



## EDITORIAL

### Call for policy backing renewable energy targets

With rapid industrialisation and development works growing across the globe, the rise of carbon emission is the cost as it requires massive use of fossil fuels for power generation and other activities. According to the International Energy Agency (IEA), global carbon emissions from energy use rose by 0.9% in 2022, reaching 36.8 gigatons. Data from the World Bank indicates that Bangladesh's annual carbon emissions were 0.5 metric tons, representing just 0.73% of total global emissions. At COP 28 in the UAE in December 2023, a commitment was made to start phasing out fossil fuels, aiming for zero emissions by 2050. Achieving this goal will require shifting from non-renewable to renewable energy sources, including solar, hydropower, wind, nuclear, and biogas. Bangladesh aims to generate 10% of its energy from renewables by 2030, increasing to 40% by 2041.

Bangladesh currently generates 25,000 MW of power, primarily from fossil fuels, with only a 3% contribution from renewables. By 2041, the country aims to meet a demand of 60,000 MW, requiring 25,000 MW from renewable sources to reach a 40% target. Solar energy appears

most promising, though challenges exist for other renewables such as hydropower and wind due to geographical constraints and land suitability issues. The government's Rooppur nuclear plant, with a 2,400 MW capacity, is set to have its first 1,200 MW unit operational by 2024.

Nuclear plants necessitate extensive land use and pose risks. Considering these factors, solar energy emerges as Bangladesh's most suitable renewable option for power generation. SREDA reports that solar power contributes 967.9 MW, comprising 80.54% of total renewable energy generation in the country. Additionally, the cost of electricity from solar sources is nearly half that of non-renewable sources.

Presently, different large and small solar projects exist in Bangladesh. Among them, rooftop solar panels have gained popularity nationwide and are the most viable option for land utilisation. But to make the rooftop solar program more popular, some challenges exist in the country. First, the installation cost of rooftop solar is exceedingly high. The Bangladesh Bank has created some green financing schemes, but the disbursement rate could be faster. Moreover, the regulatory process is overly complex.

BUILD has conducted a study on renewable energy under the Partnership for Cleaner Textile (PaCT) with support from IFC and has found some

policy-related constraints faced by the private sector. Flaws exist in the net metering guidelines where 70% of the sanctioned load can be utilised. Furthermore, the import duty on solar equipment not produced in the country varies from 25-85%. The infrastructure needs to be reorganised for this purpose. Lack of technical knowledge is a big concern in this case. The country is suffering from a skilled workforce, so education on solar energy can be included in the curriculum.

Other developed countries like the USA have set a target of reducing carbon emissions to 50% by 2050 and the UK to net zero by 2050. The EU also has a vision to go net zero by 2050. Our neighbouring country, India, aims to reach zero emissions by 2050 and is working accordingly. It is evident that as Western countries pledge to come out of fossil fuel by 2050, they will impose different regulations for their importing countries.

Bangladesh enjoys a trade surplus with these countries due to the RMG export, so it is expected to face the regulations they set up for transitioning to renewables. Hence, to retain our export market, there is no alternative for us to switch to a more renewable source of power generation. With this end in view, the government and the private sector have a crucial role. Instead of setting up a long-term target, the government can work on making annual targets. This measure is expected to boost the speed of adoption of solar energy in Bangladesh.

Additionally, the government should streamline regulatory guidelines to ensure practicality for all stakeholders. The private sector can leverage support from banks, NBFIs, and other development partners to implement solar projects. Carrying out these policy measures will facilitate a seamless transition from non-renewable to renewable energy sources, sustaining the country's impressive growth trajectory and positioning it to achieve higher income status by 2041. ■

**Ferdous Ara Begum**  
CEO, BUILD



## BUILD T&IWC meeting calls for simplified export regulations to boost diversification of export

The potential of diversifying exports in the markets of the UK and China was asserted in the meeting of BUILD held at the Conference room of MoC, co-chaired by the Sr. Secretary Tapan Kanti Ghosh and Md Saiful Islam, President of the Metropolitan Chamber of Commerce and Industry (MCCI). The meeting emphasised the ease of doing business and reduced regulatory burdens and documentation processes. The meeting reiterated attracting new investments, fostering technological advancements, and promoting diversified product exports, particularly in the key markets where market access benefits are available.

The 10th Trade and Investment Working Committee (T&IWC) of BUILD was held on 3 December 2023 where two policy papers titled "DFQF Market Access to China-Policies and Measures to Increase and Diversify Exports" and "UK's DCTS: Policy Measures to Escalate Export to the UK" were presented. Ministry of Commerce (MoC) and BUILD jointly organised the meeting. BUILD CEO Ferdaus Ara Begum reported on the progress of the ninth meeting, highlighting the implementation of eight out of 27 proposed reforms, with nine currently in progress. Acknowledging the collaborative efforts of the MoC, Local Government Division, and Register of Joint Stock Companies (RJSC), she expressed gratitude for the successful implementation of 5-year trade licences, Export and Import licences and the initiation of online Trade Licence services and information dissemination through websites of RJSC etc.

The MoC Senior Secretary emphasised the need to reduce documentation requirements, digitise trade licences, review the imposition of income tax on trade licences, etc. Dr Malay Chowdhury, Additional Secretary, LGD, informed the meeting that five documents are presently required to apply for a trade licence. During discussions, it was proposed to streamline the trade licence document requirements to three: NID/Birth Certificate, nature/types of business, and proof of business ownership. The Registrar of RJSC was informed that RJSC is working on completely automating its

services. A meeting will be held soon to finalise business categories for simplifying model MOA. Besides, RJSC is in the process of integrating with all concerned organisations like NBR, MOC, and Bangladesh Bank through software upgrades.

In response to BUILD's proposal, the NBR Joint Commissioner informed BUILD that the renewal of the Bonded Warehouse Licence would be three years instead of two years for all sectors, which NBR will gazette soon. The MoC endorsed formulating a subcontracting policy for all sectors, like RMG, to support non-RMG exports.

While presenting the policy paper on 'DFQF Market Access to China', the Senior Research Associate of BUILD shared the identified potential sectors, which are leather and leather goods, fish and processed food, plastics, aluminium, boilers, copper, optical goods, wood and wood products, miscellaneous chemical products wigs, and human hair and RMG for the Chinese market. It has been identified that about 137 products were exported, which are not included in the 98% DFQF list. The export of these 137 products was USD 211 million or 31% of the total export (USD 677 million) to China, of which 34 products (USD 128.30 million) from Oven RMG. Due to a lack of compliance and standards, low technology, and a lack of post-export services, exports could not be increased.

The meeting highlighted that China wants prime and fashion-oriented products, which our export basket lacks. On the other hand, China is primarily interested in importing primary products from Bangladesh, which has less value addition. In that respect, investment-led exports should be encouraged. Bangladesh presently exports mainly finished products; it needs to penetrate intermediate goods to be able to integrate with the global supply chain. The senior Secretary appreciated the study findings. Following the emerging situation after LDC graduation, he suggested further analysis of the duty-free scenario per the APTA list to get a clear picture of the preferential export of products from Bangladesh. He suggested organising sectoral dialogues to leverage duty-free opportunities offered by China.

BUILD CEO Ferdaus Ara Begum shared insights from a study on the UK's DCTS (Developing Countries Trading Schemes), emphasising its benefits to LDCs, including Bangladesh, under Comprehensive Preference (CP). Bangladesh will enjoy Enhanced Preference (EC) after Graduation and transition period under this scheme, which is more liberal than EU GSP+. In this study, BUILD identified potentials of high value-added RMG, agro and agro-processed products, leather goods, bicycles, plastics, toys, batteries, furniture, pharmaceuticals, etc., for

exports to the UK. The presentation highlighted the pre- and post-graduation situation of utilising the benefits of DCTS, Rules of Origins and Product Specification Rules (PSR) and cumulation with all DCTS and UK EPA countries in a total of about 90 countries. Non-Originating Materials (NoM) PSR for LDCs is much more liberal under UK DCTS (75%) than that of EU GSP (47%) and US GSP (35%), the study said. Bangladesh will enjoy CP till 2029, and we need to start working on utilising intra and inter-regional cumulation. EPB could prepare a fact sheet containing all related information to circulate among stakeholders on the liberal UK GSP. BUILD study also highlighted the challenges, standard and certification issues, social audits, and, at the same time, attracting FDIs and developing infrastructure to increase exports to the UK market. It recommended an updated fair calendar, including potential countries, for investing in R&D for high-value-added products following income tax policy as allowable expenses.

MCCI President and the meeting Co-chair, Md Saiful Islam, informed the assembly that the sample import process has been simplified, and they benefit from it. He requested NBR to allow LFMEAB to issue online UD and co-efficient independently. He also emphasised increasing business connectivity with India by using regional connectivity.

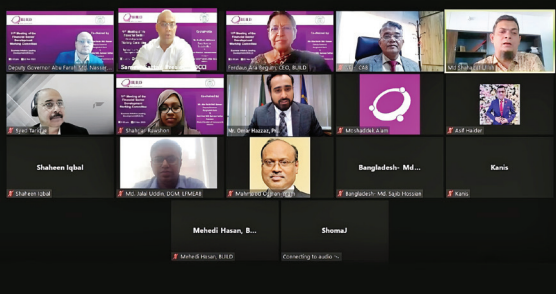
A. K. M. Ahmedul Islam Babu, Director, BASIS, requested more connectivity with Japan, South Korea, and India to increase strength, capability, skills, access to the global value chain, and flourishing e-commerce businesses. Md Abul Hossain, President and Secretary General, BJMA, informed the audience that they produce 128 jute products and wanted country-specific demand and other relevant information to increase jute exports. Ismat Jerin, Director, Jute Skill Council, NSDA; Md Abdur Razzaque, President, BEIOA; and Shahir Ahmed, Chinese Chamber of Commerce, among others, spoke at the event.

The Senior Secretary thanked BUILD for producing two crucial policy papers and informed the audience that the government is also serious about simplifying policies to reduce the cost burden on businesses taking care of LDC graduation. Representatives from MoC, LGD, RJSC, EPB, CBC, SME Foundation, BTTC, BFTI, CCCI, BGMEA, BEIOA, BASIS, LFMEAB, BAPA, BIDA, BPGMEA, among others, spoke in the meeting. ■

## BUILD FSDWC meeting highlights banking sector's good governance

Deputy Governor, Bangladesh Bank Abu Farah Md Nasser said that our key focus is to take proper, visible, and fast actions to





ensure good governance in the banking sector and address monumental challenges faced by the banking sectors due to controlling inflation and volatility in the foreign exchange regime and higher non-performing loans.

The Deputy Governor spoke at the 11th Financial Sector Development Working Committee (FSDWC) Meeting organised virtually by BUILD on 22 November 2023. Abu Farah Md Nasser, Deputy Governor of Bangladesh Bank (BB), and Barrister Sameer Sattar, President of Dhaka Chamber of Commerce and Industry (DCCI), co-chaired the meeting. He further said that the present investment and trade situation will get momentum after the upcoming election, and the new administration will boost the investors' confidence. From Bangladesh Bank, we have adopted a single exchange rate policy despite it being fixed by the ABB and BAFEDA; we are strictly monitoring the rate. The Bangladesh Bank are in contact with the Reserve Bank of India to manage the exchange rate fluctuation. He said that we have already set out directives to the state-owned commercial banks to control non-performing loans, and we are planning to form asset management companies starting next year.

DCCI President stressed the importance of managing and controlling non-performing loans by implementing governance practised by scheduled banks. He further advocated developing a swift recovery plan with the stakeholders recovering default loans to revitalise the financial sector. He also expressed gratitude to Bangladesh Bank for streamlining the loan sanction process and minimising approval times, facilitating more accessible business financing access.

CCCI President Omar Hazzaz said that we need to promote good corporate governance in the financial sector to gain trust and confidence while appreciating the research of BUILD.

Having updated the implementation on the last 10th FSDWC Meeting, BUILD CEO Ferdous Ara Begum delivered a first presentation on the Export Facilitation Pre-Financing Facility (EFPF), highlighting a comparative scenario of EDF and EFPF, constraints faced by the exporters in case of enjoying EFPF etc. The policy paper recommended increasing the ceiling of EFPF based on the present demand of the sectors up to BDT 30,000 crore (USD 2.75

billion) with proper monitoring of BB, from which loans will be given to pay back-to-back LC payments. The EFPF loan ceiling for RMG can be increased to at least BDT 300 crore from BDT 200 crore, and the EFPF for the leather sector is seven (BDT 7) crores, which could be equal to RMG. It is also recommended for online-based application services for the EFPF for proper disbursement, availability of this fund for partial exporters, safeguard measures for exchange rate fluctuation, and alignment for using bonded facilities.

BUILD CEO gave another keynote on MPS HI24 Targets and Achievements, focusing on Improving Investment Scenarios by filtering development projects during this critical time to soak external pressures while controlling the exchange rate and broad money. The policy paper highlighted the need to align fiscal policy and monetary policy, redesign the auction process for the TB fixation process, and introduce non-cash incentives for NRBs, among others.

Prof Dr Mahmood Osman Imam, Department of Finance, University of Dhaka, mentioned that it is high time for the government to filter some development projects for some time and restrict the luxurious items of import for at least two years to contain inflationary pressure. We advised the government to depend on the reserve for the Export Facilitation Pre-Financing Facility when it was 48 billion USD. Now, we recommend the government to arrange funds from other sources for such funds as other countries are already doing it successfully.

ICAB Vice President Md. Yasin Miah FCA said that we need to ensure good governance and accountability in all sectors to attract deposits and investments and conduct business globally. The working committee meeting was attended by committee members, representatives from the central bank, ABB, BKMEA, LFMEAB, several scheduled banks, scholars, business chambers, associations, and entrepreneurs from the private sector, among others. ■

## Meeting between USAID and BUILD

A call-on meeting between USAID and BUILD was held on 28 December 2023 at the USAID office to discuss the potential areas of activity that need to be done to enable the business environment to support the growth trajectory envisioned by the government of Bangladesh and how USAID can help as a development partner.

Following initial pleasantries and introductions, the CEO of BUILD delivered a concise presentation on the organisation and its primary initiatives to foster private sector development. She outlined BUILD's



objectives, highlighted the formation of seven working committees, and touched upon the Private Sector Development Policy Coordination Committee (PSDPCC) activities. The CEO also highlighted collaborative endeavours with Trade Activity, USAID, including the 5th Business Confidence Survey and the 6th Business Start-up License Guide.

During the presentation, emphasis was placed on the areas crucial for competitiveness in the Post-LDC (Least Developed Country) scenario. CEO expressed concerns about excessive regulatory requirements and procedures, commonly cited barriers where trade facilitation emerged as a pivotal instrument. BUILD has been actively involved in tackling these challenges; she noted and suggested that there is room for further improvements in this regard.

Encouraged by the insights shared by BUILD's CEO, Reed J. Aeschliman, the USAID Mission Director expressed eagerness to collaborate on fostering a business environment conducive to the envisioned growth path set by the government. Emphasising the significance of a pragmatic Public-Private Partnership strategy, he advocated for constructive dialogues aimed at lowering business costs, reducing trade barriers, and boosting the capabilities of Small and Medium Enterprises (SMEs) to fuel overall economic progress. Aeschliman also referenced initiatives in Pakistan and Sri Lanka to illustrate his points.

Emphasising the pivotal role of both the public and private sectors in fostering a favourable business environment, he expressed a keen interest in joint efforts with BUILD. Specifically, he proposed collaborative dialogues focusing on reducing regulatory barriers, improving the overall business environment, and addressing specific issues such as increasing agricultural exports and enhancing laboratory facilities. During the discussion, Aeschliman revealed USAID's plans to organise a conference centred on prosperity, linking trade, business, foreign direct investment (FDI), rights to freedom, renewable energy, and other pertinent topics.

Furthermore, he extended an invitation to continue discussions with BUILD regarding the organisation of the proposed conference, highlighting USAID's commitment to facilitating meaningful exchanges that contribute to economic

prosperity and development.

The following decisions were made:

- USAID and BUILD will stay in touch and engage in ongoing discussions to coordinate the Conference post-Ramadan, around mid-April 2024.
- Discussion will be continued for crafting several dialogues with a specific focus on diminishing regulatory barriers and enhancing the overall business environment within the country.
- BUILD and USAID, through Trade Activity, will design and organise high-key events promoting systematic changes.
- BUILD and USAID will actively engage with private sectors and sensitise the government for policy reforms. ■



## Comprehensive report on the logistics sector of Bangladesh

Support to Sustainable Graduation Project (SSGP) of the Economic Relations Division (ERD), Ministry of Finance (MoF) organised a Focus Group Discussion (FGD) on the above issue on 23 November 2023 at the Asia Conference Room, ERD.

Sharifa Khan, Senior Secretary, ERD, MoF, was the Chief Guest, while the session was chaired by Farid Aziz, Additional Secretary, ERD and Project Director, SSGP.

Dulal Krishna Saha, former Executive Chairman of the National Skill Development Authority (NSDA), presented the keynote. In his presentation, he highlighted the purpose and objectives of the study and elaborated its scope. He informed that the study would work as a guiding document for preparing the national logistics development policy and to prepare a comprehensive base report on the logistics sector of Bangladesh.

The research will adopt the salience model, comprising power, legitimacy, and urgency. The CEO of BUILD attended and highlighted the importance of logistics sector advancement and how this study could contribute to its support. ■

## Stakeholders advocate simplified procurement and tenders' forum creation

Central Procurement Unit (CPTU) of IMED, Ministry of Planning, organised a consultation session at the CPTU Conference Room on 30 November 2023. BUILD CEO was present as a discussant in the programme.

The chief guest of the survey findings programme was Abul Kashem Md Mohiuddin, Secretary, Implementation Monitoring and Evaluation Division (IMED), Ministry of Planning. The program was chaired by Mohammad Shoheler Rahman Chowdhury, Chief Executive Officer, Bangladesh Public Procurement Authority (BPPA), IMED, Ministry of Planning.

Several procuring entities and tenderers were present at the meeting and raised their issues about simplifying the public procurement process. The meeting also discussed the formation of a tenders' forum and how it can work adequately to smoothen the country's public procurement process. ■



## The Income Tax Act lacks a pro-people attitude

There should have been more consultation with stakeholders before the finalisation of the recently passed Income Tax Act 2023 as there is a scope for taxpayers to fall prey to harassment during payment of tax, experts said.

BUILD organised the seminar at its office

on 27 November 2023, where experts, former and current senior officials of the NBR, journalists and chartered accountants participated.

Ferdous Ara Begum, CEO of BUILD, made the introductory remarks and said that the act was passed in the national parliament on 15 June this year after being taken from the cabinet committee on 8 June, leaving the standing committee of the parliament with inadequate time to discuss the act.

For instance, no provision was included for extending tax return submissions after the set time limit expires. There is no option for submitting applications from individual taxpayers or corporations to the tax administration. Only the tax administration can extend the tax return submission deadline under certain conditions.

Experts added that taxpayers will face a significant challenge if the date is not extended. Another concern is that many people are unaware of the act, although it is closely related to their income and life. Even international communities are unaware of this act, which may affect the inflow of foreign direct investment.

The Income Tax Act is also missing principles of justice as there is a possibility of collecting tax from individuals who are not supposed to be paying taxes, said Alamgir Hossain, a former member of the National Board of Revenue (NBR), as a panel discussant at a seminar titled "Income Tax Act 2023 — Due Diligence by the Taxpayers".

Since it is a new act, the NBR should have played an initiative-taking role before passing the law so it could be a more pro-people policy, Alamgir added. He suggested taking the initiative to disseminate information about the act to raise awareness.

The act was passed mainly to expand the tax net and increase the tax-GDP ratio from around 8.9 per cent to 17.4 per cent by 2031 and 21.9 per cent by 2041.

The government will collect tax not only from people in cities but also from other areas, where many are unaware that the act has been passed and its implications. Muhammad Abdul Mazid, former NBR Chairman, echoed Alamgir's sentiments, saying the act was not well-discussed at the grassroots level.

Dhiman Kumar Chowdhury, Chairman of the Department of Accounting and Information Systems at the University of Dhaka, said the current structure of the NBR needed to be reformed and that independent intellectuals should be incorporated into the board. Hasan Mahmood, partner at M. J. Abedin and Co., said there was some discrimination in the tax payment on pension funds and other such savings measures. G. M. Abul Kalam Kaikobad, a member (Tax Audit Intelligence and Investigation) of the NBR,



said tax files would not be investigated and audited for silly reasons.

Before the Act was passed, tax rules were applied under the Income Tax Ordinance 1984, which was made time-befitting almost every year. Snehasish Barua, partner at Snehasish Mahmud & Co., and Md Nooruzzaman, Senior Research Associate at BUILD, presented two keynotes at the event. Ferdous Ara Begum, Chief Executive Officer of BUILD, also spoke. ■



## Indirect tax revenue strategy discussed in consultative meeting

Ferdous Ara Begum, CEO, BUILD, has participated in a consultative meeting titled “Medium-Term and Long-Term Revenue Strategy (MLTRS) on Indirect Tax” organised by the National Board of Revenue (NBR) at Radisson Blue Dhaka Water Garden on 5 November 2023. Based on the presentation points, she mentioned some aspects of automation, dependency on indirect tax, and release of imported goods. Automation must be fully automated instead of a hybrid system with manual interventions.

Currently, Bangladesh depends on indirect tax for almost two-thirds of the revenue collection; if the TDS (non-adjustable or minimum tax) collected at source is accounted the collection rate would be much higher, and the policy needs to be rethought toward the trend of direct tax from 35% to 50% by the targeted phases of the economy. Referring to the Time Release Study (TRS), the release of a consignment from different ports remains almost the same as that of the previous TRS. There is a minor difference between Authorised Economic Operators (AEO) and Non-AEO consignment releases, which need to be revisited to reduce the time of consignment release. ■

## Awareness workshop on citizen engagement in public procurement

The newly established Bangladesh Public Procurement Authority (BPPA) organised an awareness workshop on citizen



engagement in public procurement on 17 December 2023. The event was held at the BPPA Conference Room, BPPA Bhaban, Ministry of Planning, Government of Bangladesh.

The workshop is part of a series of workshops and activities under the “Digitising Implementation Monitoring and Public Procurement Project (DIMAPP)” project. BPPA is implementing the project with support from the World Bank. Dnet, a consulting firm engaged by BPPA to manage the Citizen Portal, facilitated this workshop.

One of the main focuses of the DIMAPP project is to successfully engage citizens, including the local community, women, youth, local government representatives, contractors, and civil society in monitoring public procurement. The project aims to formulate strategies for establishing a monitoring tool that will involve the participation of the citizens in ensuring transparency and accountability in the implementation of procurement and high-quality public service delivery.

The workshop aimed to underscore citizen engagement in public procurement, focusing on women tenderers. It educated women entrepreneurs and business chamber representatives on procurement opportunities and challenges. The platform allowed women to share experiences, aiming to boost transparency and accountability in contracts. Feedback was gathered to improve citizen involvement, particularly women’s, in monitoring procurement for equitable participation. The event had about 30 women discussing, networking, and seeking ways to enhance women’s public tender involvement.

Secretary, Implementation Monitoring and Evaluation Division (IMED), Abul Kashem Md Mohiuddin spoke as the chief guest in the workshop. Mohammed Shoheler Rahman Chowdhury, CEO of BPPA, chaired it. Senior Procurement Specialist of the World Bank Dhaka office Arafat Ishtiaque was present as the Special Guest.

Director (Additional Secretary) of BPPA Mirza Ashfaqur Rahman delivered the welcome address. Ferdous Ara Begum, CEO of BUILD, participated in the workshop. Data Analytics Expert of Dnet Andalib Bin Haque made a detailed presentation on the Citizen Portal and efforts to engage citizens in public

procurement through this digital interactive platform.

The discussion points were:

- 3,388 women tenderers registered with e-GP up to 17 December 2023
- The Sustainable Public Procurement (SPP) policy was approved by the government of Bangladesh, which includes preference given to women entrepreneurs and tenderers
- Women Entrepreneurs (WEs) wanted to know how BPPA and citizens could ensure that there would be no irregularities or corruption in the public procurement system
- Ensure that 5 per cent is reserved for women entrepreneurs in the public procurement system
- Ensure that women are not taking up contracts on behalf of their husbands
- The training should be simplified
- WEs would like to know step by step how they can participate in the public procurement process.

Ferdous Ara Begum, CEO of BUILD, appreciated the transformation of the Central Procurement Technical Unit (CPTU) into the Bangladesh Public Procurement Authority (BPPA), which strengthened the country’s public procurement system — understanding that tenderers had to be highly skilled to benefit from the public procurement contract. One day of intensive training can be overwhelming for entrepreneurs. She suggested that BPPA could post multiple virtual trainings on public procurement on its website, which can be delivered in short episodes and allow trainee/women entrepreneurs to work through the training program at their own pace.

This can help women from different geographical locations access the training. Such self-paced learning encourages women learners/trainees to manage their own schedules. She also requested that BPPA adopt the International Organisation for Standardisation (ISO) definition of Women Entrepreneurs. Women’s entrepreneurship is an economic activity conducted by women who can take risks and initiatives to create, manage, and develop a business or enterprise in a competitive environment.

The CEO of BPPA thanked the participants and agreed to incorporate their views and suggestions into the programme activities of BPPA. He emphasised that the Sustainable Public Procurement Policy, which includes gender criteria for fostering the participation of women-owned businesses in public procurement, will be implemented. ■

## REFORMS

In response to BUILD's recommendations, the Sustainable Public Procurement Policy 2023 by the Central Procurement Unit (CPTU) has implemented significant reforms outlined in Clauses 7.2.2 and 7.2.3 on pages 27629 and 27633 of the documents. These reforms are designed to foster broader participation and enhance the success of Women-Owned Enterprises (WOEs) and Small and Medium Enterprises (SMEs) in public procurement processes.

Moreover, various measures have been introduced to promote extended participation of WOE and SMEs. These include minimising the complexity of tender documentation, dividing contracts into smaller lots, limiting the number of lots awarded to one bidder, allowing more time to submit an expression of interest (EoI), and tender can be awarded per the appropriate authority's approval.

An additional recommendation is incorporated in Annex 2 (page 27633, para 4), where the policy outlines the routine monitoring of two essential core indices for strategic entrepreneurship evaluation:

- Participation of women entrepreneurs in public procurement.
- Determine the number of government organisations based on the standard of sustainable public procurement per the relevant agreement. ■

## SCOPES

### Policy reform justification for easier trade license acquisition

Presently, acquiring a Trade Licence (TL) issued by the Local Government Authority is mandatory for conducting any formal business in Bangladesh. The issuance of this licence falls under the authority of the Local Government (City Corporation) Act 2009, Local Government (Municipality) Act 2009, Local Government (Union Parishad) Act 2009 and Ideal Tax Schedule (City Corporation) 2016.

Under the Ideal Tax Schedule (City Corporation) 2016, approximately 491 types of entities, including sole proprietorships, partnerships, and companies, are categorised as requiring a Trade Licence for legal operation in Bangladesh.

Through careful analysis of the relevant Acts and Rules, BUILD has identified certain policy inconsistencies in issuing Trade Licences to all businesses. In order to facilitate the private sector, BUILD is conducting further research into this matter to propose policy reform

recommendations. The objective is to streamline and simplify the process of Trade Licence issuance while ensuring its legal implications.

BUILD will present its findings and recommendations in the upcoming 15th Private Sector Development Policy Coordination Committee meeting. These proposed reforms aim to make Trade Licence acquisition more accessible for businesses of diverse types operating in Bangladesh. ■

## ARTICLES

এলডিসি উত্তরণ-পরবর্তীতে চামড়া শিল্পের অগ্রগতি ধরে রাখা প্রয়োজন • Bonik Barta ■  
[cutt.ly/buildconnect236-01](https://cutt.ly/buildconnect236-01)

Decreased material extraction as bridge • New Age ■ [cutt.ly/buildconnect236-02](https://cutt.ly/buildconnect236-02)

Leather sector: Transition needed to face LDC-graduation • The Business Standard ■ [cutt.ly/buildconnect236-03](https://cutt.ly/buildconnect236-03)

Untapped potential of solid waste • New Age ■ [cutt.ly/buildconnect236-04](https://cutt.ly/buildconnect236-04)

The potential and risks of solid waste produced by tanneries • The Business Standard ■ [cutt.ly/buildconnect236-05](https://cutt.ly/buildconnect236-05)

পরিবেশ বিপর্যয় রোধে সার্কুলার ইকোনমি • Bonik Barta ■ [cutt.ly/buildconnect236-06](https://cutt.ly/buildconnect236-06)

Prep for tariff escalation for RMGs after LDC graduation • The Daily Observer ■ [cutt.ly/buildconnect236-07](https://cutt.ly/buildconnect236-07)

Policy-makers need to sync with experts • New Age ■ [cutt.ly/buildconnect236-08](https://cutt.ly/buildconnect236-08)



### Meeting on energy drink standards at Mol

A meeting to set energy drink standards was held at the Ministry of Industries (Mol) conference room and chaired by its Senior Secretary, Zakia Sultana. All concerned stakeholders were present to highlight the need for and importance of Energy Drink. The demand for this sector is increasing, and young people are the most interested in this product. In view of ensuring the safety and security aspects of the consumer, Mol and present stakeholders emphasised the need for a standard.

BUILD presented a paper, and BSTI also gave a detailed presentation on this issue.

After a detailed discussion, it was agreed that considering the socio-economic aspects of the country and the health security issues, there is a need to set a standard for the product that aligns with the international standard. However, there will be further stakeholder discussions regarding finalisation of the issue. Also, there will be an effort to reform the Narcotics Control Act 2018 to specify the limit of caffeine in energy drinks. ■



### New procurement policy empowers women-led businesses

The new Sustainable Public Procurement (SPP) policy in Bangladesh will enhance the ability of women-led enterprises to compete more effectively for public contracts at the International Trade Centre in Geneva.

Governments spend 12 per cent of global economic output on public procurement, yet only one per cent of this goes to women-led businesses. Women entrepreneurs today face significant challenges in public procurement markets: inadequate policies to identify, register and favour women-led businesses, complex processes, gender-based discrimination, and a need for more information, skills, finance, and networks. To reduce such barriers, policymakers and procuring entities can implement targeted measures and strategies to support women in winning more public contracts. The first step to harnessing the untapped potential of public procurement for women's economic empowerment is understanding their specific needs and challenges.

On 10 December 2023, the Bangladesh government implemented the Sustainable Public Procurement Policy (SPP) with the goal of encouraging the involvement of female entrepreneurs from Bangladesh in public procurement. This fresh policy seeks to streamline tender paperwork, break contracts into smaller segments, restrict the number of segments awarded to one bidder, and extend the timeframe for applicants to submit their expressions of interest.



## Supporting Inclusive Policymaking in Bangladesh

Starting in 2021, the ITC SheTrades Initiative has partnered with BUILD, the Public Procurement Research Centre (PPRC), the Bangladesh Public Procurement Authority (BPPA), alongside various governmental bodies and women's organisations to promote gender-inclusive public procurement policies within the nation.



**Policies should support women-led businesses so that they can grow, compete with their male-led counterparts and establish their global footing. The SPP policy has created a favourable environment for women-led businesses. It needs proper implementation so that more and more women-led businesses can contribute to the economy.**

**Ferdaus Ara Begum**  
CEO, BUILD

Under the SheTrades Commonwealth+ programme, a series of policy dialogues were conducted, delving into the realm of gender-responsive public procurement. These dialogues facilitated an in-depth examination of women's involvement in the bidding process for public contracts through a comprehensive baseline study. Findings informed targeted policy recommendations for amending the Public Procurement Act through dialogues, which were pivotal in engaging stakeholders, including government officials and women entrepreneurs. The main goal was to enhance gender inclusion in public procurement. Stakeholders addressed challenges to women's participation and sought solutions in interactive sessions. The discussions relied on the ITC's guide, offering tailored insights to policymakers and empowering stakeholders with actionable tools to improve women's participation in public procurement.



**BPPA is happy that the SPP policy encourages the participation of women-led businesses in the tendering process. We will make sure to implement the provisions in the**

**policy to make it more conducive for women to participate in public procurement.**

**Mohammad Shoheler Rahman Chowdhury**  
CEO, BPPA

The baseline study highlighted the necessity of gathering data concerning women-led businesses involved in public procurement, as well as implementing a standardised definition for such enterprises. Moreover, streamlining the bidding procedures and setting specific targets for allocating public contracts to women-led businesses could significantly boost women's involvement in public procurement.



**From my experience, creating an enabling environment for women entrepreneurs requires cooperation from public procurement officials. This can be achieved by providing public procurement officials with training on gender equality issues. This is very important to ensure that the new policy is well-implemented and can achieve its objectives.**

**Asma Khatun**  
CEO and Owner, Neotech

In April 2023, ITC SheTrades provided policy recommendations to improve the draft Sustainable Public Procurement (SPP). Suggestions included breaking contracts into smaller lots, creating a preferential scheme for women-led businesses, and offering targeted support like subcontracting or price preferences. These recommendations were detailed in a step-by-step guide for reference. ITC aims to collaborate with key partners in Bangladesh to ensure successful SPP implementation. This involves prioritising women's support and closely monitoring progress to ensure alignment with objectives and goals. ■

## Survey findings of the e-GP programme

Central Procurement Technical Unit (CPTU) shared survey findings on the satisfaction of the e-GP programme and practices the organisation runs on 30 November 2023 at its conference room at the Planning Commission. The concerned stakeholders were present to share their experiences



and recommend improvements to the e-GP programme. The procuring agencies and procuring entities were present. BUILD CEO was also present as a member of the Bangladesh Tenderers Forum (BGTF) and offered her opinions on improving the system.

The National e-Government Procurement (e-GP) portal, available at [eprocare.gov.bd](http://eprocare.gov.bd), is a digital platform owned, developed, operated, and maintained by the CPTU within the IME Division of the Ministry of Planning of the People's Republic of Bangladesh. This innovative e-GP system is an integrated online hub, facilitating all procurement activities carried out by Procuring Agencies (PAs) and Procuring Entities (PEs) within the public sector.

This comprehensive e-GP solution, a pivotal component of the Public Procurement Reform (PPR) Programme, receives support from the World Bank. Its adoption is gradually expanding across all government organisations, ensuring equitable access for bidders/tenderers and enhancing efficiency, transparency, and accountability in the public procurement processes of Bangladesh. ■



## Meeting on Leather Development Forum (LDF)

LDF Secretariat, supported by the Asia Foundation, held a meeting on 15 December 2023 at the Platinum Grand Hotel, Banani, Dhaka, to discuss several vital topics, which included the finalisation of the LDF constitution, covering operations, LDF memberships, and financial arrangements, the conclusion of the Homepage design for the official LDF website and introduction to the Labour Inspection Management Application of the government (LIMA). The meeting discussed developing a quarterly action plan for LDF spanning January to March 2024.

The significant gathering also discussed collective initiatives for the upcoming year, 2024. Md Taherul Islam, Coordinator of the Leather Development Forum, conducted the meeting. BUILD CEO Ferdaus Ara Begum was present to put forward some viewpoints on the issue so that LDF can work adequately to develop the leather sector. ■



economy principles to incentivise sustainable practices. Participants also explored potential strategies for scaling up circular initiatives and fostering cross-sector partnerships to accelerate progress towards a more environmentally conscious textile industry. ■



## Bonik Barta applauds accomplished advisors

The Bangla daily *Bonik Barta*, in conjunction with the Bangladesh Institute of Development Studies (BIDS), held its esteemed 2023 *Guniyon Songbordhona* ceremony, a prestigious event recognising distinguished individuals for their contributions. *Bonik Barta* and BIDS jointly honour exceptional individuals for their notable contributions to the nation. Dewan Hanif Mahmud, *Bonik Barta's* editor, moderated the event's sixth edition. The accolades were bestowed upon Dr Mashur Rahman, the most recent former Economic Affairs Advisor to the Prime Minister, and Dr Mirza Azizul Islam, a former finance and planning advisor to a caretaker government. The grand affair took place at the Pan Pacific Sonargaon in Dhaka, graced by luminaries across various sectors of society, including government ministers, prominent economists, corporate executives, and academics. Additionally, the BUILD CEO was among the esteemed attendees. ■

## BUILD's circular textile policy meeting

On 7 December 2024, BUILD hosted a meeting in their conference room, where they discussed insights from Bangladesh on circular textile policies. Asif Ibrahim, the founder chairperson of BUILD, led the session, and Shams Mahmud, director of BGMEA and former president of BGMEA, was in attendance.

The event was a collaborative effort between BUILD, Chatham House, Circular Economy Foundation, and the European Environmental Bureau (EEB), with support from GIZ and Laudes Foundation. The meeting saw participation from various public and private sector representatives, emphasising the importance of circular textile policies in Bangladesh.

During the meeting, insightful discussions took place regarding implementing circular textile policies in Bangladesh. Participants exchanged views on sustainable practices within the textile industry, emphasising the need for innovative approaches to reduce waste and promote recycling. Topics included adopting eco-friendly materials, enhancing supply chain transparency, and implementing circular business models. The session provided valuable insights into the challenges and opportunities of transitioning towards a circular economy in the textile sector, highlighting the role of collaboration between stakeholders in driving sustainable change. The meeting underscored the importance of aligning regulatory frameworks with circular



## Meeting at PMO on logistics

A meeting took place at the Prime Minister's Office (PMO) to discuss the logistics sector of Bangladesh. Participants deliberated on the initial blueprint and content for a website dedicated to the sector. Private sector stakeholders were encouraged to provide their insights in a specified format to ensure comprehensive input. The meeting spotlighted the importance of private sector involvement in shaping the website's content to reflect industry needs and trends accurately. It stressed the significance of creating a user-friendly platform to facilitate easy access to information. Stakeholders discussed integrating interactive features like forums or feedback mechanisms to stimulate user engagement and dialogue. The meeting also addressed the necessity of ensuring the website's compatibility with mobile devices for accessibility on the go. Participants insisted on regular updates and maintenance to keep the platform relevant. The aim is to create an interactive online hub that supports stakeholders and boosts Bangladesh's logistics sector. ■

## Founding Organisations



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