CPD
Power and Energy Study
Towards Carbon Neutral Economy

Addressing Institutional Challenges in the Investment Cycle of the Renewable Energy

Case of Chinese Overseas Investment

Khondaker Golam Moazzem
Abrar Ahammed Bhuiyan

CENTRE FOR POLICY DIALOGUE

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Abstract

Bangladesh requires large-scale foreign investment to transition towards a renewable energy-based system and achieve its national renewable energy targets. Despite an open investment policy, the country has not realised the expected growth in foreign investment due to legal, institutional, and operational challenges. Over the years, the country has focused more on investment promotion rather than investment facilitation. This study examines the investment facilitation environment in Bangladesh's renewable energy sector, focusing on the business establishment and project implementation stages of renewable energy businesses, with particular attention to the Chinese investors. Using a multi-aspect framework based on the UNCTAD Action Menu for Investment Facilitation, the study assessed regulatory transparency, predictability, electronic governance, inter-agency coordination, application procedures, responsible business conduct, and anti-corruption mechanisms. Based on questionnaires, interviews with experts, investors, company officials (local and foreign), government representatives, and desk research, the findings reveal that although Bangladesh has taken steps like establishing an open tender system, investment facilitation remains uneven and inefficient. Regulatory transparency is moderate but fragmented; electronic governance is poor to nascent; focal point and review mechanisms are weak; the application process is opaque and inconsistent; inter-agency cooperation is limited and whilst the framework for responsible business conduct and anti-corruption is legally aligned, enforcement is weak, and investor confidence remains low. Sudden policy changes, such as the cancellation of Letters of Intent (LoI), have further undermined investor confidence, creating far-reaching implications for renewable energy investment. The study shows that targeted reforms, such as complete digitalisation of business establishment and tender processes, ensuring transparency through consistent notifications to investors during evaluations, streamlining procedures via a single platform to avoid repeated document submissions, strengthening inter-agency coordination among government bodies like BIDA, BPDB, SREDA, and the Ministry of Land, and maintaining policy consistency across regimes to reduce uncertainty, are essential to make the investment process more efficient, predictable, and attractive for both local and foreign investors. Rather than attempting a complete overhaul, the study suggests following a retrofitting approach: prioritising key actions that will have the greatest impact in strengthening the investment facilitation ecosystem in the renewable energy sector.

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Acronyms

ADB	Asian Development Bank
BERC	Bangladesh Energy Regulatory Commission
BG	Bank Guarantee
BIDA	Bangladesh Investment Development Authority
BIN	Business Identification Number
BIT	Bilateral Investment Treaty
BPDB	Bangladesh Power Development Board
BREB	Bangladesh Rural Electrification Board
BSREA	Bangladesh Sustainable and Renewable Energy Association
BUET	Bangladesh University of Engineering and Technology
BWGED	Bangladesh Working Group on Ecology and Development
CCGP	Cabinet Committee on Government Purchase
CCI	Chamber of Commerce and Industry
CPP	Captive Power Plant
CPPA	Corporate Power Purchase Agreement
DC	District Commissioner
DG	Director General
DIFE	Department of Inspection for Factories and Establishments
DoE	Department of Environment
DPDT	Department of Patents, Designs and Trademarks
DTA	Double Taxation Agreement
ECC	Environment Clearance Certificate
EPC	Engineering, Procurement and Construction
EPZ	Export Processing Zone
ERC	Energy Regulatory Commission

FAQ	Frequently Asked Questions
FSCD	Fire Service and Civil Defense
GDP	Gross Domestic Product
GP	Government Procurement
GTAI	Germany Trade & Invest
ID	Identification
IEB	Institution of Engineers, Bangladesh
IFI	International Financial Institution
ILO	International Labour Organization
IMF	International Monetary Fund
IPA	Investment Promotion Agency
IPP	Independent Power Producer
IRC	Import Registration Certificate
JAMPRO	Jamaica Promotions Corporation
KII	Key Informant Interview
LCOE	Levelized Cost of Electricity
LOI	Letter of Intent
MoPEMR	Ministry of Power, Energy & Mineral Resources
MW	Megawatt
NBR	National Board of Revenue
OPEX	Operational Expenditure
OSTETM	One Stage Two Envelope Tendering Method
PDB	Power Development Board
PGCB	Power Grid Company of Bangladesh
PMO	Prime Minister's Office
PPA	Power Purchase Agreement
PPA	Public Procurement Authority
PV	Photovoltaic
SREDA	Sustainable and Renewable Energy Development Authority
SSP	Solar Service Provider
TIN	Tax Identification Number
UK	United Kingdom
UN	United Nations
UNCAC	United Nations Convention Against Corruption
UNCTAD	United Nations Conference on Trade and Development

UNGP	United Nations Guiding Principles on Business and Human Rights
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax

1. INTRODUCTION

1.1 Background of the Study

Bangladesh is recognised for having one of the most liberal overseas investment policies in South Asia, offering no prior approval requirements, unlimited equity participation, unrestricted repatriation, and non-discriminatory treatment (Bangladesh Investment Development Authority (BIDA), n.d.). However, this liberal framework has not significantly translated into higher foreign investment. For instance, overseas investment accounted for just 1.1 per cent of the Gross Domestic Product (GDP) in 2010, which became 0.3 per cent in 2024. Bangladesh's share of South Asia's total overseas investment has been relatively low, 3.5 per cent in 2012 (Moazzem et al., 2016). Despite the liberal policy, less than one-third of submitted foreign investment proposals are successfully realised due to various legal, institutional, and operational barriers. These issues must be addressed to effectively attract and retain foreign investment, particularly from China.

Overseas investment is essential for Bangladesh's growth, especially in the renewable energy sector. Bangladesh has much to learn from China's experience, as China has invested significantly in promoting renewable energy. Bangladesh could leverage such investments to enhance its own renewable energy sector, whilst also benefiting from knowledge transfer (Ahn et al., 2024). Chinese investments are among the largest in Bangladesh, totaling USD 2.67 billion, which positions China as the country's second-largest investor ('Chinese Investment in Bangladesh Reaches $2.67 Billion', 2025). The Bangladesh-China Bilateral Investment Treaty (B-C BIT) provides Chinese investors with several advantages, including fair and equitable treatment, protection no less favourable than that for third-party nations, guarantees for the transfer of investments and returns, and a proper dispute resolution mechanism. However, to access these benefits, Chinese investors must navigate various legal, operational, and logistical requirements, especially during the pre-establishment phase. These compliance challenges are often seen as administrative hurdles by Chinese investors. If these barriers are not addressed, Bangladesh may struggle to attract and retain valuable foreign investments.

Against this backdrop, the study focuses on the institutional challenges in the investment cycle, particularly during the pre-establishment and post-establishment phases, for Chinese overseas investments in Bangladesh's renewable energy sector. Though this report is intended for a wide range of stakeholders involved in the renewable energy business environment in Bangladesh, it is especially targeted towards Chinese investors and government policymakers. It serves as a step-by-step guide for Chinese investors interested in entering the renewable energy sector in Bangladesh. It highlights key factors to consider before investing and provides updates on recent developments and the government's current approach, particularly valuable for existing investors looking to stay informed. Additionally, the report acts as a policy document to help government policymakers understand the challenges investors are facing, especially following the change in government in 2024. It outlines the most pressing issues and recommends both immediate actions and long-term strategies to support effective facilitation of a business-friendly renewable energy transition. Beyond Chinese investors and government officials, this report will also be useful to international investors from other countries, local entrepreneurs, journalists, lawmakers, and policy advocates.

1.2 Objectives of the Study

In this backdrop, the study will identify major institutional, administrative, procedural and logistic challenges that Chinese investors confront across the renewable energy-based power generation investment cycle in Bangladesh. The study has the following objectives:

(a) To review the current institutional and operational practices and processes in the pre-and post-establishment phases that need to be complied with by the Chinese investors in the renewable energy investment cycle.
(b) To identify the weaknesses and challenges in the institutional and operational practices and processes in the pre-and post-establishment phases which caused unnecessary delay in decision making and would discourage overseas investment I the renewable energy sector.
(c) To take lessons from international good practices particularly those of Chinese institutional and operational practices and processes which could be applied in better functioning of the public institutions in the renewable energy sector.
(d) To put forward a set of short, medium- and long-term suggestions related to policies, institutions and operations for the improvement of the process and practices during the pre-establishment and post-establishment phases.

2. CONTEXT ANALYSIS

2.1 A Model for Investment Facilitation

Investment facilitation is a set of policies and actions aimed at making it easier for investors to start, expand, and run their businesses in host countries. These measures usually focus on removing obstacles to investment at the ground level, such as increasing transparency, improving access to information, and making administrative processes more efficient and effective. Many governments have been implementing such actions for years, often through investment promotion agencies (IPAs), to improve the business environment and support investment efforts.

However, a closer examination shows that governments often focus more on promoting investment than facilitating it. A recent UNCTAD study found that, since 2010, only 20 per cent of measures to attract investment have been aimed at facilitation, whilst nearly 80 per cent have focused on incentives, special economic zones, and the creation of IPAs (UNCTAD, 2017). Additionally, more than a third of existing information portals only provide basic information necessary for business registration, and only 10 per cent of these portals offer detailed or mostly complete information.

To address this issue, UNCTAD introduced the Global Action Menu for Investment Facilitation in 2016, which includes 10 action lines, each with several supporting actions, to help create a comprehensive strategy for investment facilitation.

UNCTAD's Global Action Menu for Investment Facilitation

1. Promote accessibility and transparency in investment policies and regulations and procedures relevant to investors.
2. Enhance predictability and consistency in the application of investment policies.
3. Improve the efficiency of investment administrative procedures.
4. Build constructive stakeholder relationships in investment policy practice.
5. Designate a lead agency, focal point, or investment facilitator with a mandate to handle investor complaints and prevent disputes.
6. Establish monitoring and review mechanisms for investment facilitation.
7. Enhance international cooperation on investment facilitation.
8. Strengthen investment facilitation efforts in developing-country partners through support and technical assistance.
9. Enhance investment policy and proactive investment attraction in developing-country partners through capacity building.
10. Complement investment facilitation by enhancing international cooperation for investment promotion for development, including through provisions in international investment agreements.

2.2 Application of the UNCTAD Investment Facilitation Model

Three practical global examples from Investment Promotion Agencies (IPAs) are given below in Table 1 that showcase how some of the tools and strategies from UNCTAD's Action Menu, along with other policy measures, can be applied. Kenya Investment Authority (KenInvest) utilised UNCTAD's eRegulations platform to increase transparency in investment procedures and improve the overall business environment, Jamaica Promotions Corporation (JAMPRO) went beyond traditional facilitation services by using project development and packaging to prepare investment proposals in the tourism sector. Germany Trade & Invest (GTAI) employed well-organised partnership services, instead of relying on incentives, to support foreign direct investment (FDI) in research and development (R&D) and cluster development.

Table 1: Cross-country Examples in Light of the UNCTAD Global Action Menu

UNCTAD's Global Action Menu for Investment Facilitation	**KenInvest (Kenya)**	**JAMPRO (Jamaica)**	**GTAI (Germany)**
1. Promote accessibility and transparency in investment policies and regulations and procedures relevant to investors.	KenInvest provides clear information on investment policies and incentives through its website and guides, making it easy for investors to understand the rules.	JAMPRO makes tourism project details, permits, and planning information easy to access on its website and in promotional materials.	GTAI ensures transparency by sharing information on R&D opportunities, funding options, and regulations for investors.

(Table 1 contd.)

(Table 1 contd.)

UNCTAD's Global Action Menu for Investment Facilitation	**KenInvest (Kenya)**	**JAMPRO (Jamaica)**	**GTAI (Germany)**
2. Enhance predictability and consistency in the application of investment policies.	KenInvest works to ensure that investment policies are applied consistently and updates investors on any changes to regulations, making the process predictable.	JAMPRO creates a stable environment for tourism investment by providing clear, consistent processes for acquiring land, permits, and approvals.	GTAI makes sure investment policies for R&D are consistent across regions and helps investors by clearly outlining the steps needed to form partnerships with German research institutions.
3. Improve the efficiency of investment administrative procedures.	KenInvest simplifies processes by offering a one-stop-shop service, helping investors navigate government procedures faster.	JAMPRO speeds up tourism project approvals by providing fast-track permits and planning approvals.	GTAI improves efficiency by offering a streamlined process for R&D partnerships, coordinating with regional agencies to speed up approvals.
4. Build constructive stakeholder relationships in investment policy practice.	KenInvest regularly engages with government bodies, businesses, and investors to build strong, collaborative relationships.	JAMPRO works to foster strong partnerships between local landowners, developers, and international investors to ensure smooth collaboration in tourism projects.	GTAI builds solid relationships between foreign investors and local R&D institutions, ensuring mutual understanding for successful partnerships.
5. Designate a lead agency, focal point, or investment facilitator with a mandate to handle investor complaints and prevent disputes.	KenInvest is the main point of contact for investors, helping resolve complaints and prevent disputes by offering support and guidance.	JAMPRO serves as the main agency to resolve complaints related to tourism projects, providing investors with clear support.	GTAI handles complaints related to R&D partnerships, offering clear communication channels for investors to address concerns.
6. Establish monitoring and review mechanisms for investment facilitation.	KenInvest monitors and reviews investment policies regularly to ensure they are up-to-date and effective.	JAMPRO reviews the progress of tourism investments and regularly assesses the effectiveness of its support services.	GTAI tracks the success of R&D partnerships and continuously evaluates its services to improve investor satisfaction.
7. Enhance international cooperation on investment facilitation.	KenInvest collaborates with regional and international partners to exchange knowledge and best practices, attracting more foreign investment.	JAMPRO partners with international organizations to increase investment in the tourism sector and raise awareness of Jamaica's opportunities.	GTAI encourages international cooperation by facilitating partnerships between foreign investors and German research institutions, fostering cross-border collaboration.
8. Strengthen investment facilitation efforts in developing-country partners through support and technical assistance.	KenInvest offers training and support to local businesses and government agencies, improving their ability to attract foreign investment.	JAMPRO provides training to local tourism stakeholders, helping them better attract international investors.	GTAI helps developing countries strengthen their capacity to engage in high-tech sectors by facilitating R&D partnerships and offering technical assistance.

(Table 1 contd.)

(Table 1 contd.)

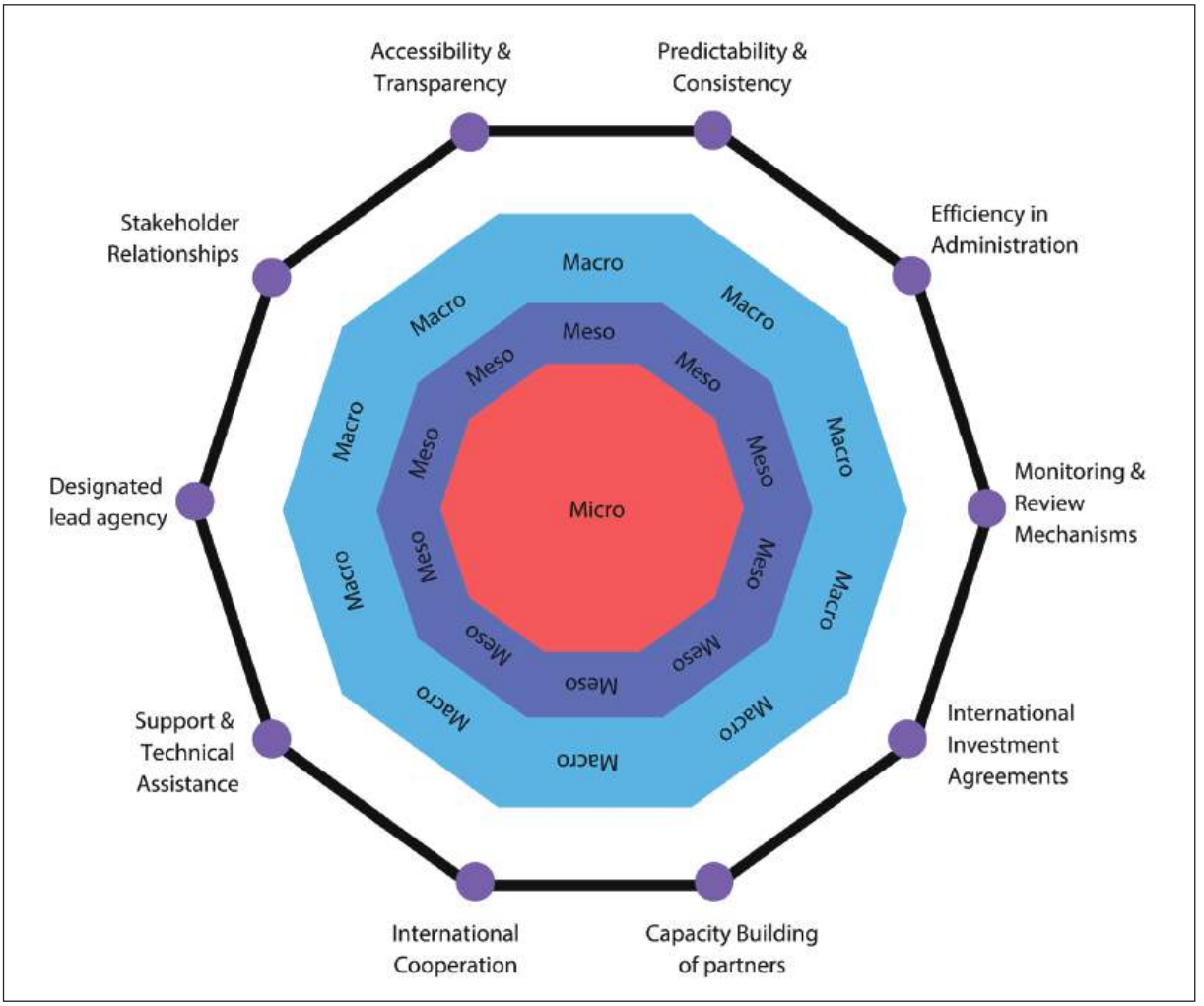
UNCTAD's Global Action Menu for Investment Facilitation	KenInvest (Kenya)	JAMPRO (Jamaica)	GTAI (Germany)
9. Enhance investment policy and proactive investment attraction in developing-country partners through capacity building.	KenInvest provides training and resources to local businesses in sectors like agribusiness and infrastructure, helping them attract foreign investment.	JAMPRO offers workshops to local developers and tourism stakeholders, improving their ability to attract international investment.	GTAI helps developing countries build strong R&D ecosystems and provides support to attract foreign investment in high-tech industries.
10. Complement investment facilitation by enhancing international cooperation for investment promotion for development, including through provisions in international investment agreements.	KenInvest works with international partners to align Kenya's investment policies with global standards, making it easier to attract foreign investment.	JAMPRO collaborates with international bodies to ensure Jamaica's tourism investment policies meet global standards, creating a more attractive environment for foreign investors.	GTAI supports international cooperation by helping foreign investors understand Germany's investment climate and leveraging global agreements to encourage investment in sustainable development.

Source: Author's compilation from UNCTAD Action Menu Document.

3 ANALYTICAL FRAMEWORK

The aspects outlined in the action menu are appropriate for global scenario, but too broad for a detailed local-level analysis. To provide more focused and actionable recommendations, these aspects should be categorised into three distinct levels: macro, meso, and micro as illustrated in Figure 1. To understand how the aspects are fitted into different levels a description isdetailed in Table 2.

Figure 1: UNCTAD's Global Action Menu for Investment Facilitation in Multiple Levels



Source: Authors' Illustration.

The macro level pertains to overarching policy considerations, the meso level focuses on sector-specific issues, and the micro level addresses the practical aspects of implementation. Each level presents its own unique set of challenges, opportunities, and recommendations, demanding a more targeted approach to addressing the issues.

Table 2: Description of the Aspects of the Framework in Three Levels

Aspects of Framework	Macro Level	Meso Level	Micro Level
1. Accessibility and transparency in investment policies and regulations	Provide clear and up-to-date information on the investment regime	Establish a single window for inquiries regarding investment policies	Maintain a mechanism for providing notice of changes in procedures and standards
2. Enhance predictability and consistency in the application of investment policies	Ensure consistent application of investment regulations across institutions	Avoid discriminatory bureaucratic discretion in applying laws	Establish clear criteria and procedures for administrative decisions

(Table 2 contd.)

(Table 2 contd.)

Aspects of Framework	Macro Level	Meso Level	Micro Level
3. Improve the efficiency of investment administrative procedures	Shorten processing time for investment applications	Promote time-bound approval processes	Foster cooperation between institutions and streamline approval procedures
4. Build constructive stakeholder relationships in investment policy practice	Maintain mechanisms for regular consultations with investment stakeholders	Provide a platform for stakeholders to comment on proposed laws and regulations	Promote responsible business conduct and improve corporate governance standards
5. Designate a lead agency or investment facilitator	Address investor complaints and track disputes	Ensure greater transparency in investment legislation	Provide information on legislative and regulatory issues, track investor problems
6. Establish monitoring and review mechanisms for investment facilitation	Adopt diagnostic tools to assess the efficiency of administrative procedures	Benchmark performance of investment institutions in line with international best practices	Continuously monitor and review investment facilitation mechanisms
7. Enhance international cooperation on investment facilitation	Establish consultations between authorities to monitor facilitation measures	Collaborate on anti-corruption in the investment process	Exchange expertise and design work plans for investment facilitation
8. Strengthen investment facilitation efforts in developing-country partners	Support transparent and effective administrative processes	Build capacity in investment promotion agencies (IPAs)	Foster effective dialogues with the private sector to prevent investment disputes
9. Enhance investment policy and proactive investment attraction in developing-country partners	Build expertise in IPAs for investment project development	Focus on sustainable development and green investments	Provide aftercare services and facilitate local enterprise linkages
10. Complement investment facilitation by enhancing international cooperation for investment promotion	Encourage home countries to provide outward investment support	Encourage responsible business conduct from outward investors	Foster formal collaboration between outward investment agencies and IPAs

Source: Authors' Compilation.

4. METHODOLOGY

4.1 Analysis Plan

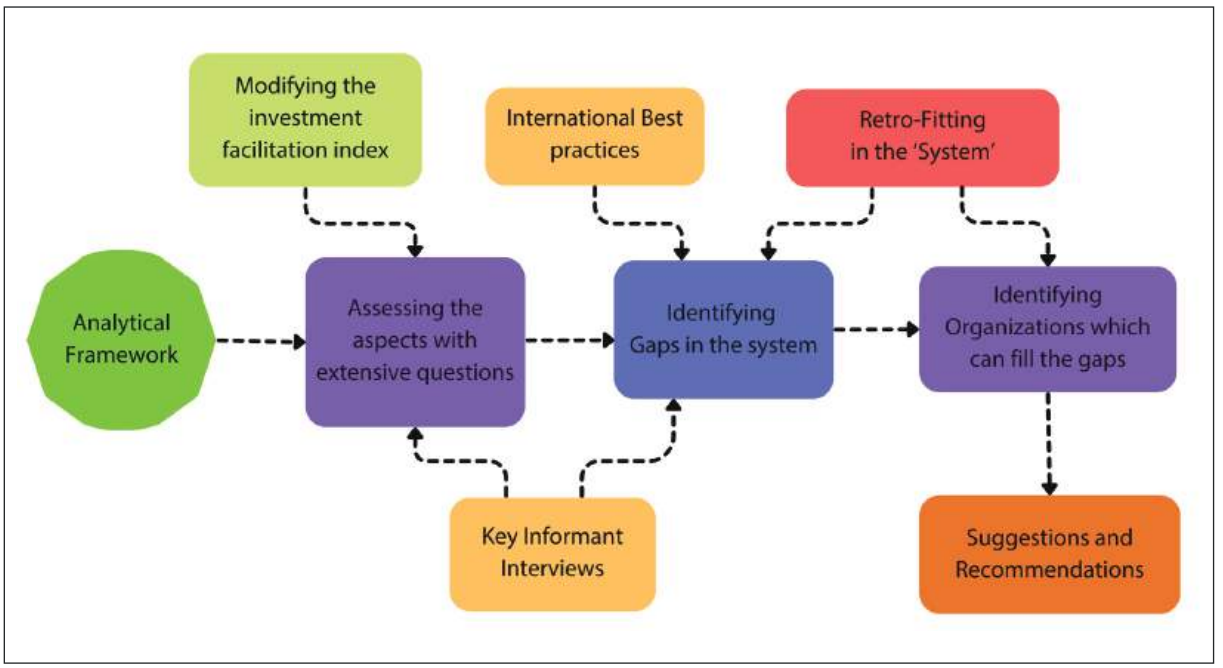
To enhance investment facilitation in Bangladesh's renewable energy sector, the study adopts an analysis plan illustrated in the flowchart below. The analytical framework outlines the key aspects needed for assessing and improving the investment facilitation process. However, since these aspects are too broad for detailed local-level analysis, the study narrows its focus. The Investment Facilitation Index questionnaire is adapted and customised to align with the study's framework, creating relevant modules for assessing the identified aspects (Berger et al., 2021).

Using these questions, gaps in the system, whether in processes or organisational responsibilities, can be identified. The current state of investment facilitation will be understood through key informant interviews (KIIs), which will help pinpoint these gaps. Furthermore, the identified status will be compared with international best practices to uncover additional shortcomings. It is anticipated that several gaps will emerge, which will then be prioritised for resolution.

Rather than overhauling the entire system, a retrofitting approach is needed. Retrofitting refers to the process of improving or upgrading an existing system, structure, or process to make it more efficient, effective, or better suited to current needs and standards, without completely overhauling or replacing it. In the context of investment facilitation, retrofitting means analysing the existing system to identify weak points, such as inefficiencies in administrative processes, lack of coordination among responsible organisations, or outdated regulatory frameworks. Instead of dismantling or completely replacing the system, retrofitting involves making adjustment or enhancements to improve functionality.

During this process, it might become necessary to revise procedures or redefine organisational roles. To do this effectively, the responsible organisations for each gap must be identified, allowing specific recommendations to be developed for advancing investment facilitation in Bangladesh's renewable energy sector. The analysis plan is illustrated in Figure 2 below.

Figure 2: Analysis Plan of the Study



Source: Authors' Illustration.

4.2 Assessing the Aspects of the Analytical Framework

To assess international frameworks on investment facilitation, especially the Investment Facilitation Development Agreement, it is important to thoroughly examine the investment frameworks of the country. Specifically, we need to understand which types of investment facilitation measures have already been implemented at various levels and identify what policy reforms are needed for further improvement.

Previously, an Investment Facilitation Index (IFI) was introduced, which provides a comprehensive approach to investment facilitation by covering six policy areas and 101 different measures. It tracks how these measures are currently being implemented in different countries. This tool is useful for identifying areas where reforms are needed and tailoring technical assistance and capacity-building programmes to support the country's implementation efforts. Additionally, it can serve as a benchmarking tool to strengthen investment frameworks and attract foreign investment. Table 3 shows the description of the modules of the modified questionnaire.

Table 3: Description of the Modules of the Modified Questionnaire

Module Serial	Module Name	Description
A	Regulatory transparency & predictability	Offer a comprehensive, up-to-date overview of the investment environment, including advance notice of any proposed changes. Simplify legislation and use clear, understandable language in drafting.
B	Electronic governance	Create a centralised platform and leverage technology to enhance the information, application, and approval processes.
C	Focal point & review	Set up mechanisms to improve interaction between governments and stakeholders. Address investor complaints, assist in resolving challenges, and advocate for policy improvements. Develop cost-effective mechanisms to resolve disputes, such as private arbitration, and establish frameworks to address investor concerns.
D	Application process	Define clear, transparent criteria and procedures for administrative decisions, including investment approval. Minimise the number and complexity of fees and charges.
E	Cooperation	Engage in international and regional initiatives to enhance investment expertise and share information. Establish institutional mechanisms to support coordination among domestic agencies.
F	Responsible business conduct and anti-corruption	Adopt international conventions on labour rights and human rights. Implement measures to prevent corruption and the bribery of foreign public officials in international business dealings.

Source: Authors' Compilation based on the IFI document.

The questionnaire for the IFI was modified to evaluate investment facilitation in the renewable energy sector. The aspects of the analytical framework were aligned with the policy areas of the modified questionnaire. Annex Table 1 shows the matching procedure of the modules. Then, a modified questionnaire was formed which is added in the annex (table 2 to table 7). This was utilised to assess the aspects of the action menu for addressing the institutional challenges in the investment cycle for overseas Chinese investment in the renewable energy sector of Bangladesh

5. OVERVIEW OF THE STAGES OF OVERSEAS INVESTMENT IN THE RENEWABLE ENERGY SECTOR

For a more effective analysis, this study focuses on solar businesses and projects, as solar energy is the most dominant renewable energy source in Bangladesh. For Chinese investors, investment and returns are linked to different stages of the energy business:

a) **Business Establishment:** Initial investment is required to obtain a licence, set up an office, and establish the business.
b) **Project Implementation:** Various projects differ in scale and solicitation, each following specific procedures. Investment requirements vary depending on the business model and project type.
c) **Post-Establishment Operations:** This stage involves key aspects such as operations, equipment imports, profit repatriation, etc.

A clear understanding of the processes within these three stages is crucial for identifying the specific challenges faced by overseas investors. In this study the first two stages will be discussed at length as investors are facing major issues in these stages. In the context of Bangladesh majority of the project have not yet reached the stage. However, issues regarding the post establishment issues will be included in the discussion as necessary.

5.1 Overview of the Process of Establishing Renewable Energy Business

Establishing a renewable energy business in Bangladesh involves a series of administrative and legal steps. These steps are essential for setting up a company, ensuring compliance with local laws, and facilitating smooth operations within the renewable energy sector. Below is an overview of the typical process required to form a company in Bangladesh, including all necessary documentation and approvals. This process is designed to ensure that the business is officially registered and authorised to operate in the renewable energy industry.

Steps to Form a Company:

1. A Name Clearance for the proposed Company needs to be obtained from the Registrar of Joint Stock and Companies.
2. **Drafting and signing the following:**
   - Memorandum and Articles of Association of the company.
   - Form I: Declaration On Registration of Company.
   - Form VI: Notice Of Situation of Registered Office.
   - Form IX: Consent of Director to Act.
   - Form X: List of Personal Consenting to be Directors.
   - Form XII: Particulars of the directors, manager and managing agents.
3. **Opening a temporary bank account** for the Proposed Company in any scheduled Bank in Bangladesh.
4. **Remit the paid-up capital amount** from the account of each foreign shareholder to the Bank Account of the Proposed Company in Bangladesh.

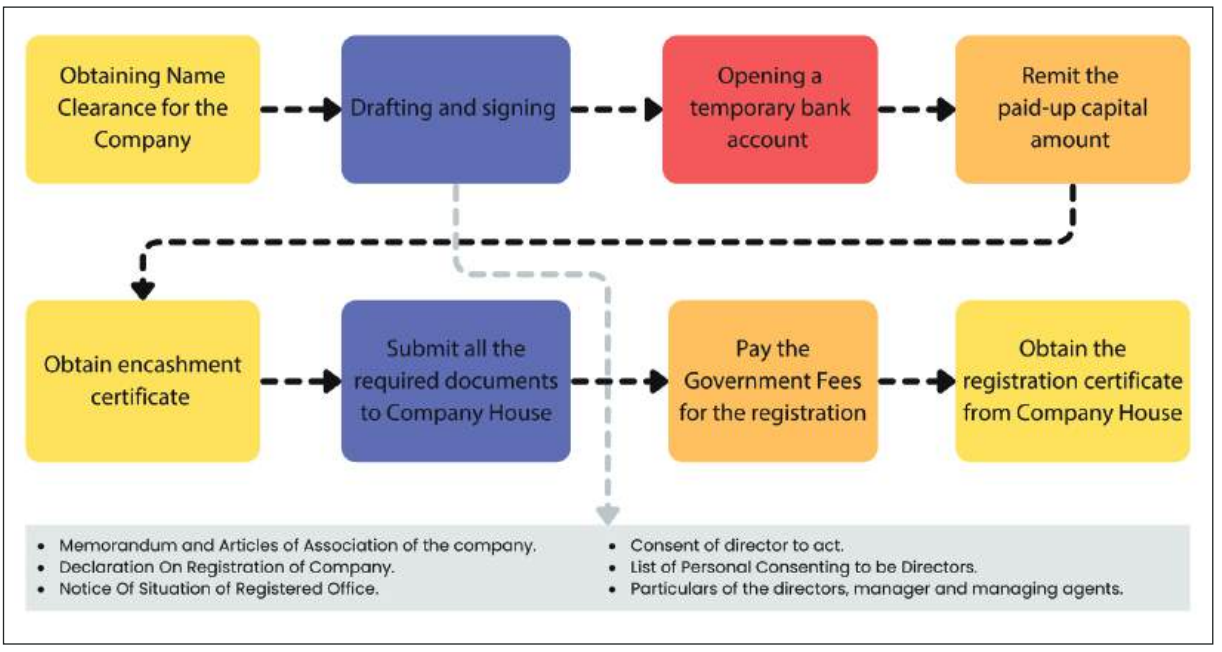
5. **Obtain an encashment certificate** for each foreign transaction from the Bank of the Proposed Company.
6. **Submit all the required documents** to Company House.
7. **Pay the Government Fees** for the registration.
8. **Obtain the registration certificate** from Company House.

Required Documents for forming a Company:

a) Copy of Valid Name Clearance for the proposed company;
b) Executed copy of Memorandum and Articles of Association of the Company;
c) Executed copy of Form I: Declaration On Registration Of Company;
d) Executed copy of Form VI: Notice Of Situation Of Registered Office;
e) Executed copy of Form IX: Consent of director to act;
f) Executed copy of Form X: List of Personal Consenting to be Directors;
g) Executed copy of Form XII: Particulars of the directors, manager and managing agents;
h) Copies of National ID of shareholders and directors (for Bangladeshi Nationals);
i) Copies of TIN Certificate of shareholders and directors (for Bangladeshi Nationals);
j) Copies of passport of shareholders and directors (for Foreign Nationals);
k) Passport size photos of shareholders and directors;
l) Bank Encashment Certificate with respect to each foreign shareholder;
m) Receipt of payment of the governmental fees.

The step-by-step process is illustrated in the following flow chart in Figure 3 for a clear understanding.

Figure 3: Steps to Setup an Energy Business in Bangladesh



Source: Authors' Illustration from (FM Associates, n.d.).

Additional Licence Requirements:

A fully foreign-owned company can also register as a Branch Office to start an energy business. However, the Branch Office can only carry out activities that are approved by the parent company, and it must first get approval from the Bangladesh Investment Development Authority (BIDA). After the company is established, additional licences or permits may be needed depending on the scale or nature of the business expansion.

1. Trade Licence.
2. TIN Certificate.
3. VAT Registration Certificate.
4. Registration of Industrial Investment Project.
5. Factory Layout Approval.
6. Licence of Factory.
7. Membership Certificate;
8. Import Registration Certificate (applicable for Import Business).
9. Export Registration Certificate (applicable for Export Business).
10. Environment Clearance Certificate.
11. Fire Licence.
12. Registration of Trademark.
13. Captive Power Plant (CPP) Licence.

Different authorities and varied processes are associated with these additional licences. Involved entities and process of the application are detailed in Table 4.

Table 4: Licencing Institutions and the Process of Application

Institution	Licence Name	Process
Before BIDA Clearance		
City Corporation/ Municipal Corporation/ Union Parishad	Trade Licence	Submit an application with necessary documents
National Board of Revenue (NBR)	TIN Certificate	Submit an **online** application
	VAT Certificate (BIN Registration)	Submit an **online** application
Office of the Chief Controller of Imports and Exports (CCI&E)	Import Registration Certificate (IRC)	Submit an **online** application
	Export Registration Certificate (ERC)	Submit an **online** application
Bangladesh Investment Development Authority (BIDA)	Industrial Investment Project Registration	Submit an application with necessary documents **(with previous 5 documents)**
After BIDA Clearance		
Department of Inspection for Factories and Establishments (DIFE)	Plant Layout Approval	Submit an application with necessary documents
	Plant Licence	Submit an application with necessary documents
Chamber of Commerce & Trade Associations. **(BSREA Proposed)**	Membership Certificate	Submit an application form

(Table 4 contd.)

(Table 4 contd.)

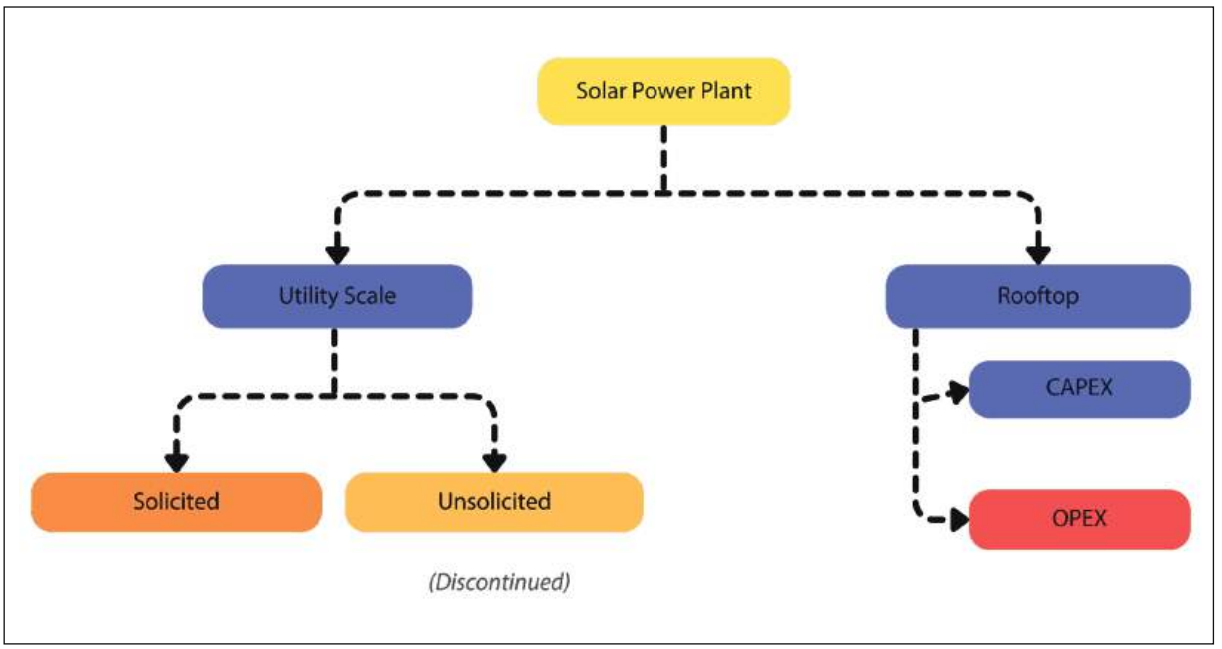
Institution	Licence Name	Process
Department of Environment	Environment Clearance Certificate (ECC)	Submit an application with necessary documents
Fire Service and Civil Defense (FSCD)	Fire Licence	Submit an application
Department of Patents, Designs, and Trademarks (DPDT)	Trademark Registration	File an application with necessary documents
Bangladesh Energy Regulatory Commission (BERC)	Captive Power Plant (CPP) License	Application to the Secretary of BERC

Source: Authors' compilation.

5.2 Overview of the Process of Project Implementation

Solar power plants in Bangladesh are mostly utility-scale and rooftop. Utility-scale solar plants can be solicited or unsolicited, and in past years mostly the unsolicited process was used, which is now discontinued. Recently, new solicited solar projects from the government have started. The Bangladesh Sustainable and Renewable Energy Association (BSREA) is now requesting the government to install rooftop solar panels on government office buildings. However, now, private companies in Bangladesh mostly use rooftop solar panels to meet a portion of their power generation needs. Figure 4 shows the types of the solar power plant projects in Bangladesh.

Figure 4: Types of Solar Power Plant Projects in Bangladesh



Source: Authors' illustration.

5.2.1 Overview of the Process of Utility Scale Unsolicited Solar Power Plant Project Implementation

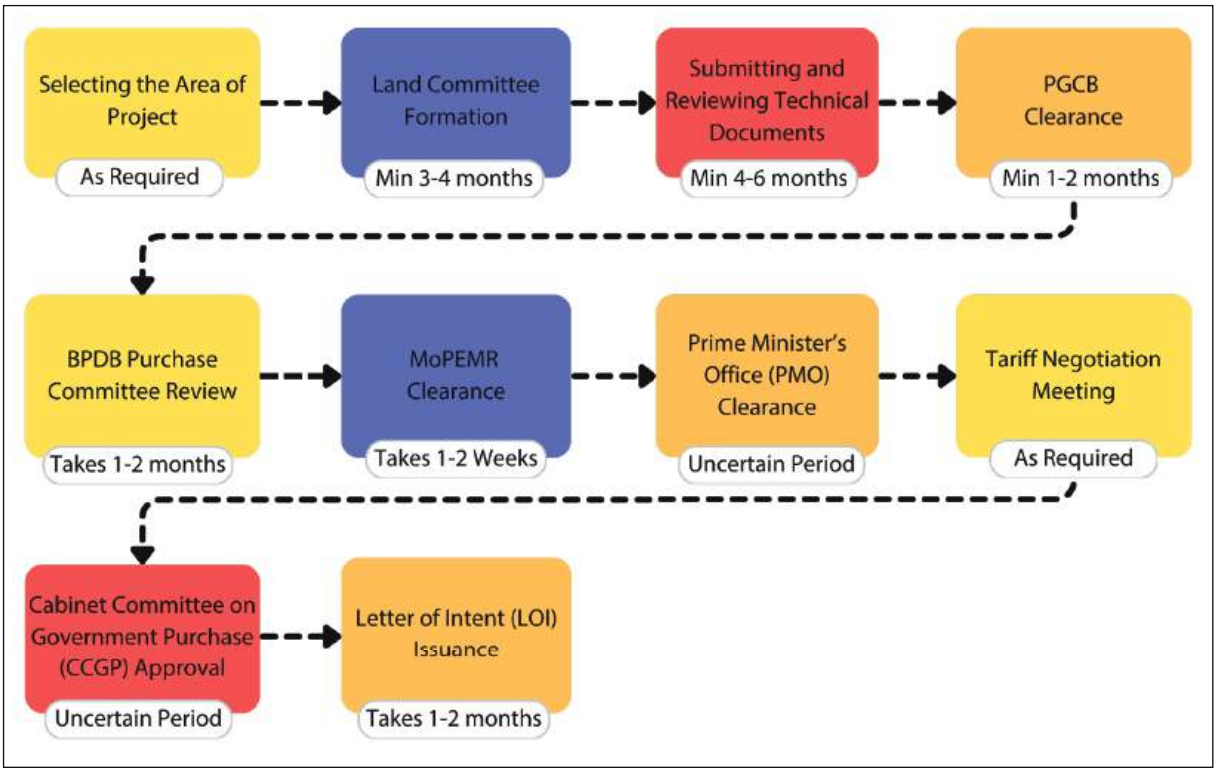
The implementation of the unsolicited solar power plant project is relatively complex and lengthy. Below are the steps for setting up unsolicited utility scale solar power plants in Bangladesh.

Steps for Setting Up Unsolicited Utility-Scale Solar Plants in Bangladesh

1. **Selecting the Area:** The investor gives a proposal to the Bangladesh Power Development Board (BPDB) to set up a solar power plant in a specific area, which should be non-agricultural or single-cropped land.
2. **Land Committee Formation:** BPDB makes a land committee with officials from the Ministry of Land, Ministry of Agriculture, Ministry of Power, and local government (DC Office) and other officials. The committee visits the land, checks out any problems, and sees how far the grid is. Then, they send a report to BPDB. The clearance process takes at least 3-4 months.
3. **Submitting and Reviewing Technical Documents:** The investor submits technical documents to show they can carry out the project. A technical committee is made to check these documents, and this takes about 4-6 months.
4. **PGCB Clearance:** The investor needs clearance from the Power Grid Company of Bangladesh (PGCB). This takes about 1-1.5 months.
5. **BPDB Purchase Committee Review:** The proposal is sent to the BPDB Purchase Committee for checking, which takes 1-2 months.
6. **MoPEMR Clearance:** If BPDB approves, the proposal goes to the Ministry of Power, Energy & Mineral Resources (MoPEMR) for clearance. This takes 1-2 weeks.
7. **Prime Minister's Office (PMO) Clearance:** Next, the proposal is sent to the Prime Minister's Office (PMO) for final approval. The time for this is not fixed.
8. **Tariff Negotiation Meeting:** A meeting is held between the investor and government officers, including the Director General (DG) of PMO, Senior Secretary of MoPEMR, and other officials concerned to decide the tariff.
9. **Cabinet Committee on Government Purchase (CCGP) Approval:** After the tariff is decided, the Cabinet Committee on Government Purchase (CCGP) gives approval. The time for this step is uncertain.
10. **Letter of Intent (LOI) Issuance:** After CCGP approval, MoPEMR gives a Letter of Intent (LOI) with project conditions. This takes 1-2 months. At the same time, the investor needs Bangladesh Investment Development Authority (BIDA) approval.

The steps and required time are illustrated in Figure 5 below for ease of understanding.

Figure 5: Steps for Setting Up Unsolicited Utility-Scale Solar Plants in Bangladesh



Source: Authors' illustration.

5.2.2 Overview of the Process of Utility Scale Solicited Solar Power Plant Project Implementation

At present, all utility-scale solar power projects in Bangladesh are developed under a solicited mode through an Open Tender Process administered by the Bangladesh Power Development Board (BPDB). The process comprises several key steps, that is designed to ensure transparency, technical viability, and financial competitiveness.

Step 1: Call for Proposal

In the beginning, BPDB selects a suitable area for the solar plant. The location is chosen based on different factors, such as distance from the nearest substation and the connection with the PGCB power network. BPDB then publishes a tender document with all necessary requirements, technical details, and instructions for bidders.

Before the tender is officially open, a pre-tender meeting is organised. In this meeting, BPDB explains the scope of the project, expected timeline, and tender rules. Bidders can ask questions and clarify any confusion.

Proposals must be submitted in hard copy (physically) because there is no digital submission system. To reduce political pressure, the proposal must be submitted to more than one authority.

Step 2: Evaluation of Proposals

An Evaluation Committee is formed to review the proposals. This committee includes BPDB officials and external experts from institutions such as BUET and Institution of Engineers, Bangladesh (IEB). For national tenders, the committee has at least three members. For international tenders, the committee can have up to seven members.

The tender follows the One Stage Two Envelope Tendering Method (OSTETM). Bidders submit two envelopes: one with technical documents and another with financial documents. First, only the technical envelope is opened, and if the bidder meets all technical standards, then the financial envelope is opened.

- **National tenders** are for Bangladeshi companies and follow local procurement laws. These are usually for smaller projects.
- **International tenders** are open to foreign companies and are used for larger projects. They may follow international procurement guidelines.

If a proposal is close to meeting the requirements but needs small corrections, BPDB may give the bidder a chance to adjust.

Step 3: Financial Evaluation

After the technical evaluation is completed, the selected proposal is sent to the Board of Directors, then to the Ministry and the Cabinet Committee on Government Purchase (CCGP) for final approval. At this stage, the financial proposals are opened. The bidder with the most competitive financial offer is selected.

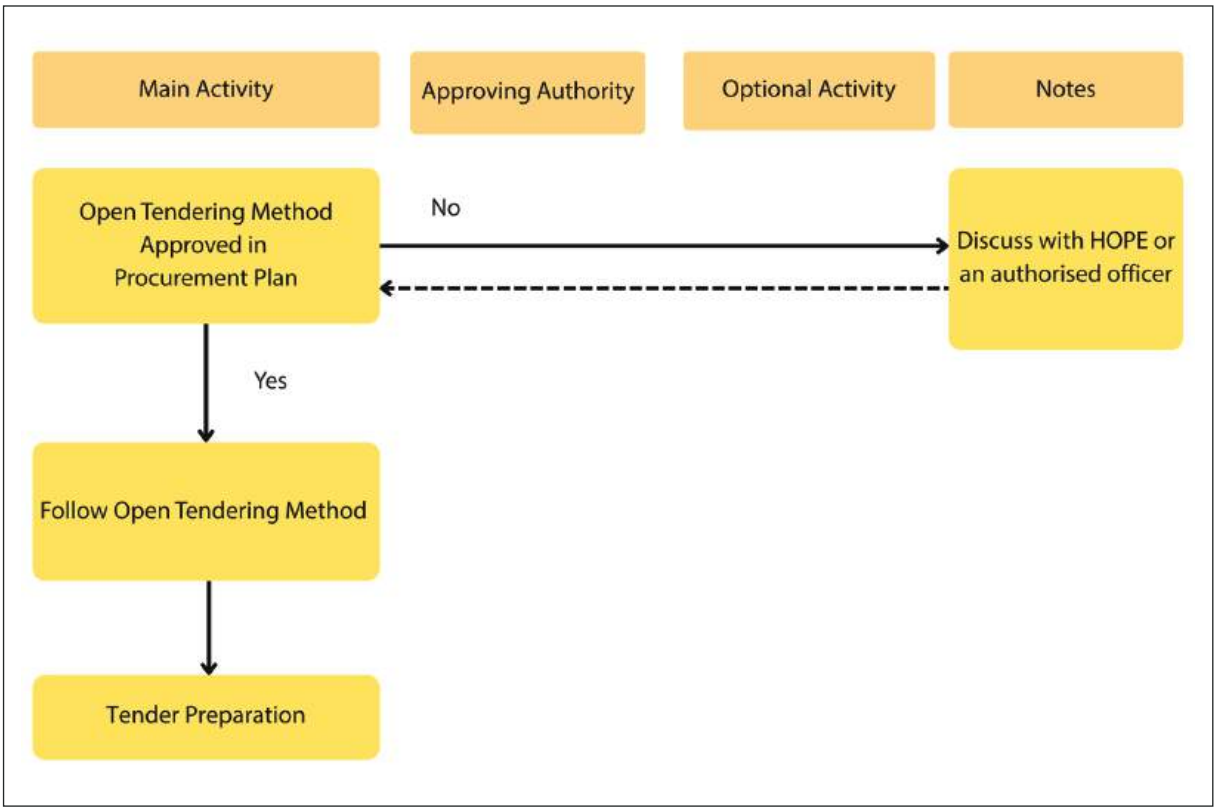
During both the evaluation stages, bidders are not informed of their proposal status. BPDB follows this rule to avoid corruption or illegal pressure. If bidders know their position, it could create a risk of unfair influence.

Step 4: Notification of Award

Once the winning bidder is selected, a Notification of Award (NoA) is issued. The bidder must confirm acceptance within 21 days. After that, the bidder is responsible for choosing the final land, arranging investments, and carrying out necessary procurement. A 10 per cent performance guarantee of the total cost of the project is required to ensure commitment to the project.

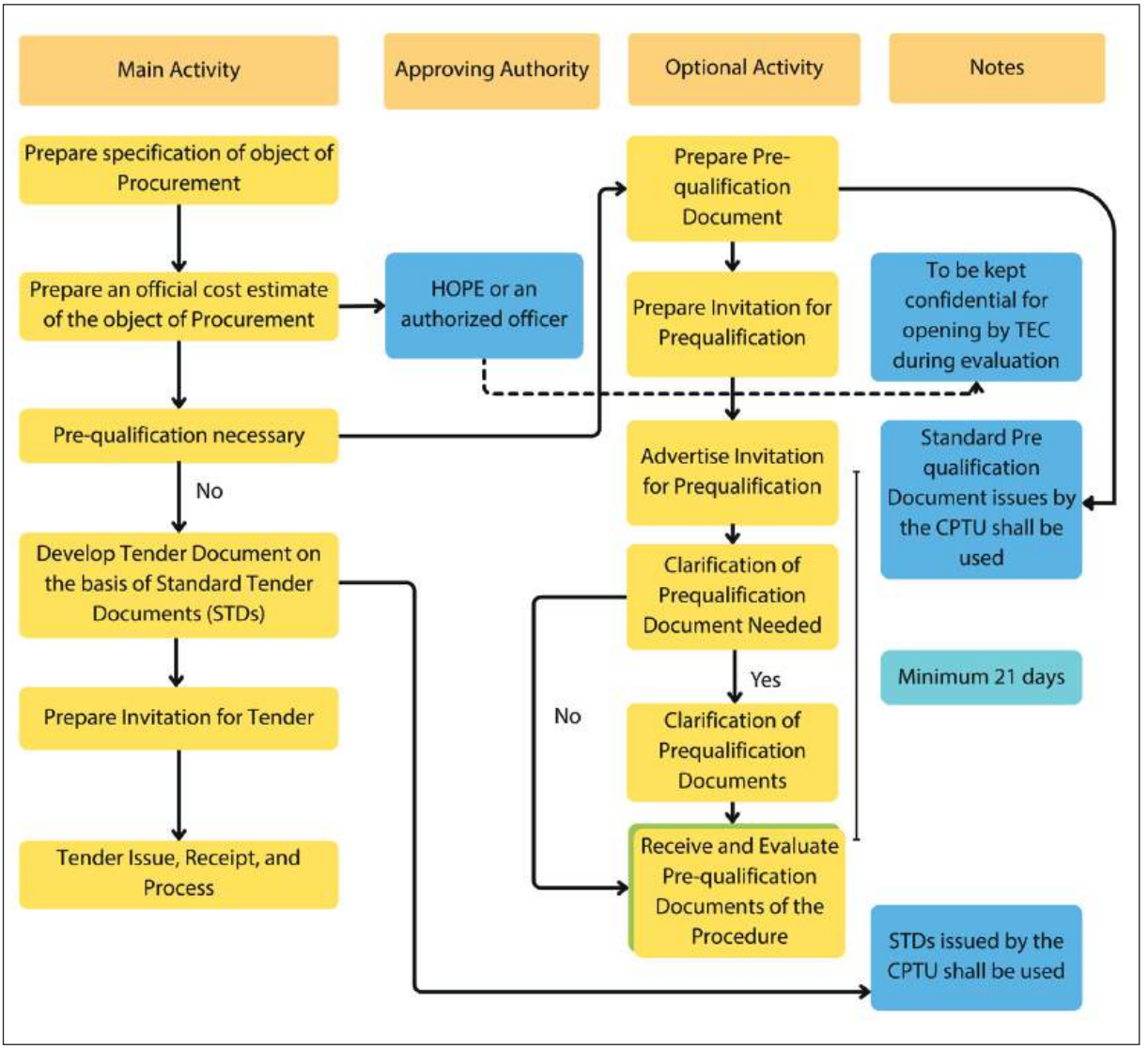
Below figures 6-10 are illustrating the detailed process of Open Tender Process in Bangladesh (Bangladesh Public Procurement Authority, 2025).

Figure 6: Tender Procurement Plan



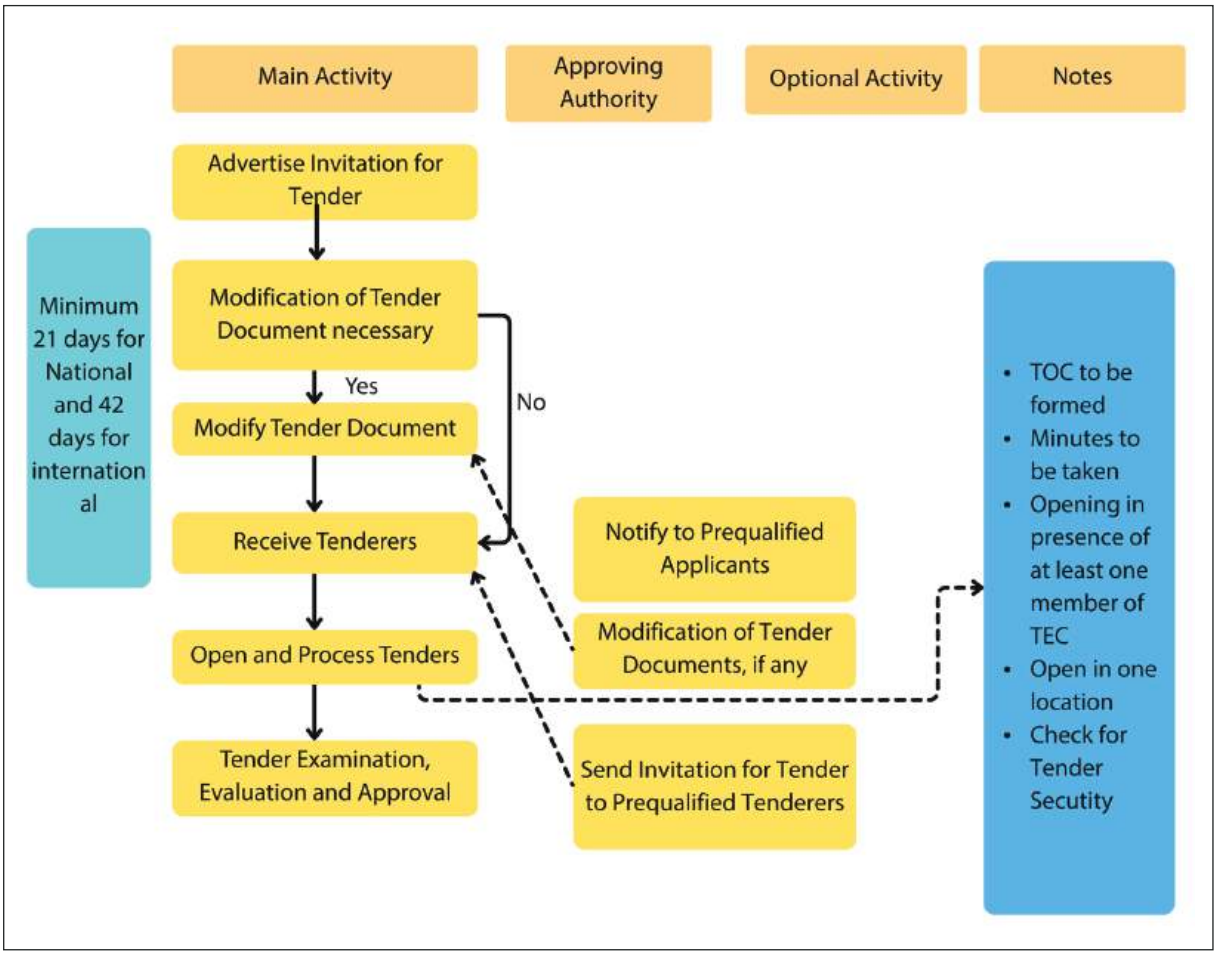
Source: Bangladesh Public Procurement Authority (www.cptu.gov.bd).

Figure 7: Tender Preparation



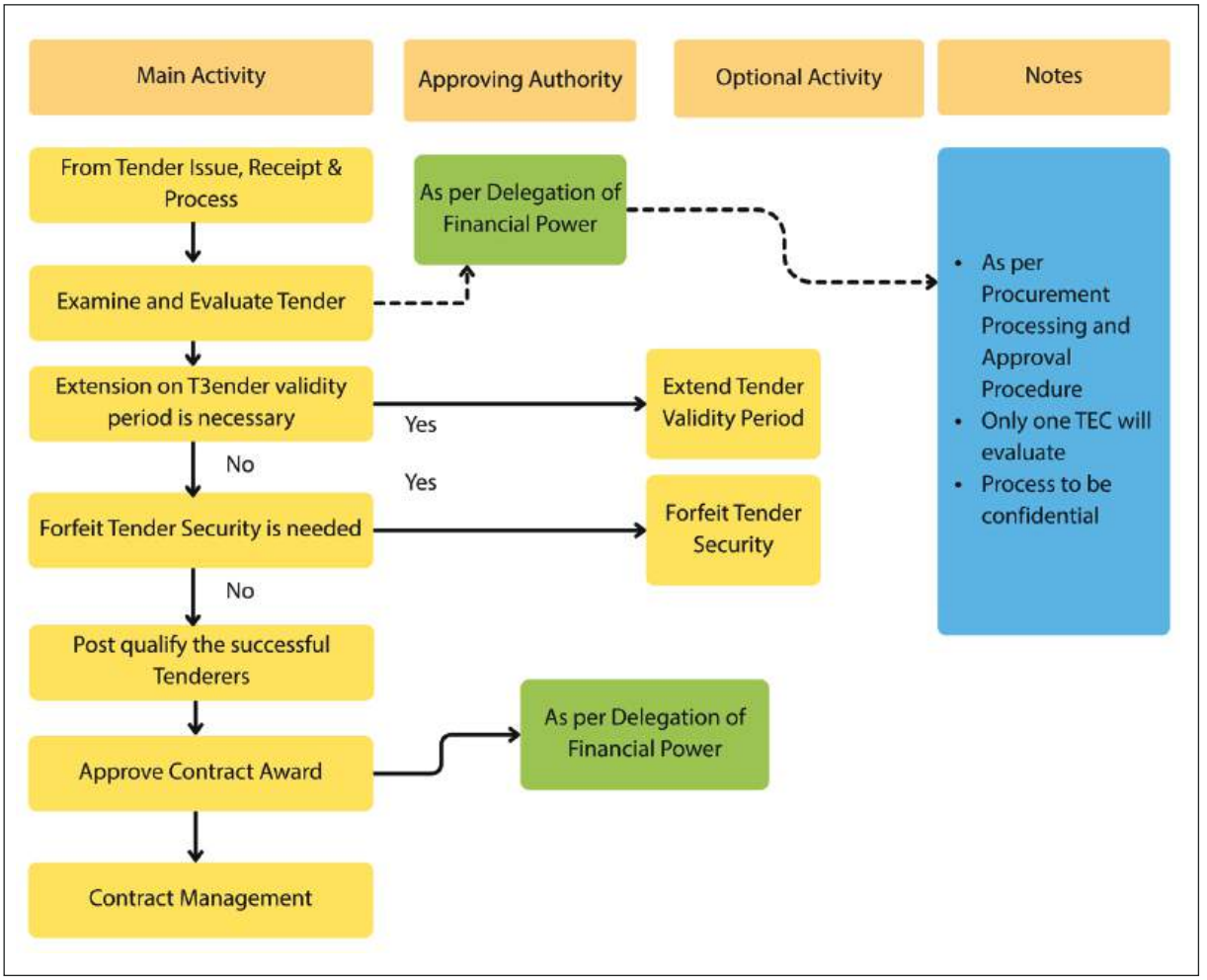
Source: Bangladesh Public Procurement Authority (www.cptu.gov.bd).

Figure 8: Tender Issue, Receipt, and Process



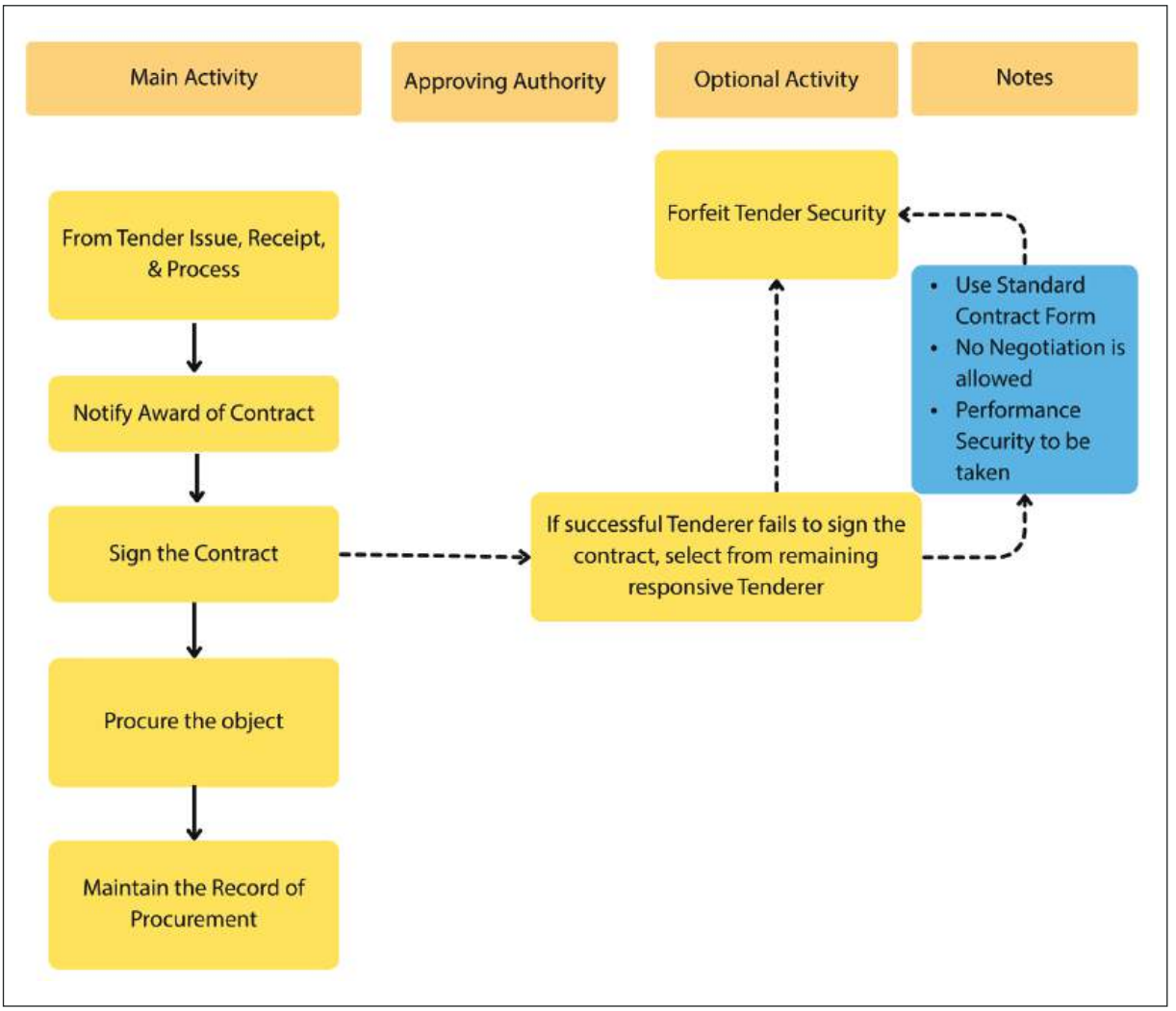
Source: Bangladesh Public Procurement Authority (www.cptu.gov.bd).

Figure 9: Tender Examination, Evaluation, and Approval



Source: Bangladesh Public Procurement Authority (www.cptu.gov.bd).

Figure 10: Contract Management



Source: Bangladesh Public Procurement Authority (www.cptu.gov.bd).

5.2.3 Overview of the Process of Rooftop Solar Power Plant Project Implementation

The implementation of a rooftop solar project generally follows a structured, multi-stage process. The process involves the power producer (often investors or the owner of the establishment), purchaser (owner of the establishment), financial institutions, and power distribution agencies of the government. The stages involve specific technical, financial, and administrative activities. Below are the broad stages of rooftop solar project implementation.

Stage 1: Prospect Analysis (Initial Study)

The first stage of the project focuses on understanding the site and its potential for solar installation. A detailed engineering survey is conducted to gather on-site data such as rooftop condition, available space, building orientation, and access points. This is followed by a geospatial survey conducted to assess any shading or space constraints.
In parallel, data on the existing power scenario is collected from the factory or facility representatives. This includes information about current electricity consumption patterns, peak demand times, energy costs, and backup systems. The goal of this phase is to determine whether the site is technically and economically suitable for a rooftop solar system.

Stage 2: Primary Design & Offer (Planning & Proposal)

Once the site is deemed feasible, the next step is to prepare the initial design and offer. A solar PV layout is developed at this stage. This layout identifies how the solar panels will be arranged to maximise energy generation whilst considering the physical constraints of the site. Based on the site's electricity infrastructure, an electrical design is prepared. A technical and commercial offer is then created. This document provides a detailed summary of the proposed system, expected electricity generation, cost of installation, equipment details, etc.

Stage 3: Agreement & Financing (Legal & Financial Setup)

After the proposal is accepted, the process moves to finalising the agreement and arranging finances. The final design completed with a formal contract or agreement is then signed between the implementing agency (investor company) and the client.

If financing is required, the client must arrange financial support either through banks, financial institutions, or internal funding. For this, the client is usually required to submit certain company documents, such as trade licences, tax records, or financial statements.

Security documents are also required by the financier or implementing party. These may include:

- **A Bank Guarantee (BG)**, which serves as financial security in case of non-payment,
- **A Roof Lease Agreement**, which gives legal permission to use the rooftop for solar installation,
- **A Structural Integrity Report**, prepared by certified engineers to confirm that the roof can carry the additional load of the solar system, and
- **A Service Letter of Credit (L/C)**, especially for international component procurement or payments.

Stage 4: Installation & Commissioning (Execution)

Once the financial and legal steps are complete, the implementation work begins. The procurement phase involves purchasing solar panels, inverters, mounting structures, electrical cables, and safety equipment. Site preparation and installation follow procurement stage. After installation is complete, the system goes through commissioning. This is the process of testing the system to ensure it operates correctly, safely, and efficiently. Finally, a maintenance plan must be put in place.

6. CHALLENGES OF THE STAGES OF OVERSEAS INVESTMENT IN THE RENEWABLE ENERGY SECTOR

There are several challenges in the broad stages of overseas investment in the renewable energy sector of Bangladesh. These challenges are discussed in this section part by part.

6.1 Challenges of the Process of Establishing Renewable Energy Business

There are several challenges associated with the business establishment process of renewable energy projects. An issue specific discussion is detailed below:

1. Complexity of Administrative Procedures: The company formation process requires many documents, such as the Memorandum and Articles of Association, and several official forms (Form I, VI, IX, X, XII). Preparing and submitting these documents demands legal and technical expertise and familiarity of the norms of the country, which can be difficult for first-time foreign investors. Additionally, investors must interact with multiple agencies, which often follow different procedures. This increases the chances of delays due to lack of coordination among the authorities concerned.

2. Mixed Use of Online and Offline Processes: Although some steps are now available online, many parts of the registration process still require physical visits and paper-based submissions. This partial digitalisation creates confusion and increases the time needed for completion. Inconsistent use of digital platforms across agencies makes it hard for investors to navigate the full process efficiently.

3. Barriers for Foreign Investors: Foreign investors must open a temporary bank account, send paid-up capital from their home countries, and collect bank encashment certificates before registration. These financial steps involve complex banking procedures and strict documentation. Moreover, many forms and communications are not available in English, which creates additional barriers for non-Bangladeshi stakeholders, particularly those without a local team.

4. Overlapping and Numerous Licencing Requirements: Once a company is registered, many other licenses are required, such as Trade Licence, TIN Certificate, VAT Certificate, Factory Licence, and Environmental Clearance. Each licence involves a separate application, different supporting documents, and communication with different departments. This layered licencing system is difficult to manage and often causes long waiting periods.

5. Duplication of Document Submissions: Many of the same documents, such as passport copies, TIN certificates, and photos, must be submitted multiple times to different offices. There is no unified digital platform to store or share documents across agencies. This duplication increases paperwork, wastes time, and raises the chances of errors or inconsistencies in records.

6. Lack of Clear Information and Support: Government websites do not always provide complete or updated information on how to obtain certain licences. In many cases, investors must rely on third-party consultants to understand the process, so there is a cost associated with it. There is no dedicated support system or central guide to help investors understand the entire business setup journey.
7. Absence of Centralised Digital Portal: Currently, there is no single online platform that covers all the necessary steps for starting a renewable energy business in Bangladesh. Investors must search through multiple websites and visit several offices for updates, guidance, or application tracking. The absence of a centralised system slows down the entire business establishment process and creates frustration for potential investors.

6.2 Challenges of the Process of Project Implementations

Issue specific challenges in the development of the solicited projects and rooftop projects are discussed in this section. The challenge regarding the unsolicited projects is not discussed broadly as the process is now discontinued.

6.2.1 Challenges in Open Tender Process for Solicited Project

The open tender process administered by BPDB is a commendable step toward maintaining a consistent and more transparent procedure. However, several operational and structural challenges still persist in the system, which need to be taken into consideration.

a) **Digital Infrastructure:** The tendering process remains partially paper-based, requiring physical submission of the documents. This raises the risk of administrative delays and documentation errors. Especially for foreign investors, the process is less accessible and very difficult for those who do not have a local office to facilitate.
b) **Prolonged and Multi-Layered Approval Process:** After technical evaluation, proposals undergo multiple layers of approval involving the BPDB, MoPEMR and the Cabinet Committee on Government Purchase (CCGP). The extended time required for clearance may discourage serious investors and delay project initiation. In India, it takes around four months to implement a power plant project, whilst it takes years in Bangladesh. This can pose financial risk for the investors from the angle of time value of money as capital cannot stay idle.
c) **Unpublished Proposal Status:** Similar to the discontinued unsolicited procedure, the present process lacks transparency and still causes uncertainty among the investors. Bidders are not informed about the status of their submissions during the evaluation process. Whilst intended to prevent external influence, this lack of transparency can create uncertainty for participants and affect investor confidence.
d) **Challenges Related to Land Development:** Although the BPDB identifies a general area for plant development, bidders are responsible for final land acquisition after receiving the Notification of Award (NoA). This will lead to complications such as land disputes and price inflation. The

field research says that in Bangladesh when government announce an area to be a candidate for establishment of power plant, owners of the land raise price. This creates serious problems for foreign investors as they already face difficulties navigating through the system of the country. In this case, the previous unsolicited process had an advantage that the investors used to purchase land beforehand and then submit proposals for developing a plant.

e) **Absence of Notifying Mechanism:** The evaluation process adheres strictly to the One Stage Two Envelope Tendering Method. In some cases, proposals are disqualified due to minor technicalities or formatting errors, even when the project proposal is otherwise viable. Thus, there should be smooth notification mechanisms which will notify the bidders if their application is incomplete. Also, there is no vigilant helpline for the bidders and FAQ section on the websites.
f) **Risk of Informal Pressure:** Although submission to multiple authorities aims to mitigate political pressure, the process remains susceptible to informal influence, particularly in absence of a unified monitoring or grievance redress system.
g) **Absence of Separate Page on the PPA Website:** Currently, all the announcements of tenders concerning different sectors are on one list of the website. There is no separate page or a section for the announcements of tenders only for the power sector. This makes it difficult for foreign investors to get the announcements as they are not familiar with the user interface.

6.2.2 Challenges in Developing Rooftop Solar Projects

Though the process of implementing rooftop solar project is more straightforward than that of the solicited utility scale projects, there are issues with capacity limitations and financial risk in the OPEX model which is very popular in the segment.

a) **Capacity limitations for establishments:** If an establishment has a demand of 2MW, it is not allowed to install more than 2MW of solar capacity (according to the net metering policy of SREDA). If there is excess production, that would feed into the grid, requiring the government to pay for the surplus energy. From the perspective of the government, if there is higher limit, it would be an issue whilst balancing supply and the demand of power at a moment. Additionally, the capacity of the nearby transformer is also a critical factor in determining installation limits.
b) **Risk associated with projects using OPEX model:** The Operational Expenditure model of rooftop solar is a financing and ownership arrangement where the consumer does not buy or own the solar system. Instead, a third-party solar service provider (SSP) installs, owns, operates, and maintains the rooftop solar system on the consumer's premises. The consumer only pays for the electricity generated by the solar panels, usually through a Power Purchase Agreement (PPA). If a firm installs solar defaults, the solar system will continue producing power, incurring costs with no responsible party to cover them. The BSREA is suggesting a tripartite agreement involving the government to mitigate risks and ensure financial security.

7. CASE STUDY: CANCELLATION OF PROJECTS AFTER ISSUANCE OF LETTERS OF INTENT (LOI)

In 2024, Bangladesh's interim government cancelled contracts for 42 power plant projects, including 37 based on renewable energy (Solarbe Global, 2024). These projects were either at the early stage or

had received a Letter of Intent (LoI) from the Power Development Board (BPDB), which means they had met the required conditions and were ready to begin construction.

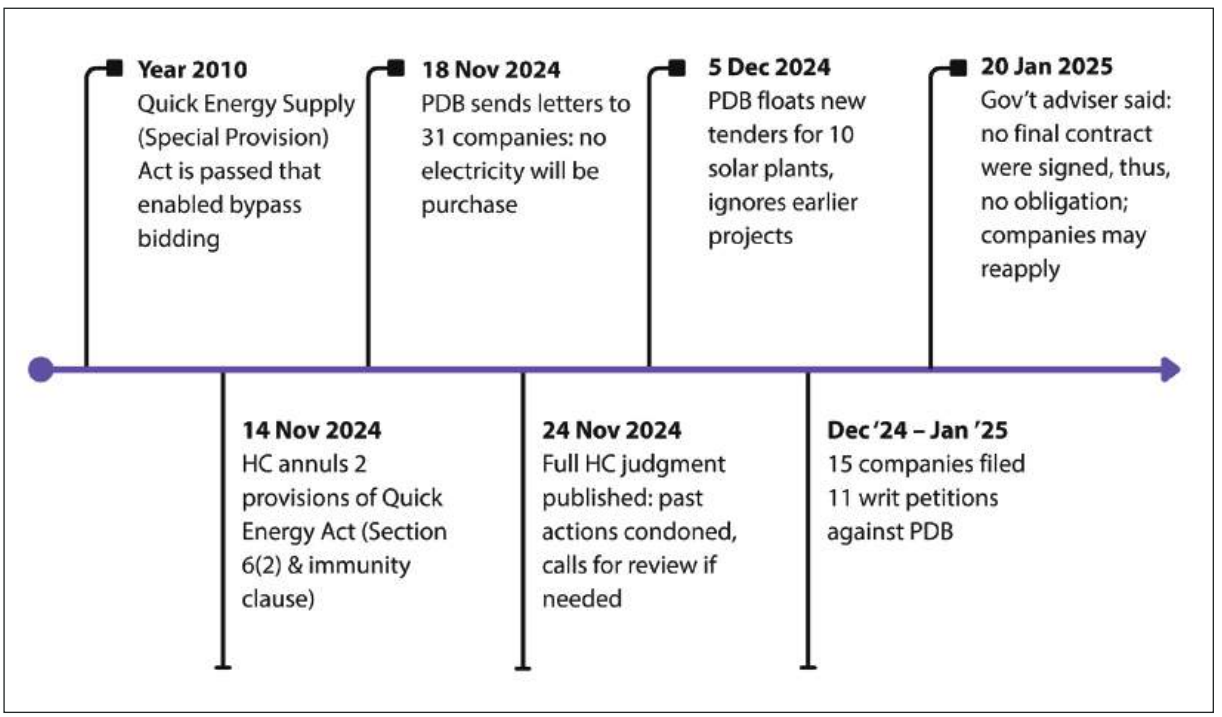
The cancelled contracts were made under a 2010 law called The Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, which allowed the government to make deals without following the usual tender process. The interim government said that from now on, all government purchases will follow open and competitive tendering, to make the process more transparent.

7.1 Timeline of the events

A broad timeline of the events is illustrated in Figure 11. Initially on 14 November 2024, the High Court delivered a major ruling by cancelling two key provisions of the Quick Enhancement of Electricity and Energy Supply Act. These included: Section 6(2), which allowed the Power Minister to bypass the tender process and directly sign deals. And a provision granting legal immunity, which shielded those deals from court challenges. Just four days later, on 18 November, the Power Development Board (PDB) sent letters to the solar power companies, stating that the government would no longer buy electricity from them. This was even though most of these companies had already completed or were finalising land acquisition and other essential work.

On 24 November, the full court decision was made public. It confirmed that the cancelled rules would no longer apply but said that past actions taken under those rules were still valid and could be looked

Figure 11: Timeline of the Events Related to LOI Cancellation



Source: Authors' compilation form KII and desk research.

at again if needed. However, on 5 December, the PDB issued new tenders for some of the same projects, without addressing the status of the previously selected companies.

In response, 15 out of the affected companies filed 11 writ petitions with the High Court. They argued that the government acted too soon and that the court's full ruling should have been considered more carefully before cancelling the projects.

Later, on 20 January 2025, the Adviser of the Ministry of Power, Energy and Mineral Resources of the interim government of Bangladesh, Muhammad Fouzul Kabir Khan, told that there was no breach of the court order. He explained that the Letters of Intent (LoIs) issued earlier were not final contracts, so the government had no binding obligation. He added that a national committee is currently reviewing the agreements and that the affected companies are welcome to apply again under the new tenders.

According to various reports, among the cancelled projects represent a total of around 3,287 MW of solar power and involve potential foreign investment worth USD 4.5 billion. Investors have already invested around USD 300 million from foreign lenders through banking channels for these projects. As of September 2024, 15 companies already purchased the required lands as they received 'go-ahead' signal (Rahman, 2024).

These developments deeply disappointed the investors. They had already paid taxes, made financial commitments, and some had even bought land for the projects. Despite this, they received no refunds, which they consider the bare minimum that should be expected from the government.

The land purchased for these projects is another pressing issue. In Bangladesh, selling land is much harder than buying it. Investors are stuck with assets that are difficult to liquidate.

Though the government formed a committee to review the cancelled projects for any irregularities or corruption, the authority of the committee is still in question. Because, according to the investors, the outlook of the government portrays a picture that does not support the future of renewable energy projects in Bangladesh.

7.2 Overview of the cancelled projects

According to Dialogue Earth, 2024, the cancelled projects have a proposed electricity generation capacity of 5,300 MW, of which 3,100 MW was allocated to the 37 renewable energy projects. Chinese investors are the third largest sources of investment and finance, which offered four renewable energy-based power plant projects. Table 5 provides an overview of the cancelled projects.

There are also four China-financed power plants that have been cancelled. These plants (listed in Table 6) would have contributed to a total of 450 MW of electricity. With the Ghoradhap power plant having an installed capacity of 180 MW, the Madarganj and Gauripur plants having a capacity of 100 MW each, and the Lama plant having a capacity of 70 MW. All the plants are owned by Independent Power Producers (IPPs).

Table 5: Overview of the cancelled projects

Country of Partnership	Number of Projects	Cancellation Status	
		Cancellation of LOI	Cancelled at the stage of requesting tender/piloting phase
ADB	1	0	1
China	4	4	0
France & Norway	1	1	0
Germany	1	1	0
Hong Kong	2	1	1
India	1	1	0
Japan	1	1	0
Malaysia	2*	2	0
Saudi Arabia	2	1	1
Singapore	7	7	0
South Korea	2	2	0
UK	2	2	0
USA	2*	1	1
Vietnam	1	1	0
Bangladesh	13*	10	3

Source: BPDB Advancement of Power Sector, BWGED and Energy Transition Bangladesh, (Bangladesh Working Group on Ecology and Development, 2024)

Note: * indicates few fossil-fuel-based power plants in the country's cancelled power plants.

Table 6: Overview of the cancelled China-financed projects

Power Plants	Fuel	Capacity (MW)	Ownership	Financing Stake
Madarganj, Jamalpur 100 MW Solar Power Plant	Solar	100	IPP	70% ownership
Lama, Bandarban 70 MW Solar Power Plant	Solar	70	IPP	Joint Venture
Ghoradhap, Jamalpur 180 MW Solar Power Plant	Solar	180	IPP	100% ownership
Gauripur, Mymensingh 100 MW Solar Power Plant	Solar	100	IPP	100% ownership

Source: BWGED and (Energy Transition Bangladesh, 2024).

8. STATUS OF THE INVESTMENT FACILITATION ECOSYSTEM IN LIGHT OF UNCTAD MODEL

8.1 Status of Regulatory Transparency and Predictability

In Bangladesh, support and information access for foreign investors in renewable energy, especially Chinese investors, remain limited and uneven. Although the Bangladesh Investment Development

Authority (BIDA) serves as a partial enquiry point, there is no comprehensive one-stop platform that provides A-to-Z support, specifically for renewable energy or Chinese investors.

New or amended investment-related policies, such as VAT rules, can sometimes come into force rapidly, within as little as 30 days, offering limited time for businesses to adapt. Whilst rules for appeal and arbitration are available under the Arbitration Act, broader procedural clarity could be improved.

Laws, regulations, and procedures affecting renewable energy investments are generally accessible in English, which is widely understood by international stakeholders, though not in Chinese. Details about investment incentives, subsidies, and tax breaks are available through international journals or media. However, information on the specific facilities offered by BIDA in Export Processing Zones (EPZs) is not publicly detailed.

The transparency of judicial decisions in renewable energy investment disputes is limited, as such decisions are not routinely published or easily accessible. Similarly, international agreements or bilateral treaties between China and Bangladesh related to renewable energy are not publicly available, making it difficult for investors to understand their legal footing.

Information on financial obligations, such as fees and charges during the investment process, is also fragmented and not organised in one place. Furthermore, there is no publicly available investment guidebook tailored to foreign or Chinese investors interested in renewable energy projects.

Lastly, whilst the contact details of relevant authorities are technically available, they are not easily accessible or user-friendly, further complicating investor outreach and communication.

8.2 Status of Electronic Governance in the Sector

Bangladesh has a national investment website, but it lacks comprehensive and detailed information for investors. Most official payments related to investment processes, such as admission, setup, and expansion, are still done through in-person bank transactions, as there is no fully developed electronic payment system in place.

There is no online system for business registration yet, and although some documents can be submitted electronically, full acceptance of e-documents is still limited. Authorities communicate with investors through email or social media, but electronic signatures are only partially recognised, and their acceptance depends on specific circumstances.

Investors currently cannot track the status of their applications online. For foreign investors, including those from China, companies usually appoint a dedicated person to handle online tax registration and filing. Whilst there is an e-GP (Electronic Government Procurement) system for open tenders, there is no dedicated online single-window platform for submitting and processing all investment applications.

Documents such as business registration papers, tax IDs, and other required forms must still be submitted in person. Similarly, business registration certificates are not available online and must be

collected physically. There is no functional contact point or complaint mechanism available on the portal for issues related to registration processes.

8.3 Status of the Focal Point & Review Process

Bangladesh has appeal mechanisms for investment-related disputes, and judicial review processes allow investors to present their cases. Decisions are generally based on the arguments and evidence presented. However, the process is still lengthy and delays making decisions. Dispute prevention mechanisms exist in the system, and according to the investors, there is some level of coordination between government institutions, though not always efficiently.

Currently, there is no clearly established focal point or ombudsman to specifically handle foreign investor complaints, BIDA (Bangladesh Investment Development Authority) performs this role to some extent. However, it does so with limited capacity and outreach. As a result, investors often struggle to get guidance, submit complaints, or receive assistance with navigating institutional processes. There's also no accessible platform for investors to share feedback or request support through a centralised body.

The BIDA is developing a single window system, but skepticism is there regarding the full functionality of the system. As mentioned earlier, the public procurement website is not very user friendly. The focal point does not appear to be actively involved in resolving disputes, suggesting limited engagement with investors, agencies, or ministries. Additionally, there's no structured follow-up on complaints, no data on appeal timeframes, and no mechanism for suggesting policy improvements or inspecting how solutions are implemented.

Meetings between the government and foreign investors are not regular, and information on whether appeals are processed quickly or fairly is missing. Overall, the system lacks a user-friendly interface and proactive functions to protect and promote foreign investments effectively.

8.4 Status of the Application Process

In Bangladesh, the application process for renewable energy investments, especially for Chinese investors, lacks transparency and clarity in several key areas.

To begin with, there is no available information on how often investment regulations and documentation requirements are reviewed to align with the needs of Chinese investors. Whilst an online checklist is sometimes embedded within tender documents, there are no dedicated, sector-specific guidelines for Chinese investment in renewable energy. Similarly, clear timeframes for processing applications are not publicly provided, making it difficult for investors to plan efficiently.

Applicants are usually informed of decisions via email or public notices, but the overall process remains closed and opaque, with limited real-time updates. If an application is incomplete, responses vary, some cases receive clarification, whilst others do not. There is also no standard practice of providing detailed explanations for rejected or incomplete submissions.

There is no 'silent yes' system in place to ease administrative approvals. Although fees related to applications are available on platforms like e-GP, there is no evidence of regular reviews to assess whether these fees create barriers for Chinese investors. Moreover, the period between the announcement and enforcement of revised fees is unclear, making financial planning uncertain. While inquiries are free, it is unclear if fees for accessing forms and documents are clearly communicated.

Visa procedures for Chinese businesspeople show some positive elements: multiple-entry visas are available, and current temporary entry requirements are communicated. However, processing times, renewal processes, accepted document formats, and the number of required documents is same as regular visitors. In terms of costs, a regular visa costs USD 34, urgent visas cost USD 100, and multiple-entry visas are USD 195.

8.5 Status Regarding Cross Agency Cooperation

When it comes to cooperation and coordination among Bangladeshi agencies in facilitating Chinese investment in the renewable energy sector, the efforts remain very limited. Agencies involved in investment management show minimal coordination, which affects the overall investor experience.

Some international training opportunities do exist where officials of agencies like BIDA participate in global training programmes, which could contribute to improving investment facilitation in the long run. However, cooperation in the exchange of investment-related information between agencies is still limited, making it harder for Chinese investors to make informed decisions.

A domestic supplier database is currently under development by BIDA, which, once operational, could support Chinese investors in identifying local partners and streamlining supply chain decisions. However, at this stage, it is not yet accessible.

Unfortunately, the best practices and facilitation information are not shared among stakeholders, leaving a gap in institutional learning and support for foreign direct investment. Likewise, inter-agency coordination mechanisms exist only to a limited extent, restricting the effectiveness of streamlining the investment process.

On a more positive note, business-government networking events like Bangladesh Investment Summit are organised, creating occasional opportunities for dialogue and collaboration between the government and Chinese investors in the renewable energy sector. Furthermore, consultations with investors do happen, but only occasionally, limiting their impact on long-term policy and procedural improvements.

Whilst a few initiatives and engagements are in place, Bangladesh's current cooperation framework provides only limited and irregular support to Chinese investors in the renewable energy sector. Stronger institutional collaboration and more consistent engagement are needed to create a truly enabling investment environment.

8.6. Status on Responsible Business Conduct and Anti-Corruption

UN Guiding Principles on Business and Human Rights (UNGPs): Bangladesh recognises the UN Guiding Principles on Business and Human Rights (UNGPs) as an important framework encouraging companies to respect human rights and avoid abuse. However, these principles are not yet fully embedded into the country's policies for overseas investments, including those from China in the renewable energy sector.

ILO Fundamental Conventions: Bangladesh has ratified all eight core ILO Fundamental Conventions, which cover: Freedom of association, Right to collective bargaining, Elimination of forced labour, Abolition of child labour, and Non-discrimination in employment. This commitment strengthens the country's labour standards, which is beneficial for Chinese investors concerned with social compliance and decent working conditions.

UN Model Double Taxation Convention: Bangladesh uses the UN Model Double Taxation Convention as a basis for bilateral tax agreements, including one with China. These Double Taxation Agreements (DTAs) help prevent the same income from being taxed twice, making investment smoother and more predictable for foreign investors.

United Nations Convention Against Corruption (UNCAC): Bangladesh is a party to United Nations Convention Against Corruption (UNCAC) and has domestic laws like the Anti-Corruption Commission Act of 2004. Whilst efforts are in place to tackle corruption, enforcement is weak, and corruption remains a significant barrier for Chinese and other investors in sectors like renewable energy.

Bribery of Foreign Public Officials in International Business Transactions: Bangladesh does not have a specific law targeting Bribery of Foreign Public Officials in International Business Transactions. However, both Bangladesh and China have general anti-bribery laws.

9. THE SCOPE OF MERCHANT POWER PLANT AND SPOT ELECTRICITY MARKET IN BANGLADESH

The Government of Bangladesh is currently formulating a policy framework for merchant power plants. The policy-making committee includes experts who were previously involved in the development of the Public Procurement Act, ensuring that issues such as conflict of interest are adequately addressed. Several critical considerations guiding policy development:

a. **Issue of Consumer Bases:** Merchant power plants should not serve the same consumer base as that of the government's grid-connected consumers. If both public and private entities cater to the same segment, it may result in over-investment within a specific domain, that will be leading to inefficiencies and duplication of resources utilisation.
b. **Price and Subsidy Concerns:** Currently, the Bangladesh Power Development Board (BPDB) sells electricity at a price lower than its procurement cost, with the government covering the shortfall through subsidies. The entry of merchant power producers is likely to influence market prices. Therefore, there is scope to explore the potential dynamics and implications of price adjustments in a liberalised power market.

c. **Regulatory and Conflict of Interest Issues:** In a market where investor companies and private entities engage in direct transactions under a Corporate Power Purchase Agreement (CPPA) model, there is a possibility of bypassing state-owned entities such as the Bangladesh Rural Electrification Board (BREB) and the Power Grid Company of Bangladesh (PGCB). This could lead to a lack of regulatory oversight and potential conflict of interest, which may not be acceptable to the government. This is to note that, a Corporate Power Purchase Agreement (CPPA) is a long-term contract where a company agrees to buy electricity directly from a power producer at a fixed price for a set number of years to lower costs and reduce its carbon footprint, usually from a renewable energy source like a solar or wind farm.

Moreover, for CPPA arrangements to be effective, local companies must maintain transparent operational and financial records. Without such transparency, international investors like Chinese investors, particularly those considering engagement with small and medium enterprises, will be hesitant to participate due to high risks. Whilst local investors may have alternative resourse in the event of defaults, foreign investors typically require government-backed guarantees to ensure confidence in their investments.

Another perspective is that the local conglomerates have the advantage of building power plants to meet both their own needs and selling electricity to others. They can sign power purchase agreements with other businesses. Even if those businesses fail to honour the contract, the conglomerates can still use the power themselves. In contrast, independent investors do not have that safety net. They require government support, as they cannot easily enter into secure contracts with local businesses, many of which lack transparency in their financial and operational records as mentioned earlier.

Nonetheless, the CPPA model remains feasible. However, its successful implementation depends on the collective consent and coordination of all relevant stakeholders within the power sector ecosystem. Another recent arrangement is the Spot Market for electricity. All electricity information is gathered on one platform, and then there are buyers and sellers like a stock market. And like the stock market, transparency of the legal and financial context is a prerequisite. But Bangladesh needs to develop its ecosystem more to start spot market system.

10. RECOMMENDATIONS FOR IMPROVING THE INVESTMENT FACILITATION ENVIRONMENT

Based on the overview of the different stages of the investment cycle and identified challenges several issue specific recommendations are proposed in this section.

10.1 Recommendations for Improving the Business Establishment and Licencing Process

The administrative and legal steps involved establishing a renewable energy business in Bangladesh is lengthy and complex. Addressing these bottlenecks is essential to attract both domestic and foreign investment, encourage private sector participation, and support the country's clean energy goals. The suggestions will be helpful for the following agencies to make the processes better.

1. City Corporation/ Municipal Corporation/ Union Parishad
2. National Board of Revenue (NBR)
3. Office of the Chief Controller of Imports and Exports (CCI&E)
4. Bangladesh Investment Development Authority (BIDA)
5. Department of Inspection for Factories and Establishments (DIFE)
6. Chamber of Commerce & Trade Associations. (BSREA Proposed)
7. Department of Environment (DoE)
8. Fire Service and Civil Defense (FSCD)
9. Department of Patents, Designs, and Trademarks (DPDT)
10. Bangladesh Energy Regulatory Commission (BERC)

The following recommendations aim to make the business set up and licencing process more transparent, efficient, and investor-friendly. Each suggestion responds directly to the challenges identified, offering a pathway for smoother entry into the renewable energy sector.

a) **Simplify the Administrative Process:** The government should create a more streamlined process for company registration by reducing the number of forms and standardising requirements. A simplified checklist and sample templates can be made available online to help investors understand the documents they need to submit. BIDA can facilitate this step whilst keeping the associated agencies on board.
b) **Fully Digitalise the Registration and Licencing Steps:** To reduce delays, the government should shift the entire registration and licencing process to an integrated online platform. All forms and document submissions should be accepted digitally, with options for online payment of government fees. A paperless system will save time, improve efficiency, and minimise human errors. Also, the system should notify the status of applications online so that investors can remain updated.
c) **A Foreign Investor Support Desk:** To assist foreign investors, a dedicated helpdesk should be set up under the Bangladesh Investment Development Authority (BIDA). This desk should provide step-by-step guidance in English, offer translation support, and assign officers to assist foreign companies that do not have a local presence.
d) **Consolidate Licencing Processes:** Multiple licenses could be bundled together under a 'single window' service (which is under development by BIDA). Investors should be able to apply for Trade Licence, TIN, VAT, and Industrial Investment Registration through one common portal. This would reduce duplication, lower costs, and speed up approval times. It is recommended to explore the UNCTAD Global Action Menu as detailed at the beginning of this report.
e) **Establish a Central Document Repository:** A centralised digital document repository should be introduced where investors can upload and store common documents (like passport, TIN, photos) once and then use them across different licence applications. This system will also prevent errors and reduce repetitive paperwork in different agencies.
f) **Improve Access to Information and Support:** Government websites, particularly BIDA and sector-specific agencies like BERC and DoE, should be updated regularly with clear, step-by-step guides, frequently asked questions (FAQs), timelines, and downloadable formats. A 24/7 hotline or chatbot can also help address common investor queries in real time.
g) **Launch a One-Stop Online Business Portal:** A centralised online portal should be developed that combines all services, from name clearance to CPP licencing, under one platform. This portal can allow status tracking of applications, receive alerts for missing documents, and ensure transparency

in timelines. It will also make the process more investor-friendly and reduce dependency on third-party consultants.

10.2 Recommendations on the Current Open Tender Process

In light of the identified challenges in the previous section on the Open Tender Process, several practical and policy-aligned measures may be adopted to strengthen the current open tendering process for utility-scale solar projects in Bangladesh. As the Bangladesh Power Development Board (BPDB) are now at the focal of the open tender process, the following recommendation will be helpful for BPDB to make the process smooth and investor friendly:

a) **Enhancing Digital Infrastructure:** Greater digitisation of the tendering system can be considered to reduce the burden of physical documentation and improve accessibility for the investors. A secure online submission and tracking platform could allow for smoother participation, especially from foreign investors without a local presence. This will increase the number of bidders for a project that will lead to more qualified winners.
b) **Institutional Streamlining of Approval Process:** A review of the approval hierarchy may enable the development of a time-bound approval mechanism with clearly defined stages. This would reduce administrative lag and align the implementation cycle with regional benchmarks, Additionally, this will improve investor confidence by minimising exposure to financial risk due to capital idleness.
c) **Structured Proposal Status Disclosure:** Even if technical evaluations stay confidential, a system that informs bidders about the basic status of their proposals, like whether they passed the first stage, can reduce confusion and build trust in the process. This would ensure transparency in evaluation and reduce perceptions of opaqueness or procedural delay.
d) **Land Price and Development Facilitation:** Among the institutional challenges, the high cost of land stands out as one of the most critical issues, especially in terms of overall project costs and determining the Levelized Cost of Energy (LCOE). Land price is a key factor that often hampers the financial viability of renewable energy projects. After a project is approved, bidders must find and buy the land, which often causes problems like rising prices or legal disputes. Therefore, addressing the inflated land prices should be treated as a top priority, as investors are keen to reduce the cost of project implementation and improve the financial viability of renewable energy projects. The government (in coalition of different ministries like Ministry of Power Energy and Mineral Resources, Ministry of Agriculture, Ministry of Land, etc.) can support this by selecting and preparing land in advance or setting up solar zones where land is already available for projects. Alternatively, it can lease government lands if available and can follow land lease exemption like Vietnam.
e) **Improved Bidder Communication:** Some proposals are rejected due to minor errors. Development of a systematic notification mechanism for incomplete applications or disqualifications can ensure procedural fairness and reduce disqualification on minor grounds. A help desk, clear instructions, and a frequently asked question-and-answer section on the website can also make the process easier. These steps will facilitate higher quality submissions and encourage broader participation.
f) **Establishment of Monitoring and Grievance Systems:** Even though proposals are submitted to more than one place to stop political pressure, there is still a chance of outside influence. A proper monitoring system and a dedicated grievance redress and oversight body for utility-scale tenders can help make the process fairer.

g) **Creation of a Dedicated Power Sector Tender Portal:** Segregation of power sector-related tenders on the PPA website through a dedicated page or searchable category could enhance ease of access for the investors, particularly for foreign investors. A well-organised digital interface with sector-specific notifications would improve visibility and participation in procurement processes. For the websites, which need to attract investors and provide a smooth experience, the government could consider hiring user interface experts.

From the perspective of foreign investors, the current open tender process appears to be an eyewash. International investors are hesitant to invest under this process due to low confidence in the system. There is no assurance that after spending time and money preparing a bid, the government will not later cancel the project. Additionally, the government does not enter into implementation agreements which increase risks for investors. These agreements are important because investors typically spend heavily in the early stages of a project, expecting returns over 20-25 years. If the government cancels the project midway, the financial risk falls entirely on the investors.

Under the open tender process, the government allocates project areas within a 10-kilometre radius of substations. However, in a land-scarce country like Bangladesh, it is nearly impossible to find non-agricultural land in such limited areas. Under the previous unsolicited method, investors had the flexibility to find and purchase land before approaching the government, which made the process more efficient.

10.3 Recommendations to Improve the Development of Rooftop Solar Projects

Rooftop solar projects offer great potential, but key challenges in capacity limits and financial risk under the OPEX model need targeted solutions. The following recommendations are relevant to Sustainable and Renewable Energy Development Authority (SREDA), Ministry of Power, Energy, and Mineral Resource (MoPEMR) to address the mentioned barriers and support wider adoption.

a) **Addressing Capacity Limitations for Establishments:** The restriction that limits rooftop solar capacity to the level of an establishment's energy demand can slow down the expansion of solar generation. Whilst the concern for grid balancing is valid, the policy could explore more flexible thresholds based on seasonal demand profiles or strategic grid zones. Actually, the government has to take a bold step to phase out nonrenewable by giving scope for the renewable sources to supply more to the grid. Special consideration may also be given to industrial zones and economic areas where demand growth is expected. Furthermore, coordinated infrastructure planning, including timely upgrades to local transformers and substations, can support higher rooftop capacities without affecting grid stability.
b) **Mitigating Risk in the OPEX Model:** The OPEX model plays a significant role in making solar energy more accessible by reducing upfront costs for consumers. However, financial and operational risks arise if the solar service provider defaults or withdraws from the agreement. To ensure continuity and protect all stakeholders, a structured risk-sharing mechanism may be considered. This could involve formalising tripartite agreements between the service provider, the consumer, and a government authority. Such arrangements would build confidence in the model and safeguard ongoing power generation and financial flows, especially in the event of project abandonment or legal disputes.

10.4 Recommendations on the Status of LoI

Bangladesh is currently in a transition between two political regimes. In such periods, policy continuity is extremely important. Investors need time to understand and adapt to new systems. The shift from unsolicited proposals to solicited ones, through a reverse bidding process, represents a major change. Whilst such reforms may aim to improve transparency and competition; they should be introduced with care and proper transition plans. Existing investors who acted in good faith under previous rules should not be penalised. Policymakers should consider the positions and investments of these earlier participants to maintain trust and attract future investment.

Avoiding fluctuations in the system: Foreign investors value stability and predictability above all. Whilst some degree of stability exists; predictability remains a major challenge. The sudden suspension of projects that had received formal approval and for which investments were already made, such as land purchases and bank deposits, has shaken investor confidence. Additionally, recent public statements questioning the need for Independent Power Producer (IPP) models.

Additionally, Implementation Agreements play a vital role in securing the confidence of both investors and lenders. These agreements should serve as sovereign guarantees. If the Bangladesh Power Development Board (BPDB), which currently operates at a financial loss, is unable to meet its obligations, other relevant government entities should ensure that the commitments are fulfilled. Without such assurance, long-term infrastructure investments like power plants will struggle to attract funding.

Improving Communication with Investors: In this context, improvement in communication is necessary. Sudden decisions, such as cancelling dozens of projects within days of a court ruling, can send a negative message to both local and international stakeholders. The government should develop clearer communication guidelines and offer timely updates, particularly in situations that involve large investments and foreign collaboration. Better coordination with the private sector would help avoid confusion and panic.

Since some companies have already gone to court to challenge the cancellation, the government should consider establishing a fair and fast-track dispute resolution mechanism for such cases. This would help affected investors find a solution without going through lengthy legal processes and could serve as a model for handling future investment-related conflicts.

To address the uncertainty and disappointment caused by the cancellation of projects after issuing Letters of Intent (LoIs), the government should consider offering some form of compensation or refund, especially to investors who had already spent money on land acquisition and fulfilled early project conditions. Even if LoIs are not final contracts, investors had made significant financial and legal commitments based on the signals they received from the authorities. Recognising these investments would help rebuild trust and show that the government values long-term partnerships

Transparency in Project Review: Regarding the review of cancelled projects, the government should make the process more transparent. If a project had already made progress, such as land acquisition or environmental clearance, it should be allowed to reapply with some preference or fast-track

consideration. Ignoring the efforts already made by the investors discourages future investments and could give the impression that the system lacks consistency.

Addressing Land Purchase Challenges: The issue of land acquisition is especially critical. In Bangladesh, selling land is much harder than buying it. Since many companies have already purchased land for their solar projects, the government could explore ways to help investors. Options may include repurposing the land for other clean energy projects, supporting resale through government channels, or allowing public-private partnerships to use the land for alternative productive purposes.

Reaffirming Commitment to Renewable Energy: From a policy perspective, the government should ensure greater consistency in how it treats past and future contracts, especially when changes in law or political leadership occur. Even if legal grounds exist for cancellation, a clear transition plan helps avoid sudden disruptions. Providing clarity about the legal weight of an LoI and when investors can safely begin committing resources would also reduce future risks.

At this point of transition, it is recommended that the policymakers remain calm and measured. Abrupt policy changes during a sensitive transition period can have long-term negative consequences for investor confidence and the country's development goals. A balanced approach that upholds past commitments whilst introducing reforms gradually will be key to building a resilient and attractive investment environment.

Lastly, this episode has created doubts about the country's long-term support for renewable energy. To alter this perception, the government should make a public and strong statement reaffirming its commitment to clean energy development. Clear, achievable targets and a transparent pipeline of future projects will help attract new investors and reassure those already in the market.

10.5 Recommendations for Chinese Investors to Navigate the Ecosystem

To strengthen their position and reduce risks in Bangladesh's renewable energy sector, Chinese investors may consider the following approaches:

a) **Engage Early with Policy and Regulatory Bodies:** Chinese investors should establish strong communication channels with relevant authorities such as SREDA, BERC, BIDA, and the Power Division to stay ahead of regulatory changes and ensure compliance. The recent initiative by BIDA to introduce Investor Relationship Managers who are experienced corporate bankers embedded in the agency to act as single points of contact. Investors are now able to work directly with these dedicated facilitators, who can guide them through government processes, coordinate across agencies, and resolve bottlenecks more effectively. Engaging early with these focal points can help investors reduce procedural uncertainty and improve project timelines.
b) **Leverage Local Partnerships:** Strategic collaboration with Bangladeshi firms, EPC contractors, and financial institutions remains essential. Local partners not only facilitate land acquisition and compliance but also help navigate the informal dynamics of the business environment. In the evolving institutional setting, partnerships with local banks and chambers of commerce can also provide direct channels into BIDA's new matchmaking model, where government and private expertise jointly support investors.

c) **Invest in Knowledge Sharing and Capacity Building:** Chinese investors bring vast technical expertise in solar and renewable energy deployment. By offering structured training, technology transfer, and joint research programmes with local institutions, they can strengthen local capacity and enhance their reputation as long-term partners in Bangladesh's green transition. BIDA's shift towards collaboration with private-sector professionals also creates opportunities for investors to engage more constructively in building sectoral capacity.
d) **Proactively Address Land and Infrastructure Issues:** Land acquisition and grid connectivity remain among the most complex challenges. Investors should initiate discussions with local governments and communities early, whilst maintaining flexibility by assessing multiple sites before finalising investments. Early coordination with PGCB for grid access is critical. The new BIDA facilitation model, which assigns Investor Relationship Managers to help investors directly liaise with different government offices, can also reduce risks of delays and disputes by providing structured support in navigating land and infrastructure bottlenecks.
e) **Advocate for Risk-Mitigation Mechanisms:** Chinese investors, particularly through bilateral platforms such as chambers of commerce, should collectively advocate for risk-sharing frameworks, including sovereign guarantees, transparent PPAs, and predictable dispute resolution mechanisms. The presence of Investor Relationship Managers within BIDA provides a practical channel to escalate such concerns and shape reforms. By working together with both the government and the private sector facilitators, investors can help build a more stable and transparent investment environment.

11. CONCLUSION

Bangladesh is at an important turning point in how it attracts and manages investment, especially in the renewable energy sector. As the country works to improve its rules and systems, it is important that changes are made in a clear, fair, and stable way. The recommendations shared here are based on key ideas like predictability, faster and simpler processes, protecting investors, better coordination between government bodies, and managing changes carefully. These are all important to create a good environment for clean energy investment.

Making it easier to set up a business, improving the tender process, solving problems with rooftop solar, and handling the shift from old to new systems are not just technical steps, these ultimately help build trust among the investors, government, authorities concerned and relevant other stakeholders. These changes must include a promise to respect past agreements, support those who invested early, and keep investor confidence strong during any political or policy changes.

If Bangladesh wants to attract long-term investment in clean and renewable energy, it needs a careful, fair, and rules-based approach. This means respecting the rights of investors whilst also improving systems over time. If done right, Bangladesh can meet its clean energy goals and show the world that it is ready for responsible and sustainable investment.

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Annex

Annex Table 1: Matching of the Modules with the Areas of the Framework

Policy Areas	Relevant Modules
1. Accessibility and Transparency	Module A, Module B
2. Predictability and Consistency	Module A
3. Efficiency of Investment Administration	Module D, Module B
4. Stakeholder Relationships	Module E, Module C
5. Designated Lead Agency, Focal Point, or Investment Facilitator	Module C
6. Monitoring and Review Mechanisms	Module C
7. International Cooperation	Module E
8. Support and Technical Assistance	Module F, Module E
9. Capacity Building in Developing-Country Partners	Module E
10. International Investment Agreements	Module E, Module F

Source: Authors' compilation based on web-based documents (2025).

Annex Table 2: Module A. Regulatory Transparency & Predictability

Serial	Question	Information
1	Are there enquiry points established to assist foreign investors in renewable energy, particularly Chinese investors?	BIDA partial, A-Z No
2	What is the average time between the publication of new or amended investment-related laws, regulations, or renewable energy policies and their enforcement?	VAT Policy rapidly 30 days, else no
3	Are procedural rules for appealing and reviewing decisions related to renewable energy investments available to Chinese investors?	Yes, Arbitration law
4	Is information on laws, regulations, and procedures affecting renewable energy investments accessible to foreign investors?	Yes
5	Are details about investment incentives, subsidies, or tax breaks for renewable energy projects published and accessible?	Yes, Intl journal, news. No, for facilities provided by BIDA in EPZs
6	Are laws, regulations, and investment-related documents available in languages commonly used by Chinese stakeholders?	No Chinese, yes English
7	Are judicial decisions on investment disputes in the renewable energy sector published and transparent?	No info
8	Are international agreements or bilateral treaties between China and Bangladesh related to renewable energy investments publicly available?	No, for general public it is not. Tough to gather information
9	Is information on fees, charges, and financial obligations for renewable energy investment processes disclosed?	No, not organised
10	Is there an investment guidebook available that provides guidance to foreign investors on renewable energy projects in Bangladesh?	No info
11	Are contact details of competent authorities responsible for renewable energy investments published and accessible to Chinese investors?	Available but not accessible

Source: Prepared by authors based on KIIs (2025).

Annex Table 3: Module B. Electronic Governance

Serial	Question	Information
1	Is there a national investment website providing information for investors?	Exists, not enough information
2	Is an electronic payment system available for paying fees, charges, and taxes related to investment processes, such as admission, establishment, maintenance, acquisition, and expansion?	Mostly bank transaction in-person
3	Is there an online business registration system available?	No
4	Are electronic copies of documents accepted during the investment application process?	Partial
5	Do competent authorities use electronic tools (e.g., email or social media) to exchange information with investors?	Yes
6	Do laws or regulations recognise electronic signatures as legally equivalent to handwritten signatures?	Depends
7	Can investors track the status of their applications online?	No
8	Are online tax registration and declaration available for non-resident foreign investors?	Dedicated person from the company (follow China)
9	Does a national investment portal or single window exist for submitting and processing investment applications online?	Open tender, e-GP
10	Can all necessary documents for investment applications (e.g., business registry, tax ID, social security, pension schemes) be submitted simultaneously through a single window?	In person submission of financial and technical documents
11	Can all fees for mandatory registrations be paid through the single window?	Pending
12	Is it possible to receive business registration certificates online (e.g., QR code, certificate number, or PDF)?	No, in person
13	Is it possible to update investment-related information online through the single window?	No info
14	Does single window or national investment portal provide contact information (phone or online) for complaints related to mandatory registrations?	No info

Source: Prepared by authors based on KIIs (2025).

Annex Table 4: Module C: Focal Point & Review Procedure

Serial	Question	Information
1	Are independent or higher-level administrative and/or judicial appeal procedures available?	Yes
2	Is there a time limit for deciding judicial appeals?	No info
3	Does the judicial system meet international benchmarks for judicial independence (e.g., as reflected in global competitiveness reports)?	Pending
4	Is there an opportunity for investors to support or defend their positions during judicial review?	Yes
5	Are judicial review decisions based on the evidence and arguments presented?	Yes
6	Is there a dispute prevention mechanism in place?	Yes

(Annex Table 4 contd.)

(Annex Table 4 contd.)

Serial	Question	Information
7	Do domestic institutions enhance communication and coordination among relevant authorities at different levels of government?	Yes, but not efficient
8	Has a focal point or ombudsman been established to coordinate and handle foreign investment complaints?	No specific focal point, BIDA in limited capacity
9	Does the focal point provide guidance on related legislation, institutional processes, and responsible agencies?	No specific focal point, BIDA in limited capacity
10	Does the focal point accept and/or forward foreign investment complaints?	No info
11	Does the focal point engage with governments, investors, and other parties to address concerns?	No specific focal point, BIDA in limited capacity
12	Does the focal point assist investors in obtaining information from government agencies relevant to their investments?	No specific focal point, BIDA in limited capacity
13	Is there a mechanism for investors to provide feedback to the focal point?	No info
14	Is the single window for investment applications operating effectively?	BIDA single window established, Open tender process website is there.
15	Does the focal point offer alternative forms of dispute resolution?	No info
16	Does the focal point collaborate with government agencies to resolve investment-related difficulties?	No specific focal point, BIDA in limited capacity
17	Does the focal point recommend measures to improve the investment environment?	No info
18	Is the research/help function of the focal point website user-friendly and of high quality?	No
19	Does the focal point hold frequent meetings with foreign-invested companies and government officials to mitigate conflicts?	Not enough info
20	Does the focal point make corrective recommendations and express opinions regarding unfair administrative measures?	No info
21	Does the focal point inspect the implementation of solutions for foreign investment complaints?	No info
22	Is there sufficient time available for lodging an appeal within the established appeal mechanism?	No info
23	Are appeal decisions rendered in a timely manner, avoiding undue delays?	No

Source: Prepared by authors based on KIIs (2025).

Annex Table 5: Module D: Application Process

Serial	Question	Information
1	How frequently are investment regulations and documentation requirements reviewed to ensure alignment with the needs of Chinese overseas investors in Bangladesh's renewable energy sector?	No info
2	Is there an online checklist available to assist Chinese investors in completing applications for renewable energy projects in Bangladesh?	In the tender document
3	Are there specific guidelines available on the application requirements for Chinese overseas investment in the renewable energy sector?	No

(Annex Table 5 contd.)

(Annex Table 5 contd.)

Serial	Question	Information
4	Are clear timeframes published for processing applications related to Chinese investment in the renewable energy sector in Bangladesh?	No
5	How effectively are applicants informed of the decision regarding their investment application for renewable energy projects in Bangladesh?	Through email and public notice
6	Is there a transparent process for informing applicants about the status of their renewable energy investment applications in Bangladesh?	No, Closed process
7	Are applicants notified if their investment application is incomplete, and is this communicated clearly?	Depends on specific case
8	Do competent authorities provide detailed explanations on why an application is considered incomplete, particularly for Chinese investors in the renewable energy sector?	Pending
9	Are applicants provided with an opportunity to submit the necessary information to complete their investment applications for renewable energy projects in Bangladesh?	Yes
10	Can applicants resubmit an application for a renewable energy project that was previously rejected due to institutional challenges?	Pending
11	Are competent authorities flexible in accepting investment applications at any time throughout the year, including for Chinese investments in renewable energy?	Depends on the call for proposal
12	Is there a silent 'yes' approach adopted for administrative approvals to facilitate smoother processing of renewable energy investment applications from Chinese investors?	No info
13	Are the fees and charges for investment applications, particularly in the renewable energy sector, periodically reviewed and adjusted to ensure they do not present barriers to Chinese investors?	Fees applicable, No info on review
14	Is information regarding all-inclusive fees and charges related to investment applications for the renewable energy sector readily available to Chinese investors?	Yes, on e-GP
15	How much time is allowed between the publication of new or amended fees and charges and their entry into force, and does this period impact Chinese investment decisions?	No info
16	Are fees for answering inquiries or providing necessary forms and documents clearly communicated to Chinese investors?	No fees for inquiry, pending
17	Are fees and charges reviewed periodically to ensure they remain appropriate and relevant to the specific needs of Chinese investors in the renewable energy sector?	No
18	Does the investment framework support risk management systems that allow Chinese investors to assess and manage risks in the renewable energy sector in Bangladesh?	No
19	How long is the processing time for visas for Chinese businesspersons investing in renewable energy projects in Bangladesh?	Pending
20	Is a multiple-entry visa available for Chinese business visitors involved in renewable energy investments in Bangladesh?	Yes
21	Are there clear communication and acceptance of current requirements for the temporary entry of Chinese business visitors investing in the renewable energy sector?	Yes

(Annex Table 5 contd.)

(Annex Table 5 contd.)

Serial	Question	Information
22	Are Chinese investors able to submit their visa applications and related documents in electronic format?	Pending
23	Is there a clear process for the renewal or extension of temporary stay authorisation for Chinese investors involved in renewable energy projects in Bangladesh?	Pending
24	How many documents are required to obtain a business visa for Chinese investors looking to invest in renewable energy projects in Bangladesh?	Pending
25	What is the cost for Chinese investors to obtain a business visa to enter Bangladesh for renewable energy investments (in USD)?	Regular $34.00, Urgent $100, Multiple Entry $195

Source: Prepared by authors based on KIIs (2025).

Annex Table 6: Module E: Cooperation

Serial	Question	Information
1	How well do agencies involved in the management of investment cooperate and coordinate their activities to improve and facilitate Chinese overseas investment in the renewable energy sector in Bangladesh?	Very limited
2	Are there exchange programmes for staff and training opportunities at the international level to assist Chinese investors in the renewable energy sector?	Yes, BIDA officials go for training
3	How effectively do agencies cooperate in the exchange of information related to investment opportunities in renewable energy and information on domestic investors in Bangladesh?	Limited cooperation
4	Is there an established domestic supplier database that Chinese investors in the renewable energy sector can access to facilitate their investment decisions?	In process by BIDA
5	Are best practices and information regarding the facilitation of foreign direct investments in the renewable energy sector shared among stakeholders, particularly for Chinese investors?	No
6	Does Bangladesh's investment framework support accession to multilateral and/or regional investment promotion and facilitation conventions, and how does this impact Chinese overseas investment in the renewable energy sector?	No info
7	Are the procedures and formalities for the acceptance of investment applications for renewable energy projects aligned with neighbouring countries to facilitate Chinese investment in Bangladesh?	Pending
8	Is there harmonisation of data requirements and documentary controls between agencies to ensure smoother processing of applications for Chinese renewable energy investments in Bangladesh?	No
9	How often do regular consultations and effective dialogues take place with investors, particularly Chinese investors, to address concerns and improve the investment process in renewable energy?	Sometimes
10	Is there a mechanism in place to support inter-agency coordination to streamline the investment process for Chinese investors in the renewable energy sector?	Limited
11	Are business-government networking events organised to foster collaboration between stakeholders, including Chinese investors, in the renewable energy sector?	Yes

Source: Prepared by authors based on KIIs (2025).

Annex Table 7: Module F: Responsible Business Conduct and Anti-Corruption

Serial	Question	Information
1	How effectively are the UN Guiding Principles on Business and Human Rights integrated into the policies and practices governing Chinese overseas investments in Bangladesh's renewable energy sector?	In Bangladesh, the UNGPs are recognised as a framework for businesses to respect human rights and address potential abuses.
2	To what extent has Bangladesh ratified ILO fundamental conventions concerning freedom of association, forced labour, discrimination, and child labour, and how does this impact Chinese investors in the renewable energy sector?	Bangladesh had ratified all eight ILO fundamental conventions covering social and labour issues considered fundamental to rights at work.
3	How does the United Nations Model Double Taxation Convention between Developed and Developing Countries influence the investment environment for Chinese investors in renewable energy projects in Bangladesh?	Bangladesh has signed double taxation agreements with several countries, including China, to prevent double taxation and fiscal evasion.
4	How effectively is the United Nations Convention Against Corruption implemented in Bangladesh to ensure that Chinese investors in the renewable energy sector face minimal corruption-related challenges?	Anti-Corruption Commission Act of 2004, challenges persist, and corruption remains a significant concern for investors
5	What mechanisms are in place to combat the bribery of foreign public officials in international business transactions, particularly in the context of Chinese investments in the renewable energy sector of Bangladesh?	Bribery of foreign public officials in international business transactions is a serious issue with significant legal and economic consequences. Both Bangladesh and China have laws in place to address this.

Source: Prepared by authors based on KIIs (2025).

Over the years, Bangladesh has focused more on investment promotion rather than investment facilitation, slowing progress in renewable energy investment. Using a multi-aspect UNCTAD Action Menu framework, the study examines the investment facilitation environment and identifies key policy and procedural gaps. It dives deep into the on-ground experiences of investors, from policy level to project implementation, and offers actionable recommendations, such as complete digitalisation of business establishment and tender processes; streamlining procedures through a single platform to avoid confusion; providing consistent notifications to investors to keep them involved in the process; and strengthening inter-agency coordination among BIDA, BPDB, SREDA, and relevant ministries, to enhance the investment facilitation ecosystem and build investor confidence.

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