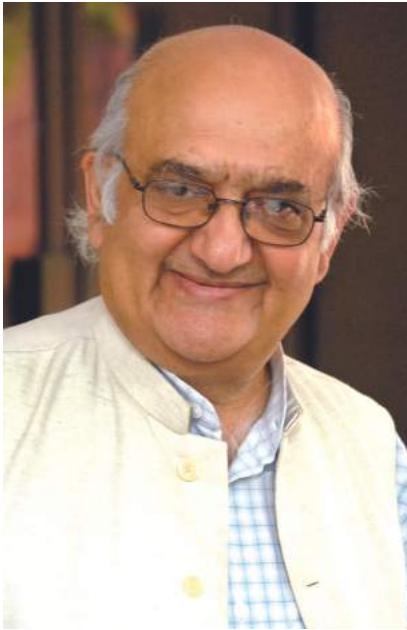


CPD ANNUAL REPORT 2020



POLICY DIALOGUE
CENTRE FOR



MESSAGE FROM CHAIRMAN AND EXECUTIVE DIRECTOR



The year 2020 was an unprecedented year in human history. The outbreak of the COVID-19 pandemic has changed every aspect of our lives. The pandemic has spread to disrupt economic, social, environmental and even cultural spheres. During this unusual period, the Centre for Policy Dialogue (CPD) has remained resilient and vibrant. It has quickly adapted to the new mode of working from home and interacting through the digital platforms.

CPD has continued to deliver on its commitments through focusing on the emergent issues which have been shaking the global economy to its core, the repercussions of which we are dealing with in Bangladesh. The pandemic was the primary area of our focus this year. Our researchers have been continuously striving to analyse the implications of coronavirus on the economy and society, and provide appropriate policy recommendations.

Beyond the pandemic related issues, CPD continued to work on its flagship programme titled *Independent Review of Bangladesh's Development (IRBD)*. Under this programme, CPD researchers assessed the state of the Bangladesh economy and put forward recommendations for the national budget. They have also provided their analysis of the various budget proposal announced by the government in June. Additionally, CPD scholars have undertaken in-depth thematic studies on a number of other sectors which include—banking, power and energy, trade, readymade garments (RMG), youth employment, social protection, Sustainable Development Goals (SDGs), Bangladesh's smooth graduation from the least developed country (LDC) category, regional cooperation, and so on.

One of our major activities—discussion and dissemination of research at the policy dialogues and media briefings—have found its way through the virtual platforms. This, however, did not diminish the enthusiasm of either CPD colleagues or our stakeholders.

This year, we lost *Dr Anisuzzaman*. He was a member of CPD's Board of Trustees (BoT) and a National Professor. A great intellectual and an integral part of several major movements for establishing Bangladesh's national identity, *Professor Anisuzzaman's* passing is an irreparable loss for CPD and the country. CPD family mourns the demise of this great patriot, academic and intellectual. We fondly remember his memory and pay our deepest homage to him.

CPD's success is the result of the cooperation of all CPD members. We are grateful to the BoT members of CPD for their constant guidance in implementing our activities. CPD's highly motivated and committed colleagues of three divisions—Research, Dialogue, and Finance and Administration have provided relentless cooperation to achieve our goals during this difficult year. Sincere thanks are due to our Distinguished Fellows *Dr Debapriya Bhattacharya* and *Professor Mustafizur Rahman* for their valuable inputs. We also recognise the contribution of Research Director *Dr Khondoker Golam Moazzem* and Finance Director *Mr M Shafiqul Islam* in guiding the teams. Finally, we thank our friends, supporters and well-wishers for their continuous support towards our endeavours.

With warm regards,



Professor Rehman Sobhan
Chairman
CPD



Dr Fahmida Khatun
Executive Director
CPD



REMEMBERING PROFESSOR ANISUZZAMAN

The CPD is deeply shocked and saddened by the passing of its Board member and National Professor Anisuzzaman on 13 May 2020.

Professor Anisuzzaman's contribution to the country is unparalleled. He took part in all major movements that helped Bangladesh to achieve its own identity as a nation. He participated in the Language Movement in 1952, in Mass Uprising in 1969, and in the War of Liberation in 1971. Among several roles played by Professor Anisuzzaman, were the position of a member of the Planning Commission to the Government of Bangladesh during the Bangladesh liberation war and a member of the National Education Commission set up by the government after liberation. He received Padma Vibhushan from the Government of India for his contribution to Bangla literature.

He was a member of the Citizen's Committee during the 'Honest and Competent Candidate Movement' launched by CPD in 2006. Under this initiative, CPD prepared "Vision 2021" document for which we received his valuable input and guidance. He was also a member of the Advisory Committee of the Citizen's Platform for SDGs, Bangladesh which is hosted by CPD.

With the passing of Professor Anisuzzaman, the country has lost a great patriot, a great teacher, and a fine intellectual in Bangla literature and culture.

FOCUS VISION MISSION OBJECTIVES

Our Focus

CPD strives to focus on the frontier issues that are critical to the development of Bangladesh in the present context, and which are expected to shape and influence the country's development prospects over the mid-term horizon.

Our Vision

To contribute towards building an inclusive society in Bangladesh that is based on equity, justice, fairness and good governance.

Our Mission

To service the growing demand of civil society of Bangladesh for a demand-driven and accountable development process by stimulating informed debate, generating knowledge and influencing policy-making through research, dialogue, dissemination and advocacy.

Our Objectives

To enhance national capacity for economy-wide policy analysis; foster regional cooperation in key areas such as poverty alleviation, trade, investment and connectivity; facilitate Bangladesh's effective integration into the process of globalisation.

2020 AT A GLANCE

47

COMPLETED RESEARCH

18

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44

PUBLIC EVENTS AND EGMS

2039

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151

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58

NEWSPAPER INTERVIEWS



MACROECONOMIC POLICY ANALYSIS IN THE TIME OF COVID-19

The Independent Review of Bangladesh's Development (IRBD), CPD's flagship programme, has been assessing the country's macroeconomic development since 1995. Under this programme, CPD conducts periodic review of the state of Bangladesh economy. CPD scrutinises the macroeconomic indicators, puts forward recommendations for the national budget, and provides objective analysis of the national budget presented by the Finance Minister of the country. The IRBD programme also includes pre- and post-budget dialogues at the local and national levels. These dialogues are participated by top-level policymakers and key stakeholders. This year, CPD also carried out intensive analysis to chalk out macroeconomic priorities under the COVID-19 crisis situation.

MACROECONOMIC PRIORITIES IN THE TIMES OF COVID-19

Bangladesh economy, from the very beginning of FY2019-20, has been grappling with challenges in the areas of revenue mobilisation, banking sector, capital market and export sector

The situation was exacerbated as the outbreak of COVID-19 had impacts on the economy through various transmission channels, both domestic and global. This further aggravated due to the super-cyclone *Amphan*.

Prior to the declaration of the National Budget FY2020-21, CPD's analyses showed that the COVID-19 pandemic has led to:

- a slowdown in economic growth (at best 2.5 per cent in FY20);
- given rise in poverty (to 35 per cent in FY20) and (both income and consumption) inequality;
- triggered a record shortfall in revenue mobilisation (Tk. 125,000 crore);
- disrupted the implementation of public investment projects;
- escalated budget deficit and bank borrowing;
- decelerated export growth; and
- induced a fall in remittance inflow.

In emergence of the COVID-19 situation, CPD proposed BDT 30,000 crore cash transfer for 1.9 crore households.

CPD, in its budget recommendations, had urged to give priority to four sectors: health, social safety net, agriculture and employment generation.

CPD BUDGET DIALOGUE



MR M A MANNAN, MP

Hon'ble Minister for Planning
Government of Bangladesh



“It is true that there are some limitations in implementing the government’s decisions, but we can work together to overcome the challenges”



PROFESSOR REHMAN SOBHAN

Chairman, CPD



“The government should effectively monitor the implementation of the budget, especially the incentive and relief packages. The civil society, private sector, and media can play a critical role here to improve accountability in the implementation process. The government should particularly focus on increasing the coverage and efficacy of social safety net programmes to support the affected citizens.”



MR SABER HOSSAIN CHOWDHURY, MP

Chairman, Parliamentary Standing Committee
on Ministry of Environment, Forest and
Climate Change



“It is not the time to run after GDP growth. We should look into improving and saving the lives of our citizens. We need to come out of the traditional fiscal framework and should really put focus on improving the quality of public services.”

CPD BUDGET DIALOGUE



MR AMIR KHOSRU MAHMUD CHOWDHURY

Former Minister for Commerce



“The government may have overlooked the realities and needs of the citizens while formulating the budget. The health sector has been suffering from corruption, lack of technological improvements, and inadequate human resources.”



MR NAHIM RAZZAQ, MP

Member, Parliamentary Standing
Committee on Ministry of Foreign Affairs



“Revenue mobilisation should be made in a new innovative way for which NBR has to play a big role.”



DR FAHMIDA KHATUN

Executive Director, CPD



“The budget document does not have much to offer in terms of concrete measures and adequate resources to combat COVID-induced challenges.”



HEALTH AND ECONOMIC RISKS OF COVID-19 PANDEMIC

The COVID-19 pandemic posed a health and economic threat globally. The world came to standstill as people witnessed lockdowns to reduce the spread of the virus. This also meant a break in the economic activities across the world. This had major implications for Bangladesh and other countries both for the domestic and international market. Additionally, the preparedness of Bangladesh to face such a health hazard was tested to the maximum limit. Since COVID-19 being declared as a pandemic, CPD has focused its activities on analysing the socio-economic and health implications of the pandemic and making appropriate policy recommendations to address those challenges.



IDENTIFYING THE ECONOMIC RISKS DUE TO COVID-19

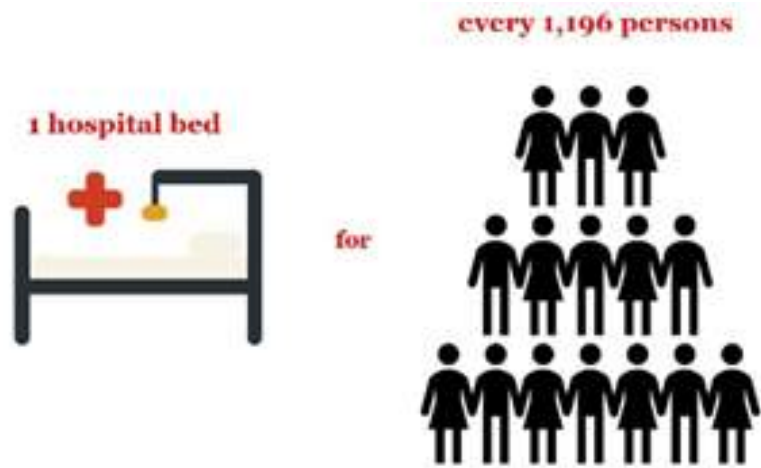


CPD took immediate initiatives to identify the economic risks facing the pandemic.

The uncertainties at global and domestic level were shared by the Centre at the initial stage of the pandemic. This analysis is a key contribution to the national effort to deal with the sudden and uncertain situation.



STATE OF THE HEALTH SECTOR



CPD URGED FOR TARGETED EXPANSIONARY MEASURES TO TACKLE CORONA RISKS



RAPID ASSESSMENT OF STIMULUS PACKAGES AND RELIEF MEASURES

- In order to mitigate the COVID-19 affected sectors and people, the government announced a number of stimulus and relief packages.

Areas covered by CPD's analysis of the stimulus packages and relief measures:

- Operationalisation of the liquidity support through banks
- Assessment of BDT 5,000 Crore (Emergency) Incentive Package
- The stimulus package of BDT 20,000 crore credit line support for the Small and Medium Enterprises (SMEs)
- Relief packages to mitigate the impact of COVID-19

CPD recommended to focus on:

- preparing a central database of the beneficiaries for all safety net programmes
- enhancing and enforcing the coordination and collaboration both at the local and central level
- building up digital infrastructure with all sorts of surveillance mechanisms
- ensuring the role of the Anti-Corruption Commission of the government in securing the credibility of the system
- building a competent team of experts which may help in overcoming the leakage that arises in case of cash-transfer programme

IMPORTANCE OF MULTILATERAL ORGANISATIONS IN RECOVERY FROM COVID-19

The COVID-19 pandemic brought attention to the crucial role of the multilateral organisations and other financial philanthropic institutions as supporters of growth and prosperity in the developing countries.

During the ongoing pandemic, these organisations were proactive even though the multilateral development system was under stress, perhaps as never before.

The pandemic can be considered as an opportunity to build a system which may address new global development challenges

Inflow of funds to the middle-income countries was up to the mark but there were some financing gaps in addressing the crisis in the developing countries

The pandemic highlighted the interdependence of nations and people around the world



POWER AND ENERGY

The power sector of Bangladesh is increasingly facing challenges with regard to inefficiency, cost escalation, lack of cleaner energy mix, poor quality of transmission and distribution and rising financial burden. Those challenges are likely to aggravate in the future and hence it is important to take lessons from that to ensure proper implementation of the 8th Five year Plan (8FYP). In 2020, CPD advocated for the improvement of the transmission and distribution of electricity. Focus should also be given on strengthening the capacity of implementing renewable energy projects. The Centre also worked to ensure that both traditional and non-traditional renewable energy projects get priority.

POWER SECTOR

BURDEN OF OVERCAPACITY DEMANDS REDIRECTION TOWARDS CLEAN ENERGY

The power sector is getting overburdened gradually by the excess installed capacity. COVID-19 has exacerbated the situation. Ambitious demand forecasting in power sector master plans is partly responsible for this. The Power Division needs to re-estimate the demand for electricity in the coming years in view of the sluggish investment since pre-COVID period which would continue in the post-COVID period.

RE-ESTIMATE DEMAND FOR ELECTRICITY

REDIRECT POWER SECTOR TOWARDS CLEAN ENERGY LED SECTOR BY 2030 AND 2041

THE POWER SECTOR SHOULD BE GIVEN PRIORITY IN THE 8FYP

POWER SECTOR IN THE NATIONAL BUDGET

The FY2020-21 national budget for the power sector put emphasis on transmission and distribution-related projects which would help to improve transmission and distribution of electricity system

Promotes inclusive policymaking
CENTRE FOR POLICY DEVELOPMENT

POLICY BRIEF

2020 (05)

Highlights

- The power sector is increasingly burdened by financial pressure mainly due to over-generation capacity, un- and under-utilization of power plants, inefficient operation, huge capacity payments, over reliance on fossil fuels as energy and import of raw materials.
- The FY2021 national budget for the power sector put emphasis on transmission and distribution-related projects which would help to improve transmission and distribution of electricity system.
- There is little justification for implementation of coal-based power plants, particularly when the country is burdened with over-generation capacity and there are environmentally polluting. The government should consider cancelling those projects.
- The decision to defer and cancel of selected generation projects would create fiscal space for the government about Tk. 2572 crore from the revenue budget and Tk. 2527 crore from budget in FY2021. The government should negotiate with development partners for redirecting those project aid towards implementing clean-energy based power sector projects.

cpd.org.bd
cpd.org.bd
cpd
CPD Bangladesh

House: 40/C, Road: 11 (new)
Dhanmondi R/A, Dhaka-1209
Bangladesh
Telephone: (+88 02) 9147374,
4611820, 55001165
Fax: (+88 02) 55901163
E-mail: info@cpd.org.bd

Decision to defer and cancel off selected generation projects would create fiscal space for the government (about Tk. 914 crore from the revenue budget and Tk. 2507 crore from foreign aid in FY2021). The government should renegotiate with development partners for redirecting those project aid towards implementing clean energy-based power sector projects.

There is little justification for implementation of coal-based power plants, particularly when the country is burdened with over-generation capacity and those are environmentally polluting. CPD recommended that the government should consider cancelling those projects.



SUSTAINABLE DEVELOPMENT GOALS (SDGS)

CPD in 2020 continued its initiatives that focused on localisation of the SDGs in Bangladesh. Through reaching out to local-level stakeholders, CPD ensured that the voices of the grassroots are heard at the national level. In 2020, CPD highly emphasised on the issues like employment and delivery of social protection in line with the concept of localising SDGs. With the emergence of COVID-19 pandemic, the discussions found more relevance as employment-generating stimulus packages and COVID and flood relief were being distributed. These issues were viewed through the lens of efficiency in public service delivery.



EFFICIENCY OF DELIVERING SOCIAL PROTECTION

Data gap a major hindrance to efficient implementation of safety net programmes
Free flow of information, awareness building and enhanced GO-NGO coordination required in relief and agricultural incentives distribution
Not the size of population, but the share of vulnerable people should guide beneficiary selection for relief

Social safety net programmes (SSNPs) are key enablers to attain basically all the SDGs at the country level. Increased collaborative effort and coordination amongst the grassroots, government representatives and government officials are essential to ensure the efficient delivery of the SSNPs. Alterations in the local-level power dynamics via increasing citizen's engagement are particularly relevant to this end.

There is a need for increased collaborative effort among local level people, government representatives and government officials to ensure effective distribution of the relief efforts undertaken by the government in view of the COVID-19 pandemic and the recent flood situation.

AMONG ALL THE HOUSEHOLDS RECEIVING SSNP ASSISTANCE, ABOUT 65.6% WERE FROM THE NON-POOR CATEGORY – HOUSEHOLD INCOME AND EXPENDITURE SURVEY (HIES) 2016



EMPLOYMENT IMPLICATIONS OF STIMULUS PACKAGES

New realities arising from the COVID-19 have put a significant number of those in the labour market at risk of losing employment opportunities

Government gave stimulus packages to revive economic activities – CPD assessed if these packages were employment sensitive.

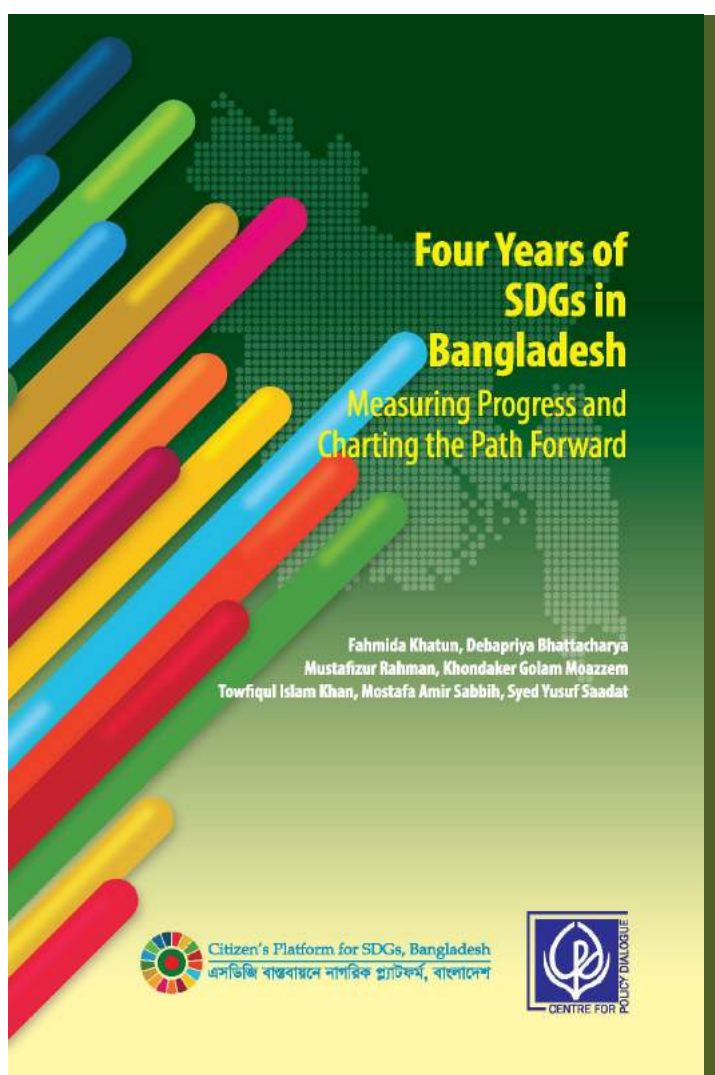
Marginalised groups including small entrepreneurs, informal workers, women, persons with disability, young entrepreneurs and new entrants in the labour market are more adversely impacted than others

CPD suggested – Improvements in design, coverage and disbursement urged to reach the marginalised group



THE GLOBAL GOALS

DELIVERING SDGS IN BANGLADESH: ROLE OF NON-STATE ACTORS

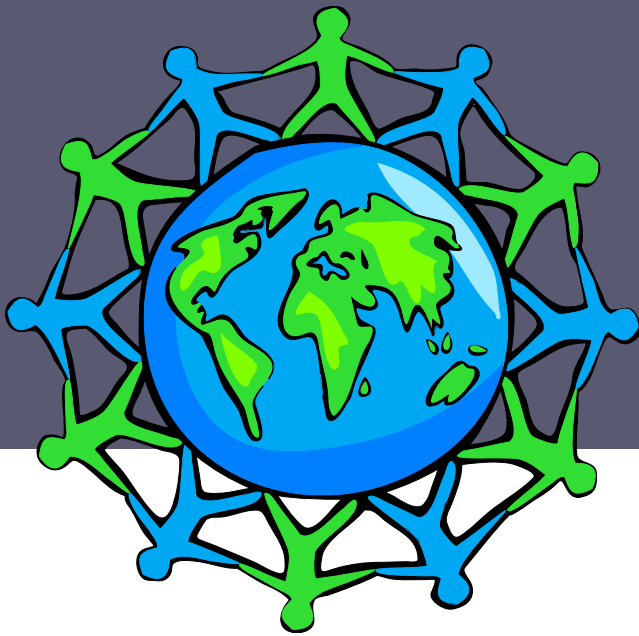


The Centre realised the necessity to assess the progress made in SDG implementation so far in the last four years with a particular focus on the role and contribution of the non-state actors (NSA) in realising this ambitious development agenda.

There is room for improving cooperation among the government and non-government initiatives if the country is to realise the SDGs by 2030 through inclusive and participatory process.

Four Years of SDGs in Bangladesh Measuring Progress and Charting the Path Forward

Authors: Fahmida Khatun, Debapriya Bhattacharya, Mustafizur Rahman, Khondaker Golam Moazzem, Towfiqul Islam Khan, Mostafa Amir Sabbih, Syed Yusuf Saadat



REGIONAL COOPERATION FOR SDG IMPLEMENTATION

CPD Policy Brief



Since many of the targets of the Sustainable Development Goals (SDGs) are not only interconnected, but also transnational, the countries of South Asia need to cooperate within themselves in order to realise the ambition of the 2030 Agenda. Thus, the quest for achieving the SDGs must be a journey where countries proceed hand-in-hand to accomplish shared goals. Otherwise, the prospects of reaching the final destination of SDG accomplishment in 2030 are astronomically low.

CPD investigated the regional priorities, instruments, and institutions that hold the potential for implementing the SDGs in South Asia by 2030. This study explores how regional cooperation may be conducive to addressing common regional priorities and achieving the SDGs in South Asia.

Regional Cooperation for SDG Implementation A Model for South Asia

Authors: Fahmida Khatun and Syed Yusuf Saadat

TRADE AND INVESTMENT



In 2020, CPD continued its work on analysing the trade and investment potentials for Bangladesh. In doing so, CPD's work extended to analysis a vital sector for Bangladesh, the readymade garments (RMG) sector. The Centre also highlighted the challenges of doing business in the country and how Bangladesh may overcome them.



VOICE OF THE RMG WORKERS NEEDS TO BE HEARD


“ To overcome this situation, there needs to be a good understanding between the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the RMG workers

-Dr Khondaker Golam Moazzem,
Research Director, CPD

”

The 7th Anniversary of the Rana Plaza Tragedy coincides with one of the most difficult socio-economic challenges since Bangladesh's independence due to the COVID-19 pandemic.

The partnership of the market players in the RMG value chain is under threat. There are strong indications of downgraded adjustments and risk-coping strategies at the suppliers' end, particularly in the case of the world of work. Even in some instances, there are indications of further downgraded risks in the world of work which is a concern in the context of future adjustment process for businesses and workers in the RMG sector.



BUREAUCRATIC INEFFICIENCY IS IDENTIFIED AS THE TOP BARRIER TO BUSINESS

Entrepreneurs identified following factors were the most problematic for doing business in Bangladesh during Jan-Dec 2019:

- Inefficient government bureaucracy;
- Corruption; and
- Limited access to finance

Bangladesh needs to undertake major initiatives for sustainable recovery in the post-COVID period through four targeted measures

- Transforming the enabling environment;
- Transforming human capital;
- Transforming markets; and
- Transforming the innovation ecosystem.

Inefficient bureaucracy has emerged as the top barrier to pursue business activities in the country

This has been revealed by the executive opinion survey conducted by the CPD as part of the Global Competitiveness Report (GCR) 2020.

The GCR is the flagship publication of the World Economic Forum (WEF), where CPD is the partner organisation which conducts the Bangladesh chapter of the study.

Majority of institutional and governance related indicators such as burdensome administrative requirement, difficulty in challenging government decisions, unofficial transactions in public service delivery, has further deteriorated in 2019.

LDC GRADUATION

The Centre has delved into the implications of the upcoming graduation of Bangladesh from the Least Developed Countries (LDC) category. Policy recommendations excavated from the study include measures for recovery from the pandemic and preparation for sustainable graduation.



8FYP should embed resilient Covid-19 recovery and sustainable LDC graduation

It is expected that the 8FYP would lay out a smooth and resilient recovery path from the unanticipated impact of COVID-19, especially when Bangladesh is thriving to graduate from the LDC status.

A select set of issues were taken up for review and analysis from the perspective of 8FYP:

- Revenue mobilisation and public expenditure
- Employment-friendly investment and industrialisation
- Monetary policy and banking sector
- International trade
- External finance for development

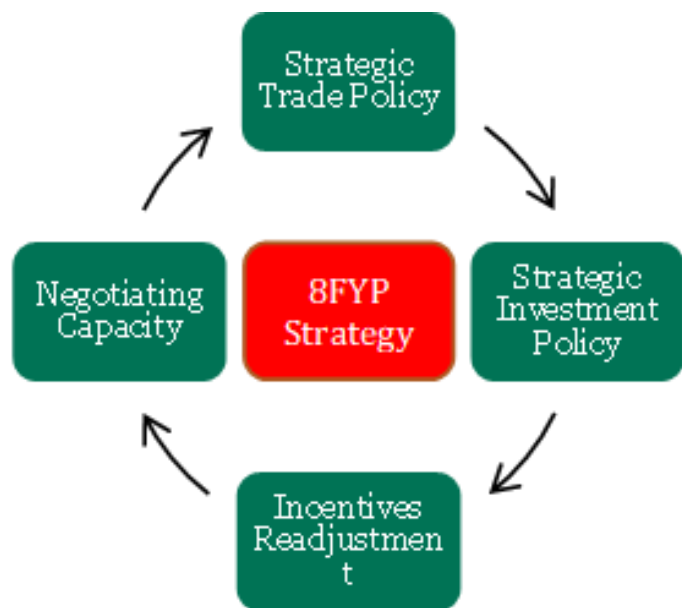
Strategising in view of LDC Graduation



LDC graduation will entail significant preference erosion and loss of special and differential treatment (S&D) flexibilities currently enjoyed by Bangladesh

Three-pronged strategy:

- Getting ready by taking advantage of flexibilities currently available
- Preparing for future as a developing country
- Pursuing proactive policy, regionally and globally, to safeguard Bangladesh's trade and business interests



A significant number of countries are to leave the group of least developed countries (LDCs) in the coming decade. Following LDC graduation these countries will sequentially become ineligible for the international support measures (ISMs) they currently enjoy.

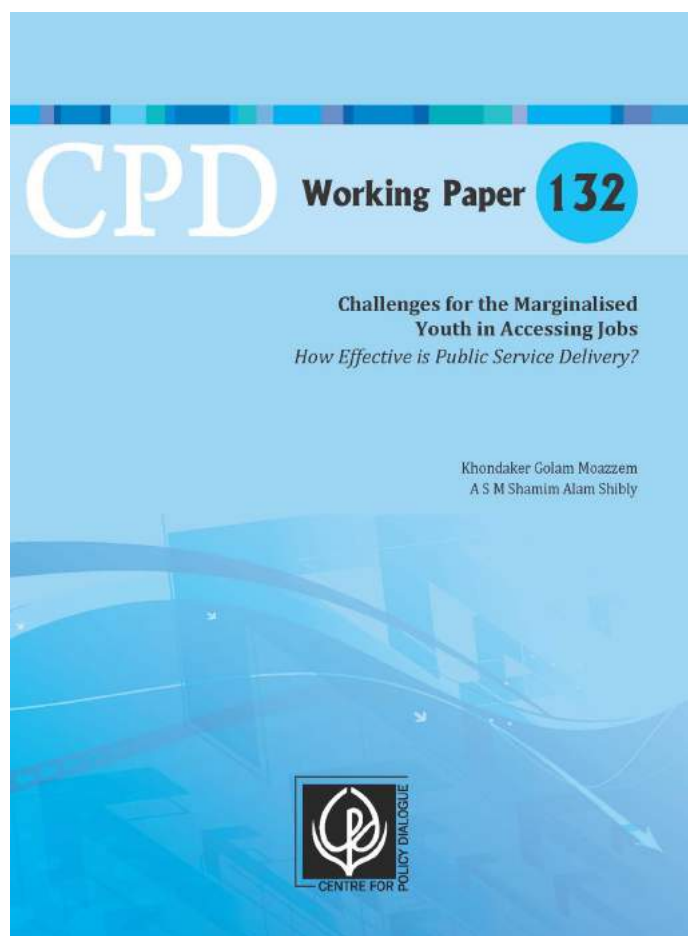


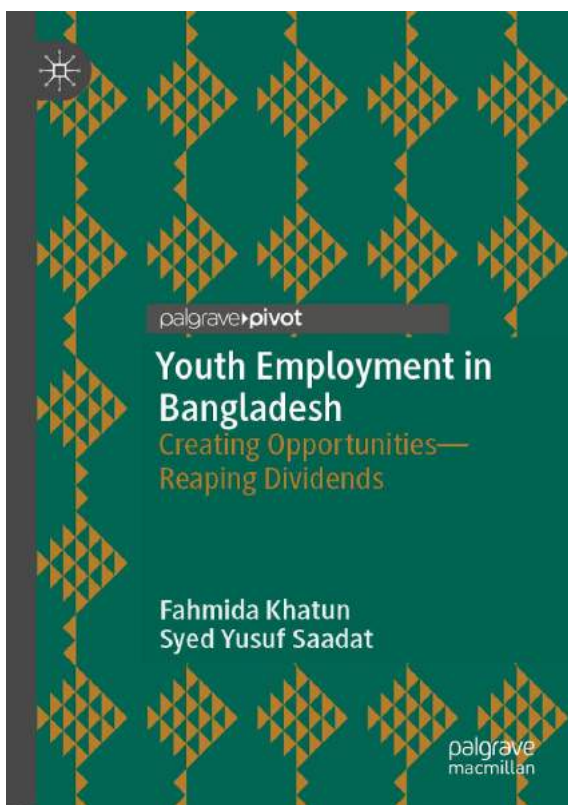
Youth and Employment

The issue of youth and employment has been investigated by CPD researchers during 2020. Efficiency of public service delivery, challenges for the marginalised youth in accessing jobs, reaping benefits of the demographic dividend, fourth industrial revolution and technological advancement have been key issues of interest while looking into youth employment.

Empowering the Marginalised Youth for the Labour Market through Effective Public Service Delivery

CPD published a working paper in 2020 to bring forth the challenges of marginalised youth in accessing jobs and how effective is the public service delivery in addressing their challenges. Lack of transparency and accountability of the concerned public offices deprive youths in accessing essential services related to these challenges.





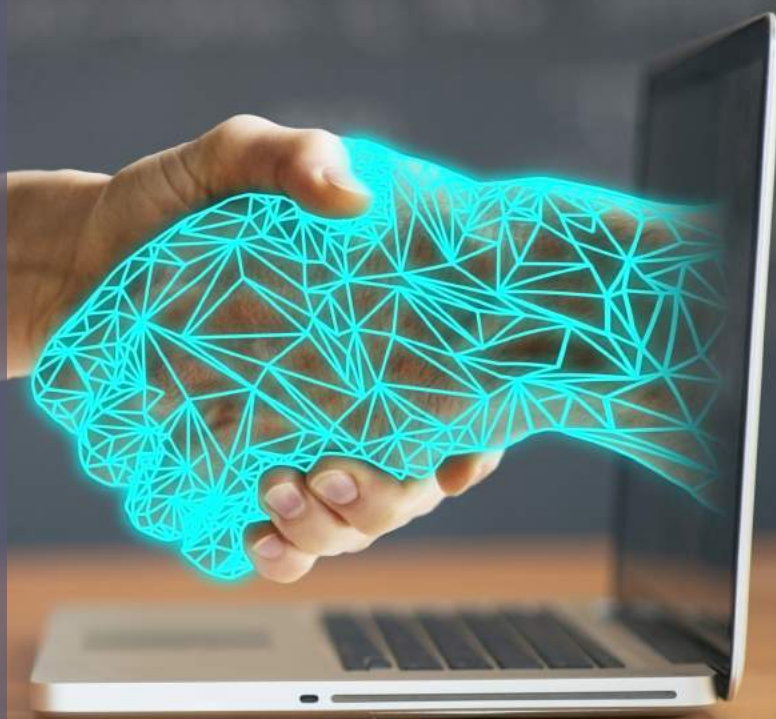
Youth Employment in Bangladesh: Creating Opportunities—Reaping Dividends

This book brings together pioneering and evidence-based research that focuses on youth employment—one of the foremost development challenges of our time—and fills a critical research and knowledge gap alongside consolidating existing relevant literature. Comprehensive in scope, the book provides an overview of trends in youth employment in Bangladesh, empirically analyses the determinants of youth unemployment, covers relevant economic theory, and recommends policy measures for employment creation in Bangladesh.

Fourth Industrial Revolution (4IR), Technological Advancement and Youth Employment

Technological advancement can displace workers with machines, but also create new jobs. Hence, at the crux of the matter lies a race between the rate of technological advancement and the pace at which educational institutions can empower workers with the right skills.

For the countries of the South Asian region, generating jobs for youth will prove to be a challenge in the backdrop of the Fourth Industrial Revolution.



Regional Cooperation

In 2020, CPD's notable effort concerning Bangladesh's integration into the regional economy included a dialogue on Bangladesh-China Development Cooperation. 2020 marked the 45th anniversary of Bangladesh-China diplomatic ties. During the past decades, development cooperation between Bangladesh and China has increased significantly. The objective of the event was to review Bangladesh's economic relationship with China and discuss the outlook for future bilateral partnership through investment and trade.



Bangladesh-China Development Cooperation: Experience and Outlook

In recent years, both economic factors and proactive foreign policy have facilitated Sino-Bangladesh economic relations to grow manifold. This spans from trade and investment to education and health. There are wider future possibilities for both countries in terms of trade and investments according to experts.



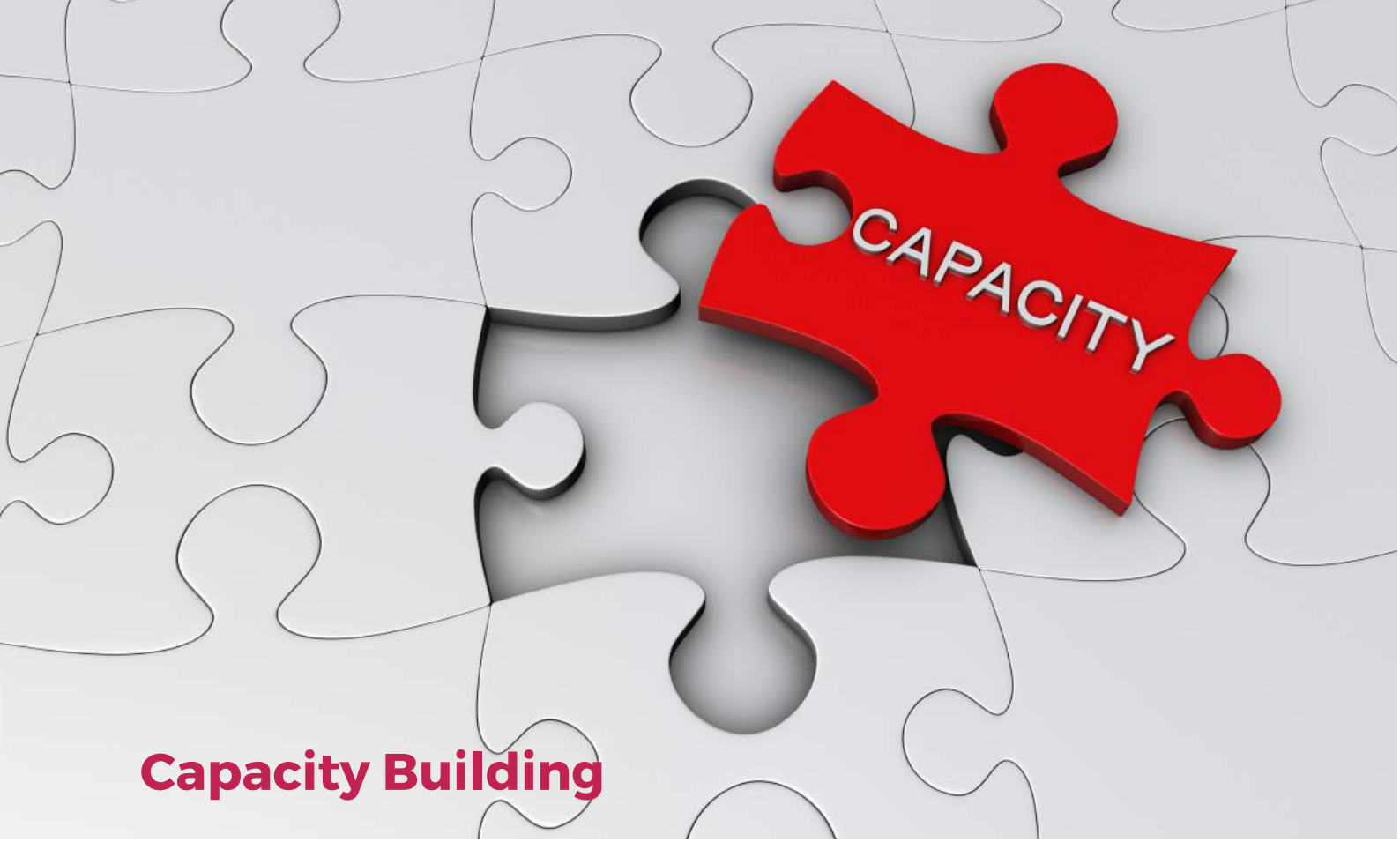
There is an increasing interest of investment and growth in exclusive economic zones and Bangladesh has a strong commitment on close economic cooperation with China

**Mr Md Shahriar Alam, MP
Hon'ble State Minister for Foreign
Affairs, Government of
Bangladesh**



China has been thinking about a broader inclusive economic partnership with South Asia for a long time. He mentioned that in terms of exports, China is one of the largest trading partners of Bangladesh, and they had a vision for widening the relationship between both countries as part of their long-term strategic thinking.

**Professor Rehman Sobhan
Chairman, CPD**



Capacity Building

Capacity development is the process which enables an organisation to attain and develop various pertinent skills, knowledge, tools, and other resources for improving its overall capacity in order to function efficiently. One of the CPD's mottos is to attract talented young professionals with commitment for working in an environment for inclusive growth and development and enhance their capacity to make them future development leaders.

In view of the above, the CPD places high importance on the capacity building of its staff, since this contributes to strengthening institutional capabilities. CPD takes active interest in mentoring the juniors—not only researchers, but professionals of other divisions as well. In this respect, junior staff members are given opportunities to participate in training programmes, seminars and courses that would enhance their knowledge and professional capacities. Also, they are sent to various events to participate and contribute to the discussions and to encourage them to build professional network.

In 2020, 17 junior CPD officials took part in 60 engagements that were deliberated to enhance their competencies in their respective professional sectors and diversify their skills. Among these, twenty were overseas assignments.

As a part of its capacity development programmes, CPD also arranges Young Scholar Seminar Series (YSSS) sessions on a regular basis where young professionals present and showcase their study findings.



Young Scholars' Seminar Series (YSSS)

Young Scholars' Seminar Series (YSSS) is a platform for young professionals to hone their analytical skills and improve their articulation and presentation. YSSS holds in-house discussion with presentation of CPD's young researchers on topics from their ongoing research. The discussion provides suggestions from colleagues to address scopes of improvements in their study. Three sessions were observed under the YSSS programme in 2020.

On 24 August 2020 a virtual YSSS was organised where Ms Sayeeda Jahan, Research Associate, CPD shared her research entitled "Understanding the Second-Generation Challenges of SDG Implementation". Mr Zubayer Hossen, Economist, UNDP and Mr Mostafa Amir Sabbih, Senior Research Associate, CPD were present at the event as Discussants.

Another session of the YSSS was organised virtually on 15 December 2020. Mr Md Kamruzzaman made a presentation on "International Trade in Services in a Digital Age" and Mr Abu Saleh Md. Shamim Alam Shibly presented on "Review of the Methodology of the Mapped in Bangladesh (MiB)".

CPD also organised a three-day long capacity building training on Standard Monitoring and Evaluation (M&E) Practices for its officials during 27-29 October and 1 November 2020.



SPECIAL EVENTS

In 2020, CPD organised various in-house events to observe several important days of the calendar. Organising such events regularly strengthened the bonding of the CPD family and provided a homely environment for its members. The CPD professionals also went on a three day retreat at which the future strategies of the organisation was planned alongside them finding a way out of the regular life.

INSTITUTIONAL STRUCTURE

CPD's institutional structure is one of its key strengths, ensuring the independence of its research and dialogue activities, and relevance of the CPD initiatives to diverse stakeholders. The three divisions of the Centre—Research, Dialogue & Communication, and Administration & Finance—function in an interconnected and coordinated manner to serve the institutional work plan.

Research division

In line with CPD's objective to be involved in multi-disciplinary and non-partisan research, CPD researchers conduct research studies, aligning methodologies with research goals, using a range of tools to acquire information, preparing reports and presenting findings to management and other stakeholders, identifying trends and patterns.

CPD also encourages its researchers to pursue higher studies, support them proactively, and publish articles under joint authorship. Moreover, capacities of young researchers are enhanced by sending researchers regularly for training and attending conferences and seminars both in Bangladesh and abroad.

Dialogue, Communication and Outreach division

The Dialogue Division is a key component for CPD's advocacy. CPD constantly works to obtain effective outreach of CPD activities through the virtual and other media. In order to translate the research findings into a language that could reach all levels of stakeholders and beneficiaries, advocacy is imperative. And the Dialogue Division primarily aims to promote and disseminate the research results through effective means of outreach and publications.

Finance and Administration division

Another pillar of the CPD is the Finance and Administration Division. This section is continuously working to contribute towards efficient management. As the number of projects at CPD is increasing, the Finance and Administration Division is thriving to become an up-to-date and proficient component with a view to strengthening CPD's operations.

GOVERNANCE AND INTERNAL MANAGEMENT

Board of Trustees

The highest body in CPD's governance structure is the Board of Trustees (BoT). The Board, with the support of an Executive Committee (comprising BoT's Member-Secretary and the Treasurer), is entrusted to provide overall guidance to the activities of CPD.

Chair of the Board
Professor Rehman Sobhan
Chairman, CPD

Ms Khushi Kabir

Coordinator, Nijera Kori

Nobel Laureate Muhammad Yunus

Chairman, Yunus Centre

Mr M Syeduzzaman

Former Finance Minister

Mr Syed Manzur Elahi

Chairman, Apex Group

Advocate Sultana Kamal

Former Member (Minister), Advisory
Council of Caretaker Government

Dr Debapriya Bhattacharya

Distinguished Fellow, CPD

Ms Rasheda K Chowdhury

Executive Director, CAMPE
Former Adviser, Caretaker Government

Dr Shahdeen Malik

Advocate, Supreme Court of Bangladesh

Professor Dr Syed Manzoorul Islam

Former Professor, Department of English,
University of Dhaka

Ms Parveen Mahmud FCA

Managing Director, Grameen Telecom Trust

Professor Mustafizur Rahman

Distinguished Fellow, CPD

Dr Fahmida Khatun

Executive Director, CPD
(Member-Secretary: CPD-BoT)



GOVERNANCE AND INTERNAL MANAGEMENT

Management and Implementation Committee (MIC)

The MIC is mandated with the task of overall supervision, monitoring and decision-making of the day-to-day work and administrative issues of CPD. A total of 45 MIC meetings were held in 2020.

The other institutional bodies that contribute towards governing the CPD are:

Research Management Committee (RMC)

The committee that takes stock of progress in research works, designs and implements strategic coordination among various research programmes/activisms, and discusses research proposals of the CPD. RMC is chaired by the CPD Research Director, and participated by all mid to senior-level researchers.

Two meetings of the RMC were held in 2020.

Review, Coordination and Planning (ReCAP)

A discussion platform of all CPD staff on issues pertaining to any institutional activity and/or matter.

In 2020, Nine ReCAP meetings were held.

CPD'S OUTREACH IN 2020



2039

PRESS COVERAGE

7665

E-ALERT SUBSCRIBERS

103,357

YOUTUBE VIEWS

3514

TWITTER FOLLOWERS

46032

FACEBOOK FOLLOWERS

261869

WEBSITE VISITS

1151

ELECTRONIC MEDIA
APPEARANCES

FINANCIAL AFFAIRS

**Independent Auditor's Report
To the Management of Centre for Policy Dialogue**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Centre for Policy Dialogue (CPD), which comprise the statement of financial position (balance sheet) as at 30 June 2020, and the income and expenditure statement, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the CPD as at 30 June 2020, and of its financial performance and its receipts and payments for the year then ended in accordance with the Financial Reporting Framework as stated in note 2.1.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the CPD in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the Financial Reporting Framework as stated in note 2.1 and other applicable laws and regulations, 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.

In preparing the financial statements, management is responsible for assessing the CPD's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CPD or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CPD's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



S. F. AHMED & CO
Chartered Accountants

— Established : 1958

House 51 (2nd and 3rd Floors)
Road 9, Bolck F, Banani
Dhaka 1213, Bangladesh

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 CPD's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CPD's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the CPD to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's Signature
Name of Engagement Partner
Enrollment No.
Firm's Name
Firm's Reg No.


: Md. Moktar Hossain, FCA, Senior Partner
: 728
: S. F. Ahmed & Co., Chartered Accountants
: 10898 E.P. under Partnership Act 1932



Document Verification System Code (DVC) : 2103100728AS643844

Dated, 10 March 2021

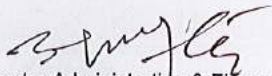
Centre for Policy Dialogue


Statement of Financial Position (Balance Sheet)
As at 30 June 2020

	Notes	2020 BDT	2019 BDT
Assets			
Non-current assets			
Property, plant and equipment	3	173,708,122	154,264,048
Security deposits	4	466,043	466,043
Total non-current assets		174,174,165	154,730,091
Current assets			
Advances	5	25,096,553	13,734,476
Fund receivables	6	17,143,321	12,414,975
Accrued interest		-	896,059
Cash and cash equivalents	7	124,229,889	140,112,507
Total current assets		166,469,763	167,158,017
Total assets		340,643,928	321,888,108
Funds and liabilities			
Funds			
Staff welfare fund		5,798,401	5,800,479
Accumulated fund	8	208,508,797	209,660,542
Fund balance		214,307,198	215,461,020
Non-current liabilities			
Staff provident fund		-	1,136,770
Staff gratuity fund		65,910,569	61,672,914
Term loan	9	29,599,086	-
		95,509,655	62,809,684
Current liabilities			
Liability for expenses	10	7,542,761	4,511,844
Withholding tax and VAT payable	11	904,277	-
Accounts payable	12	11,929,367	5,307,107
Grant received in advance	13	10,450,671	33,798,453
Total current liabilities		30,827,076	43,617,404
Total liabilities		340,643,928	321,888,108

These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Trustees of Centre for Policy Dialogue


Director Administration & Finance


Executive Director

See annexed report of the date



Dhaka, Bangladesh
Dated, 10 March 2021


S. F. AHMED & CO
Chartered Accountants
DVC: 2103100728AS643844

Centre for Policy Dialogue

Income and Expenditure Statement
For the year ended 30 June 2020

	Notes	2020 BDT	2019 BDT
Income			
Grants from domestic and external sources	14	128,170,863	189,026,215
Other income	15	8,664,090	5,584,988
Total Income (a)		136,834,953	194,611,203
Expenditure			
Salary and allowances	16	51,680,715	42,696,458
Office rent		6,742,926	8,990,568
Travelling and conveyance		476,045	869,480
Vehicle fuel and maintenance		1,222,108	1,827,354
Postage, telephone and fax		504,389	494,128
Repairs and maintenance		1,248,857	1,270,581
Printing and stationery		229,899	982,387
Entertainment		2,564,888	3,005,021
Seminars, workshop and dialogue		325,505	647,713
Utilities		1,549,610	2,229,284
Security charges		967,378	973,224
Training, recruitment and development		98,325	77,625
Newspapers and periodicals		251,163	309,349
Publication and dissemination		33,000	907,641
Professional and audit fees	17	145,000	200,076
Bank charges		185,247	193,858
Finance cost		1,259,936	-
Depreciation		2,615,798	4,235,363
Income tax expense		2,159,227	1,396,247
Projects expenditure	18	62,574,938	134,712,501
Total expenditure (b)		136,834,953	206,018,857
Excess of expenditure over income/(Deficit) (a-b)		-	(11,407,654)

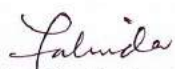
These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Trustees of Centre for Policy Dialogue


Director Administration & Finance



Dhaka, Bangladesh
Dated, 10 March 2021


Executive Director
See annexed report of the date


S. F. AHMED & CO
Chartered Accountants
DVC: 2103100728AS643844

Centre for Policy Dialogue

Statement of Cash Flows
For the year ended 30 June 2020

	2020 BDT	2019 BDT
A. Cash flows from operating activities		
Deficit for the year	-	(11,407,654)
Adjustment of non-cash items :		
Depreciation	2,615,798	4,235,363
Adjustment in accumulated fund	(1,151,745)	40,750,950
	<u>1,464,053</u>	<u>33,578,659</u>
(Increase)/decrease in current assets -		
Advances	(11,362,076)	(3,160,611)
Fund receivables	(4,728,346)	11,389,009
Accrued interest	896,059	985,849
(Increase)/decrease in current liabilities -		
Liability for expenses	3,030,917	(5,533,412)
Withholding income tax	904,277	(746,026)
Accounts payable	6,622,260	4,294,887
Grant received in advance	(23,347,782)	(8,297,901)
Staff gratuity fund	4,237,655	(9,359,940)
Staff welfare fund	(2,078)	513,349
Staff provident fund	(1,136,770)	(6,777,110)
Net cash from/ (used in) operating activities	<u>(23,421,831)</u>	<u>16,886,754</u>
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(23,139,797)	(17,999,770)
Disposal of property, plant and equipment	1,079,925	1,075,633
Net cash from/ (used in) investing activities	<u>(22,059,872)</u>	<u>(16,924,137)</u>
C. Cash flows from financing activities		
Term loan	29,599,086	-
Net cash from/ (used in) financing activities	<u>29,599,086</u>	<u>-</u>
Net changes in cash and cash equivalents (A+B+C)	<u>(15,882,617)</u>	<u>(37,383)</u>
Opening cash and cash equivalents	<u>140,112,507</u>	<u>140,149,890</u>
Closing cash and cash equivalents	<u>124,229,889</u>	<u>140,112,507</u>
Cash and cash equivalents:		
Cash in hand	364,766	1,003,591
Bank balance	<u>123,865,123</u>	<u>139,108,916</u>
	<u>124,229,889</u>	<u>140,112,507</u>

For and on behalf of Board of Trustees of Centre for Policy Dialogue


Director Administration & Finance


Executive Director

Dhaka, Bangladesh
Dated, 10 March 2021



Centre for Policy Dialogue

Notes to the financial statements
For the year ended 30 June 2020

1. Background

Centre for Policy Dialogue (CPD) was established under a deed of trust dated 16 November 1993 (herein-after referred to as the Trust). The Trust was registered as a non-government organization with the NGO Affairs Bureau, Government of Bangladesh on 08 March 1995. The registered office of CPD is located at House # 40C, Road No 32, Dhanmondi, Dhaka 1209. The primary objective of CPD is to create an environment for public discussion of important national policy issues with a view to build a broad support for such policies. The other objectives of the organization are to work on:

- making people of Bangladesh aware of issues affecting their lives and future;
- discussion of important national policy issues with a view to build broad based support for such policies;
- organising periodical policy dialogues through the workshops, seminars and conferences at the national and international levels and to disseminate the outcomes of such dialogues to audience through the media and dialogues at the local and grass root levels, etc.

2. Significant accounting policies

2.1 Basis of accounting

These financial statements are prepared under historical cost convention in accordance with the recognition and measurement principles outlined in International Financial Reporting Standards (IFRSs) applicable for a non-Governmental and not-for-profit organization like CPD. Wherever appropriate, such principles are explained in the succeeding notes.

The enclosed financial statements are the consolidation of CPD and its projects. The accounts of the projects are separately audited wherever necessary as per requirement of Donors and/or NGO Affairs Bureau in relevant cases. These financial statements are prepared only for the use of the Board of Trustees of CPD.

2.2 Property, plant and equipment

i) Initial measurement and recognition

Property, plant and equipment (PPE) is recognized as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably. These are shown at cost less accumulated depreciation.

ii) Depreciation policy

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if requires. There has been no change in estimate from last year. Land is not depreciated. Depreciation is charged from the month of acquisition of property, plant and equipment on straight-line method and not charged in the month of disposal. The rates of depreciation on various categories of assets are as under:

Category of asset	Rate of depreciation (%)
Furniture and fixtures	10
Office equipment	25
Other equipment	25
Motor vehicles	20
Office renovation	20
Paintings	10

iii) Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset in income and expenditure.



Centre for Policy Dialogue

Notes to the financial statements
For the year ended 30 June 2020

- iv) **Subsequent expenditure**
Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with expenditure will flow to the organization and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.
- v) **Capital works-in-progress**
Capital works-in-progress represents the cost incurred for acquisition and /or construction of items of property, plant and equipment that are not ready for use which measured at cost. These are transferred to the property plant and equipment on the completion of the projects.
- 2.3 Revenue recognition policy**
- i) **Grants and other income**
The project follows the guideline as stated in IAS 20: Accounting for Government Grants and Disclosure of Government Assistance, in respect to grant income recognition i.e. grants shall be recognised in the income and expenditure statement on a systematic basis over the periods throughout which the associated costs of the grant can be matched, as these costs are being compensated by the grant.
Other income including interest on fixed deposits are recognised on cash basis.
- ii) **Unspent donor's fund**
CPD allocates some of its expenses on a functional basis among its various programs and support services. Expenses that are identifiable for a specific program and support service are directly charged according to their nature of expenditure at actual basis. Other program expenses and administrative expenses those are common to various functions are allocated on pro-rata basis as per approved budget based on the values of their functions before allocation.
- 2.4 Cash and cash equivalents**
Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. An investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition.
- 2.5 Reporting period**
The financial statements of the Organization cover one year from 1 July 2019 to 30 June 2020.
- 2.6 Functional and presentation currency**
The financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the CPD's functional and presentation currency. All amounts have been rounded off to the nearest integer.
- 2.7 Foreign currency transaction**
Transaction in foreign currencies during the year are accounted for using the rates prevailing on the respective dates of such transactions.
- 2.8 Gratuity fund**
CPD service rules provide payment of gratuity to each employee at the end of his/her service period calculated at the rate of one and half month's last drawn basic pay times number of completed years of service. The employees who have completed three years of service with CPD is entitled to get this benefit. The total liability on this account as of 30 June 2020 stands at Taka 65,910,569 which has been duly accounted for in these financial statements.



Centre for Policy Dialogue

Notes to the financial statements
For the year ended 30 June 2020

2.9 Provident fund

As per decision of management and implementation committee of CPD dated 26 August 2007, a contributory provident fund was introduced for its employees where both the employer and employees will contribute to the fund @ 10% of basic salary. This will be effective from the date of joining of respective employee.

2.10 Receivables

Receivables are recognized when there is an executed contract with the donor(s) and the amount is not received as at 30 June 2020.

2.11 Comparative informaton

Comparative information have been disclosed in respect of the year (July, 2018 to June, 2019) for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current years presentation.

2.12 General

Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, bearing any impact on the profit and value of assets and liabilities.





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CPDBangladesh



সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)
Centre for Policy Dialogue (CPD)

House 40/C, Road No 11 (new)

Dhanmondi, Dhaka – 1209

Bangladesh

Telephone: (+88 02) 55001185, 48118090

Fax: (+88 02) 48110414

E-mail: info@cpd.org.bd