

Conference on
**Recommendations by the Task Force on
Re-Strategising the Economy**

Closing Session

Institutional Governance and Way Forward

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Keynote Presentation by

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Organised by



In Collaboration with

Task Force Committee on Re-strategising the Economy and
Mobilising Resources for Equitable and Sustainable Development

Governance and the Way Forward

Syed Akhtar Mahmood

Economic and institutional governance

our recommendations

Economic governance

4 core agendas important for a dynamic economy

Attract investments

**Enhance competition
in the market place**

**Provide incentives to
businesses**

**Regulate
business activities**

Recommendation 1

**Streamline
investment
promotion
functions**

**Make BIDA the
core agency**

**Many agencies involved
in investment promotion**



Bangladesh Investment
Development Authority



Recommendation 2

**Make the
incentive regime
more effective
through
performance
disciplines**

**Incentives are given
without demanding performance**

**Agree on
performance
indicators**

Set targets

**Assess
performance
against targets**

**Withdraw support
if targets not met**



Recommendation 3

Modernize the regulatory regime

Establish a Regulatory Reform Commission

Regulatory reforms
Countries have moved from ad-hoc actions to systematic approaches



KOREA
Regulatory Reform
Committee
1998



MEXICO
Federal Commission
for Regulatory
Improvement
(COFEMER)
2000



INDIA
Regulatory Reform
Committee
2025 (announced)

Recommendation 4

**Understand
market dynamics
better and
enhance
competition**

Syndicates may not always be the issue



12
member countries
40%
of market share



80%
of market share



Economic Governance: summary

From

Diffused attention

Giving privileges

Piecemeal actions

Reflexive reactions

To

Focused effort

Demanding results

Strategic approach

Clever steering

Institutional governance

Important in its own right; also complements economic governance

Five aspects of institutional governance are discussed in the report

- poor public service delivery
- weak project/program design
- inadequate monitoring and evaluation
- lack of coordination among government agencies
- poor reform-orientation of government officials

Recommendation 5

Improve public service delivery through pilot initiatives

Pilot cases for improving public service delivery

- Carry out some pilot cases for reforming the delivery of key public services.
- The pilots will demonstrate political will and will have a strong signaling effect. An institutional home will provide technical, regulatory and policy support and drive the process.
- Case pilots could include a public hospital, a rural government school or clinic, an institution like the Bangladesh Road Transport Authority (BRTA) or a public body like a city corporation, or even a single Ministry of the government.

Recommendation 6

**Improve
quality-at-entry
by making
project design
more rigorous**

Put in place rigorous project design discipline

- Projects must go through a rigorous selection process based on economic criteria (e.g., Benefit-Cost Ratio (BCR) and Economic Internal Rate of Return (EIRR)), and environmental, social and poverty impact assessments.
- The project feasibility studies should be based on a logical framework that clearly states the expected outcomes and impact of the project, and the project deliverables needed to achieve these.

Recommendation 7

Ask stakeholders whether projects are delivering

Establish feedback mechanisms

- A system of regular collection of beneficiary feedback should be introduced, using digital technologies where appropriate.
- The youth may be engaged in conducting such exercises.

Recommendation 8

**Improve
coordination
within
government**

Contradictory actions and unintended consequences



Bangladesh Investment
Development Authority

**Promote
investment**



National Board of Revenue, Bangladesh
জাতীয় রাজস্ব বোর্ড, বাংলাদেশ

**Mobilize domestic
resources**



Diversify exports



**Maintain
Macroeconomic
stability**

Recommendation 9

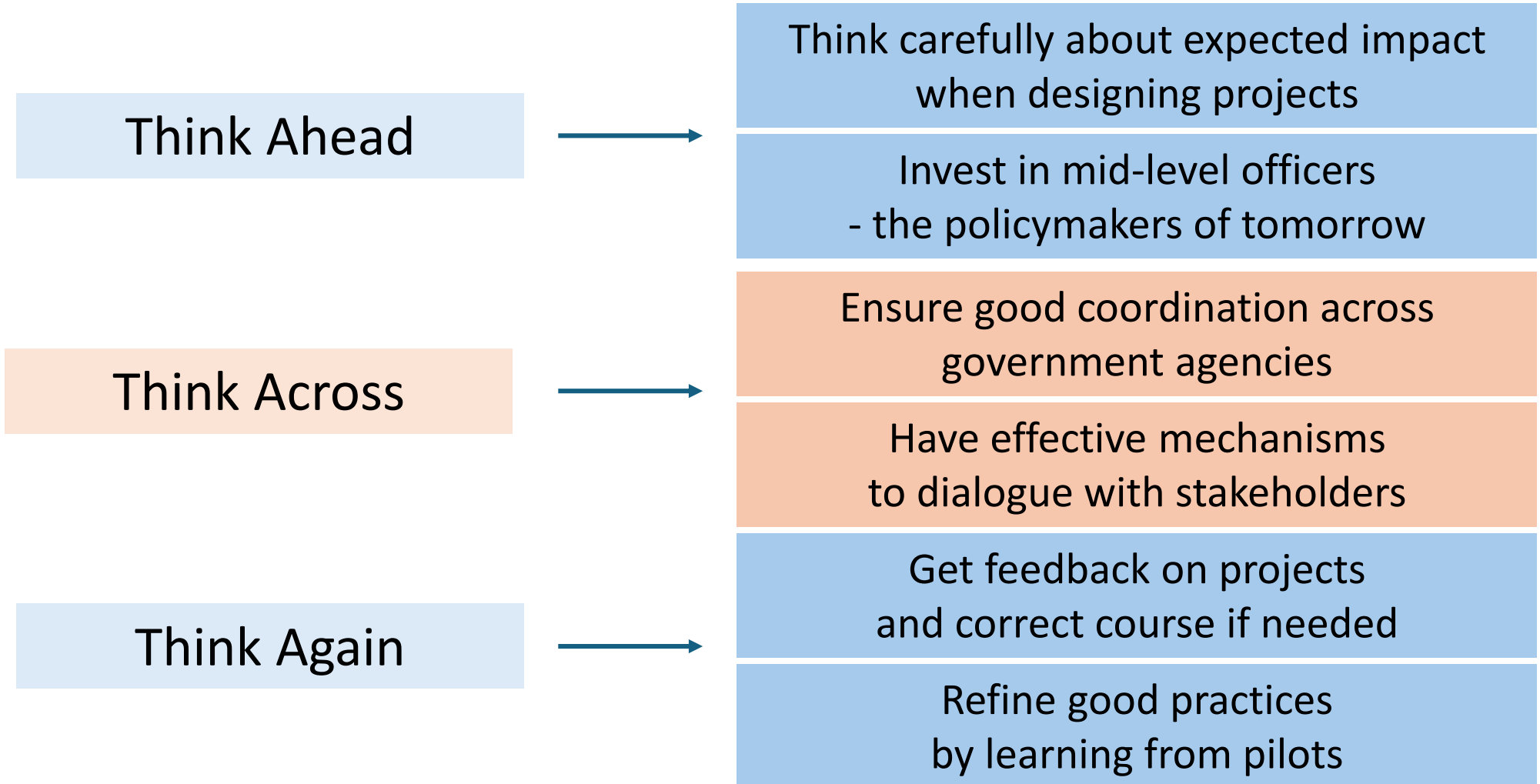
Stimulate mid-level officers – create cohorts of reformers within the bureaucracy

The silent change agents in government

- Courses on private sector development (PSD) issues
- Formation of 'PSD Reformer Groups' at the mid-levels of government
- PSD Reformer Group Alumni Program

Institutional Governance: summary

Reflects the Singaporean approach to governance



The way forward

Prioritizing the recommendations

Stage 1 Uninterested

Government does not want to discuss the problem or recommendations

Stage 2 Problem redefinition

Government feels that the problem is genuine but not defined properly

Stage 3 Recommendation redefinition

Government agrees with the problem definition but not with the recommendations

Stage 4 Recommendation finetuning

Government agrees with the problem definition and feels that the recommendation is broadly ok but needs refinement

Stage 5 Implementation preparation

Government agrees with the recommendations and starts preparations for implementation