN & CO.
Chartered Accountants

FINANCIAL REPORT

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Assets:			
Non-Current Assets:			
Property, Plant & Equipment	03.00	880,907	979,507
Total Non-Current Assets		880,907	979,507
Current Assets:			
Advance, Deposits & Prepayments	04.00	-	-
FDR	05.00	73,000,000	70,000,000
Interest Receivable	06.00	5,040,103	4,394,183
Cash & Cash Equivalent	07.00	4,233,649	587,882
Total Current Assets		82,273,752	74,982,065
Current Liabilities:			
Loan	08.00	-	-
Accounts Payable	09.00	1,789,655	2,147,105
Total Current Liability		1,789,655	2,147,105
Net Current Assets		80,484,097	72,834,961
Net Assets		81,365,004	73,814,468
Fund & Liabilities:			
Endowment Fund & FDR	10.00	70,000,000	70,000,000
Retained Earning	11.00	11,365,004	3,814,467
Total Fund & Liabilities		81,365,004	73,814,468

The annexed notes form an integral part of these Financial Statements.



Ferdaus Ara Begum
Chief Executive Officer



Mahbubul Alam
Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka,
03 August 2020



ATA KHAN & CO.
Chartered Accountants

FINANCIAL REPORT

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2019

Particulars	Notes	Amount in Taka	
		31.12.2019	31.12.2018
Income:			
Contribution received	12.00	16,351,469	12,482,542
Interest from S. A/C, EF, FDR	13.00	7,295,760	4,998,271
Other income	14.00	50,850	142,950
Total Income		23,698,079	17,623,763
Expenses:			
Salaries & Allowances	15.00	10,349,843	8,762,649
Administrative Expenses	16.00	5,797,700	5,111,849
Total Expenses		16,147,543	13,874,498
Excess of Income over Expenditure		7,550,536	3,749,264
(Transferred to statement of Financial Position)			

The annexed notes form an integral part of these Financial Statements.



Ferdaus Ara Begum
Chief Executive Officer



Mahbubul Alam
Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka,
03 August 2020



ATA KHAN & CO.
Chartered Accountants

FINANCIAL REPORT

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

Particulars	31.12.2019 (Taka)	31.12.2018 (Taka)
A. Cash flows from operating activities:		
Cash Received from contribution & Research Income	16,351,469	12,482,542
Advance Contribution Received	-	-
Cash Receipt from STD & FDR interest	7,295,760	4,998,271
Others income	50,850	142,950
Cash payment for operational expenses	(12,067,380)	(13,687,568)
Cash inflow from operating activities	11,630,699	3,936,195
B. Cash flows from investing activities:		
Addition of fixed Assets	(70,580)	(164,695)
Addition Interest Receivable	(5,040,103)	(4,394,183)
Addition of FDR	(3,000,000)	(70,000,000)
Advance, Deposits & Prepayments	-	648
Net cash used by investing activities	(8,110,683)	(74,558,230)
C. Cash flows from financing activities:		
Loan Received	-	(708,000)
Endowment Fund Received		
Net cash provided by financing activities:	-	(708,000)
Overall cash inflow/ outflow (A+B+C)	3,645,767	(71,330,035)
Cash and cash equivalents at beginning	587,882	71,917,917
Cash and cash equivalents at closing	4,233,649	587,882

The annexed notes form an integral part of these Financial Statements.



Ferdaus Ara Begum
Chief Executive Officer



Mahbubul Alam
Chairman

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Dated: Dhaka,
03 August 2020


ATA KHAN & CO.
Chartered Accountants

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)

NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

01.00 Background:

Business Initiative Leading Development (BUILD) is a platform for fact-based and research-backed Public Private Dialogue (PPD) platform established with the objective of identifying investment climate constraints and recommending changes to policies, laws and regulations in order to unlock growth potentials of the private sectors. BUILD was launched on October 17, 2011 as a project. On Nov 03, 2013 BUILD became an independent organization registered under Trust Act 1882. DCCI, MCCI and CCCI are the authors of the Trust. BUILD has been using separate books of accounts since July 2013. Project Accounts of BUILD was with City Bank Ltd. (A/C no-3101343274001) maintained by DCCI which is for not transaction regularly therefore this bank account is now dormant and the other one with IFIC Bank Ltd. (A/C -1001-532376-001 opened in July 2013) maintained by BUILD. On 07th January 2016 BUILD opened a separate Account in the name of Investment & Policy Summit 2016, Account No. of which is 1001-034060-031. Our scope of audit was BUILD's financial activities handled through IFIC Bank Account from January-December' 2019.

01.01 Objectives

The main objectives of BUILD are as follows :

- A. To provide and operate as a forum for public private dialogue and to advocate and promote business environment reforms in Bangladesh, under the name of BUILD;
- B. To act as the key private sector partner with the government of Bangladesh for the development of the business. in the country;
- C. To conduct in-depth research and analysis on issues and constraints relating to the business environment in specific bottlenecks and solution;
- D. To assist in the implementation of regulatory and other related reforms, and channel advocacy to the most appropriate stake holders;
- E. To promote economic and social development in Bangladesh;
- F. To undertake all activities for furtherance of any one or more of the objective of the organization as mentioned above.

02.00 Significance of accounting policies:

The Deed of Trust of BUILD specifies as follows- The Management of The Trust Fund will be carried out in such a manner as decided and approved by the Board of Trustees and as a non profit organization. Operating surpluses, if any, will be used solely for the purposes of fulfilling the objectives of the Trust. The Trust shall maintain correct, up to date and complete books of account at its registered office. The Books of account shall always be open to inspection by any Trustee or other person authorized by the Board of Trustees at all time during regular office hour of the Trust.

02.10 Basis of accounting:

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) following historical cost convention which has been in conformity with the Bangladesh Accounting Standards (BAS) issued by The Institute of Chartered Accountants of Bangladesh (ICAB).

02.20 Property, plant and equipment:

Property, plant and equipment are stated at historical cost less accumulated depreciation in the Financial Statements.

02.30 Depreciation:

Depreciation on Fixed Asset is charged on reducing balance method at the rates ranging from 10% to 20% per annum depending on the estimated life of assets. Full years depreciation is charged on the addition to fixed asset irrespective of the date of acquisition thereof.

02.40 Revenue recognition:

All Grants and expenditure are accounted for on accrual basis and received related to the period subsequent to the year ended 31 December 2019.

02.50 Inventories:

Inventories of stationery and printing items are valued at the lower of cost and net realizable value.

02.60 Reporting currency:

BUILD maintains its Book of Accounts in Bangladeshi Taka (BDT), and all figures represented in the financial statement are in BDT.

02.70 Reporting period:

The audit report covers financial transactions up to 31 December 2019.

02.80 Responsibility of the preparation and presentation of the Financial Statements:

The Management of BUILD is responsible for the preparation and presentation of Financial statements.

FINANCIAL REPORT

Notes No.	Particulars	Amount in Taka	
		31.12.2019	31.12.2018
03.00	Property, plant and equipment: Tk.		
	Opening balance as on 01.01.2019	979,507	2,293,815
	Add: Addition during the year	70,580	164,695
	Sub Total	1,050,087	2,458,510
	Less: Depreciation charged during the year	169,181	1,479,003
	Balance as on 31 December 2019	880,907	979,507
04.00	Advance, Deposits & Prepayments: Tk. Nil		
	Opening balance as on 01.01.2019	-	648
	Add: Addition During the year	-	-
	Sub Total	-	648
	Less: Adjustment during the year		648
	Balance as on 31 December 2019	-	-
05.00	FDR : Tk. 70,000,000		
	Opening balance as on 01.01.2019	70,000,000	
	Addition during the year	3,000,000	70,000,000
	Sub Total	73,000,000	70,000,000
	Encashment during the year	-	
	Balance as on 31 December 2019	73,000,000	70,000,000
06.00	FDR Interest Receivable: Tk.		
	Opening balance as on 01.01.2018	4,394,183	
	Addition during the year	6,521,585	4,394,183
	Sub Total	10,915,768	4,394,183
	Received during the year	5,875,665	
	Balance as on 31 December 2019	5,040,103	4,394,183
07.00	Cash and Cash Equivalent: Tk.		
	Cash in Hand (Including Imprest cash-BUILD)	93,964	10,624
	Cash at Bank	4,139,685	577,258
	Balance as on 31 December 2019	4,233,649	587,882
07.01	Cash at Bank: Tk.		
	STD accounts IFIC Bank Limited	3,162,469	563,059
	Saving Account (Investment & Policy Summit 2016) IFIC Bank Limited	977,216	14,200
	STD accounts City Bank Limited	-	
	Sub Total	4,139,685	577,258

FINANCIAL REPORT

Notes No.	Particulars	Amount in Taka	
		31.12.2019	31.12.2018
08.00	Loan : Tk. Nil		
	Loan received from Chairman (08.01)	-	-
	Loan received from CEO (08.02)	-	-
	Loan received from DCCI (08.03)	-	-
	Balance as on 31 December 2019	-	-
08.01	Loan (Received from Chairman) Tk. Nil		
	Opening balance as on 01.01.2019	-	200,000
	Addition during the year	-	-
	Sub Total	-	200,000
	Adjustment during the period		200,000
	Balance as on 31 December 2019	-	-
08.02	Loan (Received from CEO) Tk. Nil		
	Opening balance as on 01.01.2019	-	8,000
	Addition during the year		158,860
	Sub Total	-	166,860
	Adjustment during the period		166,860
	Balance as on 31 December 2019	-	-
08.03	Loan (Received from DCCI) Tk. Nil		
	Opening balance as on 01.01.2019	-	500,000
	Addition during the year	-	-
	Sub Total	-	500,000
	Adjustment during the period		500,000
	Balance as on 31 December 2019	-	-
09.00	Current Liability (Account Payable):Tk.		
	Opening balance as on 01.01.2019	2,147,105	2,145,427
	Addition during the year	1,404,829	7,640,493
	Sub Total	3,551,934	9,785,920
	Adjustment during the year	1,774,469	7,638,815
	Balance as on 31 December 2019	1,777,465	2,147,105

FINANCIAL REPORT

09.01 Current Liability (Account Payable): Tk.

Staff Income Tax	332,670	241,890
Miscellaneous	-	-
VAT	72,317	8,408
AIT Payable	45,954	4,509
Surcharge Expenses	344,400	344,400
Communication Bill	1,000	1,000
Postage & Courier	1,736	1,736
Registration Expense	-	4,660
Advertising Expense	19,320	19,320
Newspaper	992	4,800
Staff Income Tax refund	15,536	-
Telephone bill	2,114	2,080
Internet Bill Exp.	4,160	4,160
Audit Fee	11,000	10,000
Office rent	100,000	750,000
Staff salary	827,639	741,317
Utility	10,817	8,825
Balance as on 31 December 2019	1,789,655	2,147,105

- i) As per Rental deed agreement (2019-2020) between DCCI & BUILD, BUILD will pay monthly rental bill to the amount BDT 100,000/- to DCCI.

FINANCIAL REPORT

Notes No.	Particulars	Amount in Taka	
		31.12.2019	31.12.2018

10.00 Endowment Fund from the Ministry of Commerce: Tk. 70,000,000

Opening balance as on 01.01.2019	70,000,000	-
Addition during the year		70,000,000
Sub Total	70,000,000	70,000,000
Adjustment during the year	-	-
Balance as on 31 December 2019	70,000,000	70,000,000

11.00 Retained Earning :Tk. 3,814,468

Opening balance as on 01.01.2018	3,814,467	65,203
Addition during the year	7,550,536	3,749,264
Sub Total	11,365,004	3,814,467
Prior year adjustment	-	-
Balance as on 31 December 2019	11,365,004	3,814,467

12.00 Contribution Received:

Contribution Received from IFC:	8,652,700	5,306,250
Contribution received from DCCI:		1,008,000
Contribution received from MCCI	100,000	-
Contribution received from NCC Bank Ltd.:	375,000	90,000
Contribution Received from PROKAS	2,265,293	3,020,140
Contribution Received from JETRO	387,000	1,150,000
Contribution Received from Austrian Trade Commission	553,646	585,347
Contribution Received from Electric Goods		100,000
Contribution Received from CEO		8,100
Contribution Received from Light Castle		7,750
Research Income from BCAS	704,024	476,405
Contribution Received from MOC		230,550
Contribution Received from UNDP:		
Research Income from ITC	1,697,955	-
Contribution Received from DCHA Project Fund :		500,000
Contribution Received From GIZ	1,100,166	-
Research Income From BIGD	405,685	-
Contribution Received From PRISM	110,000	-
Total	16,351,469	12,482,542

FINANCIAL REPORT

Notes No.	Particulars	Amount in Taka	
		31.12.2019	31.12.2018

13.00 Interest Income :

Endowment Fund Interest	7,134,261	4,997,703
FDR Interest	142,500	-
Bank Interest from IAPS-16	18,999	567
Total	7,295,760	4,998,271

14.00 Others income: Tk.

Sale of Book	50,850	142,950
Total	50,850	142,950

15.00 Salaries & Allowances

Salaries & Allowances	10,349,843	8,762,649
Total	10,349,843	8,762,649

16.00 Administrative Expenses: Tk.

Repair Maintenance - Office	82,630	178,524
Printing & Stationery	54,927	54,585
Advertising Expense	23,000	23,319
Entertainment	45,777	33,831
Conveyance	116,806	106,177
Event expenses	1,324,314	129,037
Registration fee	22,850	5,600
Internet bill	50,400	53,200
Telephone bill	10,943	10,996
Communication	13,504	12,500
Utility	228,718	238,584
Research expenses	209,566	112,395
Festival Bonus	668,324	547,548
Postage,stamp,Courier	2,705	750
Newspaper and Periodicals	11,734	11,456
VAT	293,971	405,883
AIT	191,578	256,964
Training & Workshop Expense	10,750	9,055
Surcharge Expense (On Out. Rent)		-
Bank Account Closing Charge		143
Miscellaneous	11,729	19,366
Network Connectivity Exp.	19,215	22,418

FINANCIAL REPORT

Notes No.	Particulars	Amount in Taka	
		31.12.2019	31.12.2018

Excise duty on FDR	27,500	25,000
Excise duty on STD	3,000	25,000
Tax on FDR	727,676	578,520
Tax on STD	2,850	85
Audit fee	11,000	10,000
Bank charge	3,153	2,660
Office Rent	1,200,000	1,848,000
Publication Expense	259,900	105,000
Excursion Tour Exp.		100,000
Depreciation	169,181	185,253
Total	5,797,700.18	5,111,849

Adjustment 2019:

	Out. 2019	Out.2018	Adjustment.19
Staff Income Tax	332,670	241,890	241,890
Miscellaneous	-	-	
VAT	72,250	8,408	8,408
AIT Payable	44,831	4,509	4,509
Surcharge Expenses	344,400	344,400	0
Communication Bill	1,000	1,000	1,000
Postage & Courier	1,736	1,736	0
Registration Expense	-	4,660	4,660
Advertising Expense	19,320	19,320	19,320
Newspaper	992	4,800	4,800
Staff Income Tax refund	15,536	-	0
Telephone bill	2,114	2,080	2,080
Internet Bill Exp.	4,160	4,160	4,160
Audit Fee	-	10,000	10,000
Office rent	100,000	750,000	750,000
Staff salary	827,639	741,317	714,817
Utility	10,817	8,825	8,825
Total	1,777,465	2,147,105	1,774,469

BUSINESS INITIATIVE LEADING DEVELOPMENT (BUILD)
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
AS ON 31 DECEMBER 2019

SL	Particulars	ASSET COST				DEPRECIATION				Written Down Value (WDV) as on 31.12.2019	
		Balance as on 01.01.2019	Addition during the year	Adjustment during the year	Balance as on 31.12.2019	Rate of Dep.	Balance as on 01.01.2019	Charged during the Year	Adjustment during the year		Balance as on 31.12.2019
1	2	3	4	5	6=(3+4-5)	7	8	9=(6-8)*7%	10	11=(8+9+10)	12=(6-11)
1.	Furniture and Fixture										
	Furniture	605,000	7,445	-	612,445	10%	294,301	31,757.29	-	326,058	286,387
2.	Air Cooler										
	Air Cooler	405,315	-	-	405,315	20%	237,173	33,628	-	270,801	134,514
3.	Refrigerator	34,730	-	-	34,730	10%	7,408	2,732	-	10,140	24,590
4.	Computer and Machinery										
	Router	4,500	-	-	4,500	20%	1,879	524	-	2,403	2,097
	Camera	30,000	-	-	30,000	20%	20,170	1,966	-	22,136	7,864
	Telephone Set	3,300	-	-	3,300	20%	1,546	351	-	1,897	1,403
	Printer	74,000	7,600	-	81,600	20%	42,069	7,069.16	-	49,138	32,462
	Desktop Computer	439,930		-	439,930	20%	305,817	26,823	-	332,639	107,291
	Laser Jet Printer	18,000	-	-	18,000	20%	13,281	944	-	14,225	3,775
	Laptop & Projector set	303,000	46,400	-	349,400	20%	171,709	30,427.84	-	202,137	147,263
	Photocopier Machine	238,000	-	-	238,000	20%	175,610	12,478	-	188,088	49,912
	Desktop Computer	84,400	6,615	-	91,015	20%	59,510	6,195.88	-	65,706	25,309
	UPS	5,750	2,520		8,270	20%	1,616	1,209.29	-	2,825	5,445
	Stapler	1,600			1,600	20%	196	281		477	1,123
	Water Purifier Machine	11,350			11,350	20%	1,531	1,964		3,495	7,855
	Table Fan	1,500	-	-	1,500	15%	324	176		500	1,000
	Stand Fan	4,900	-	-	4,900	20%	3,455	289	-	3,744	1,156
	Microwave Oven	9,360	-	-	9,360	20%	6,293	613	-	6,906	2,454
	Vacuum Cleaner	8,500	-	-	8,500	20%	5,715	557	-	6,272	2,228
4.	Interior Design/Decoration										
	Renovation	36,289	-	-	36,289	20%	26,776	1,903	-	28,679	7,610
	Redecoration	139,086	-	-	139,086	20%	102,625	7,292	-	109,917	29,169
	TOTAL	2,458,510	70,580	-	2,529,090		1,479,004	169,181	-	1,648,185	880,905

SECRETARIAT

Sustainability and Green Growth

Md. Tahmid Zami
Additional Research Director

Mehedi Hasan
Research Associate

Trade & Investment

Kanis Fatama
Sr. Research Associate

Mohammad Nazimuddin
Research Associate

Financial Sector Development

Shahriar Rawshon
Research Associate

Kamran Hasnain
Research Associate

Secretariat

Ferdaus Ara Begum
Chief Executive Officer

Moshaddek Alam
Sr. Communication & Advocacy
Associate

Pallab Biswas
Admin Associate

Taxation

Nasib Ul Amin
Research Associate

Md. Nooruzzaman
Research Associate

SME Development

Chaity Ghosh
Research Associate

Belalur Rahman
Research Associate

STAY CONNECTED



www.buildbd.org



[buildbdorg](https://www.facebook.com/buildbdorg)



[photos/buildbd/](https://www.instagram.com/photos/buildbd/)

Sponsors



Business Initiative Leading Development (BUILD)

DCCI Building (9th Floor), 65-66 Motijheel C/A

Dhaka-1000, Bangladesh

Phone: +88-02-9569961, 9561388

Email: info@buildbd.org

Partners

