

**CPD Media Briefing On**

**'New Government's  
Economic and Social Sector related Policy and Administrative Decisions:  
180 Days and Beyond**



28 February 2026

**CPD Study On**

**New Government's Priorities in Addressing Socio-economic Challenges**

***Introducing Knowledge-based Decision Making in the Executive and Legislative Process***

**CPD Study on**  
**“New Government’s Priorities in Addressing Socio-economic Challenges**  
***Introducing Knowledge-based Decision Making in the Executive and Legislative Process”***

**The Study Team**

<b>Dr Khondaker Goalm Moazzem</b> <i>Research Director</i>		
<b>Abu Saleh Md. Shamim</b> <i>Senior Research Associate</i>	<b>Tamim Ahmed</b> <i>Senior Research Associate</i>	<b>Helen Mashiyat Preoty</b> <i>Senior Research Associate</i>
<b>Md Mehadi Hasan Shamim</b> <i>Research Associate</i>	<b>Abrar Ahammed Bhuiyan</b> <i>Research Associate</i>	<b>Atikuzzaman Shazeed</b> <i>Research Associate</i>
<b>Sabiha Sharmin</b> <i>Research Associate</i>	<b>Sami Mohammed</b> <i>Programme Associate</i>	<b>Nishat Tasnim Nishu</b> <i>Programme Associate</i>
<b>Maleehah Sabah Ali</b> <i>Programme Associate</i>	<b>Marioum Akter Mou</b> <i>Programme Associate</i>	<b>Md. Khalid Mahmud</b> <i>Programme Associate</i>
<b>Rukaiya Islam</b> <i>Programme Associate</i>	<b>Noor Yana Jannat</b> <i>Programme Associate</i>	<b>Humayun Mahdi</b> <i>Intern</i>

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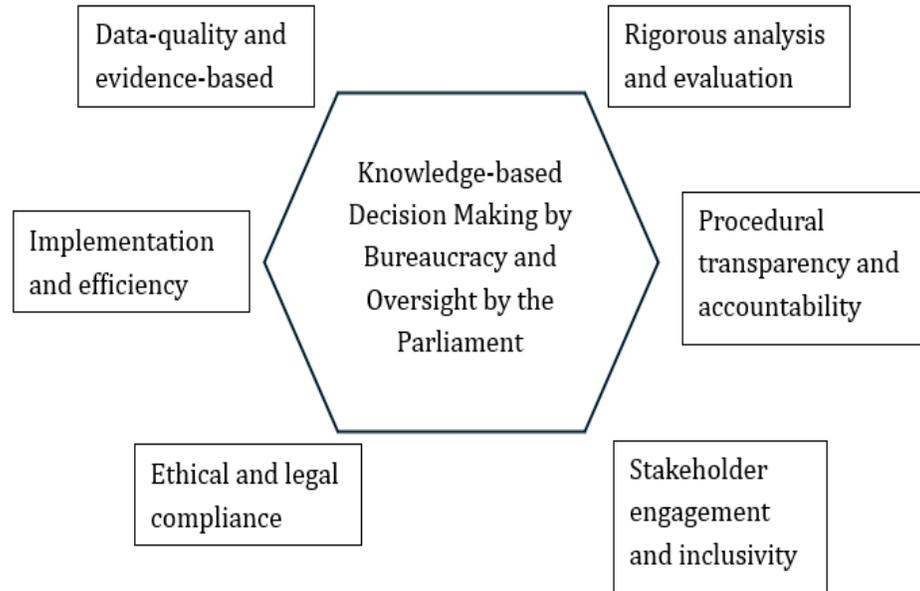
## **Section 1: Introduction**

# 1. Introduction

- **National election** held on 12 February 2026 has **initiated the democratic transition** in the country - BNP-led alliance won the over 2/3<sup>rd</sup> seats in the Parliament and formed the new government
- **Heading a new government** by a political party after a break of 20 years is **not so easy**, especially after a major political upheaval and questionable regime of the interim government
- Although political parties come in power with people's mandate for their election pledges, **parties in power** often found work **'business as usual'** with little innovation and dynamism
- The **executive branch** of the government where bureaucracy work under the Minister as executing agency, play the **most vital role** in implementing government's policy priorities and decisions
- The **success of the political government** depends on how efficiently the political leadership executed their decisions through the bureaucracy
  - Because of **lack of leadership qualities**, inertia of bureaucracy in implementing political pledges, legal and institutional complexities, political failure to continue putting emphasis on pledges, make most of the elected government **unsuccessful** meeting peoples' expectation
- The **new political government** is in front of those challenges – **unless dynamic leadership** qualities are shown by the ministers, chief executives, **unless the parliament** make the government accountable and **unless the judiciary** make the government and political parties and other parties abide by the rule of law- the **same fate** may happen even for the majority party
- In this context, CPD put emphasis on **'knowledge-based decision'** making as well as **decentralization** of power and **effective parliament** in order to make a new government successful.

# 1. Introduction

**Figure 1: Analytical Framework of Knowledge-based Decision Making**



Source: Prepared by authors based on web-based documents

**Table 1: Indicators of Each Component of Knowledge-based Decision Making**

<b>Data-quality and evidence-based</b>	Validity and Reliability: Decisions are based on verified facts, research, and data	Contextual Relevance: Information is relevant to the specific problem and aligned with strategic goals	Comprehensive Information: Ensuring all available information (including both explicit data and tacit knowledge/experience) is considered
<b>Rigorous analysis and evaluation</b>	Evaluation of Alternatives: Developing and analyzing multiple options before choosing a course of action	Impact Assessment: Rigorous evaluation of the potential consequences (positive and negative) of a policy	Systems Thinking: Considering the broader, long-term, and indirect effects of a decision rather than focusing only on immediate outcomes
<b>Procedural transparency and accountability</b>	Transparent Decision-Making: Clearly documenting the rationale, data, and logic behind decisions	Accountability: Establishing clear responsibility for the outcomes and ensuring decisions are subject to review	Performance Monitoring: Continuously monitoring the outcomes of decisions to enable corrective action
<b>Stakeholder engagement and inclusivity</b>	Public Participation: Utilizing feedback mechanisms to include citizen perspectives and expert knowledge	Consultation: Engaging relevant stakeholders and subject matter experts in the decision-making process	Cultural Context: Respecting the social, cultural, and environmental context
<b>Ethical and legal compliance</b>	Alignment with Values: Decisions must align with ethical standards, human rights obligations, and legal frameworks	Equity and Fairness: Ensuring decisions do not lead to unintended, unfair outcomes	Objectivity: Actively reducing bias and subjectivity in the decision-making process
<b>Implementation and efficiency</b>	Value for Money: Ensuring the decision maximizes public welfare relative to the costs	Operational Feasibility: Ensuring the decision can be implemented within existing technical and financial resources	Adaptive Governance: Using real-time data to adjust decisions to changing circumstances

Source: Prepared by authors based on web-based documents

# 1. Introduction

- New government has already started to announce its priorities for the first 180 days based on their election pledges
  - Most importantly, how policy and administrative decision-making processes are re-organized in order to implement government electoral pledges and other major structural barriers
- The **objective of this study** is to highlight *how the new government through **executive bodies should take policy** and operational decisions on different **sectoral priorities** following a 'knowledge-based decision-making approach' and how the **legislative bodies** would make the new **government accountable** in their decision making and implementation processes.*
- This study covers sectoral priorities, related issues and concerns, initiatives taken since the interim government and election pledges of the elected government
- A total of 13 sectors related with different economic and social issues are covered under this study. These are:

**a) Resource Mobilisation** - Advancing Tax Justice;

**b) Enabling Business Environment** - Reducing Cost of Doing Business

**c) Trade Policy Negotiations** - Balanced and Win-win Trade Deals;

**d) Foreign Direct Investment** - Strengthening Investment Facilitation;

**e) Power and Energy** - Revival of the Power Sector for Energy Transition;

**f) Climate Change** - Towards Localised Solutions;

**g) Labour Rights** - Advancing Legal, Institutional and Operational Structure;

**h) Child Labour** - Ensuring Effective Means for Elimination;

**i) International Migration** - Ensuring Safe and Orderly Migration;

**j) Agriculture** - Towards Cost Effective, Safe and Climate Resilient Food Chain;

**k) STEM Education** - Making Ready the Future Human Resources;

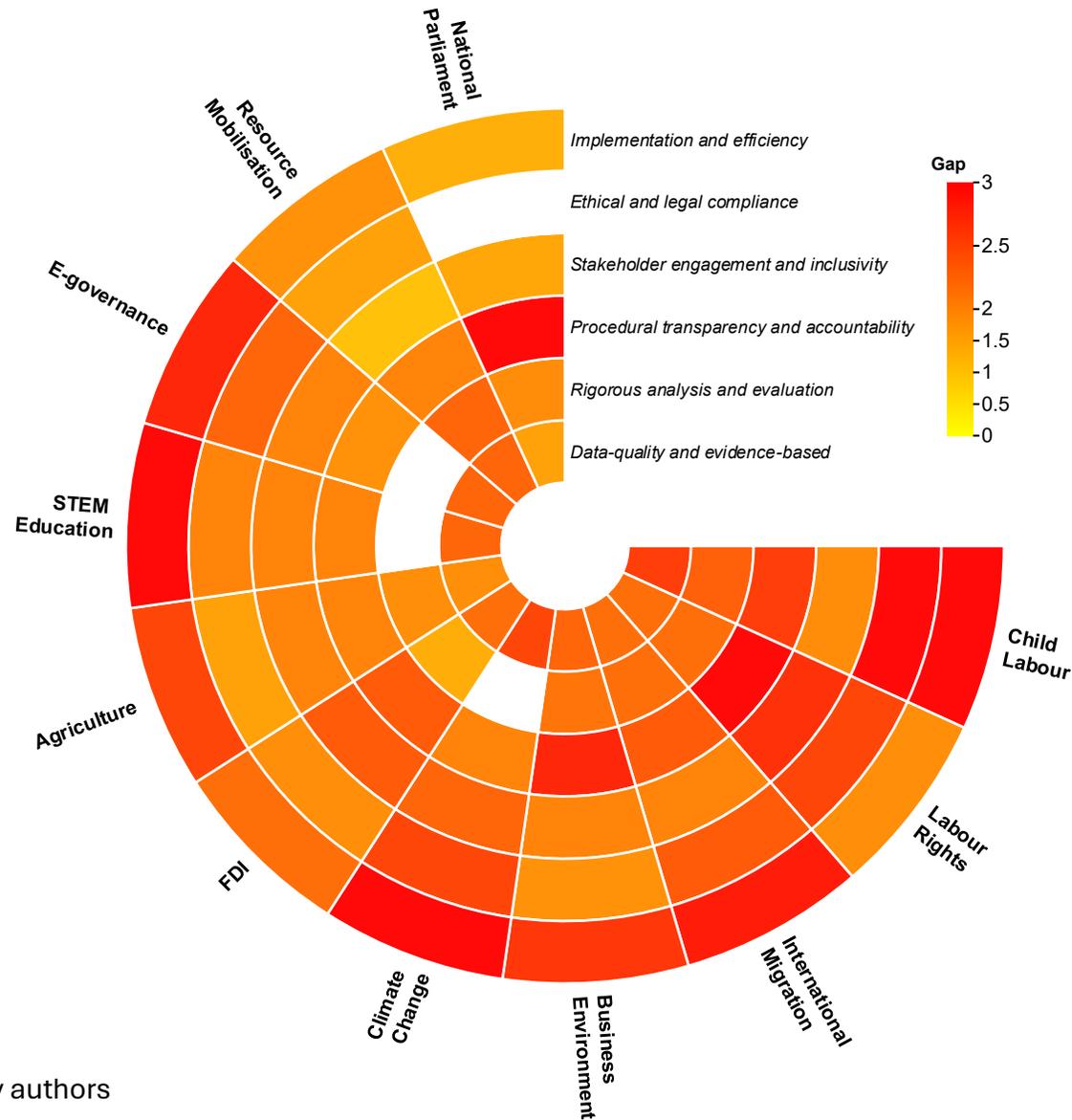
**l) E-governance** - Strengthening Transparent and Effective Public Service Delivery; and

**m) National Parliament** - Strengthening Parliamentary Standing Committees

## **Section 2: Overall Findings**

## 2. Overall Findings

Figure 2: Overall Performance in Six Pillars of Knowledge-based Decision Making in Selected Sectors



Source: Prepared by authors

## 2. Overall Findings

Figure 3: Overall Performance in Six Pillars of Knowledge-based Decision Making in Power and Energy Sector



Source: Prepared by authors

**Section 3:**  
**Resource Mobilisation - *Advancing Tax Justice***

### 3. Resource Mobilisation - *Advancing Tax Justice*

#### 3.1 Context

- Although tax administration reform remained a central policy priority during the tenure of the **interim government**, **tax collection has substantially weakened** overall revenue performance; the tax-to-GDP ratio has fallen to approximately 6.8 per cent, the lowest in South Asia.
  - Accordingly, the newly elected government will have to confront a dual challenge
- BNP has pledged to raise the **tax-to-GDP ratio** from the current **~7% to 10%** in the medium term and 15% by 2035
  - A cornerstone of their "**Fiscal Social Contract**" is the introduction of a modern Property Tax system
- Although the **tax revenue targets** appear to be within a **reasonable** and expected range, the **sustainability of the revenue** generation system will **remain uncertain** without a stronger emphasis on **tax justice**.
- In terms of knowledge-based decision-making: severity (Fig 4) is high in case of **data & evidence use and analysis and evaluation** in public offices involve in revenue generation; severity is **low in case of stakeholder engagement** and legal compliance
  - **Leaking revenue** is the weakest across all decision-making indicators

Figure 4: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Issues	Data & Evidence	Analysis & Evaluation	Transparency & Accountability	Stakeholder Engagement	Ethical & Legal Compliance	Implementation & Efficiency
Financing Development	Low	Low	Medium	Low	Low	Medium
Regressivity in Taxes	High	High	Medium	Low	Low	Low
Leaking Revenue	High	High	Medium	Low	High	High
Governance and Institution	Medium	Medium	Medium	Low	Low	Low

## 3.2 Recommendations for Within 180 Days

### Regressivity in Taxes

- **The NBR should establish an expert committee** comprising tax professionals, chartered accountants, and business representatives to **regularly review and update** the list of **allowable deductions, expenditure caps, and definitions related to taxable income**, ensuring they reflect current business realities.
- **The NBR should form a dedicated oversight committee**, including representatives from the business community, chartered accountants, and NBR officials, to **review and resolve disputes** related to disallowed business expenditures transparently and consistently.
- The NBR should consolidate the current **eight VAT slabs** into a **simplified three-tier structure** (e.g., Standard, Reduced, and Zero rates), with the **long-term goal of transitioning towards a two-tier system** (Standard and Zero Rates).
  - The reduced rate should apply only to a narrow, clearly defined set of essential goods and services to preserve social equity whilst minimising administrative complexity.

### Leaking Revenue

- The NBR should **remove problematic exemptions** for **non-essential services** provided by entities such as **exclusive clubs and stock market** agencies to broaden the tax base and improve horizontal equity.
- **Instead of** providing sector-specific tax incentives, the government should consider **offering time-bound tax cuts** exclusively for newly formed companies for certain years, regardless of their sector.
  - This approach would **support entrepreneurship and business start-ups** in stabilising and growing in their initial years
- The Ministry of Finance (MoF) must **eliminate the current tax cut incentives** for power producers, especially those relying on fossil fuels. These incentives **disproportionately benefit** high-emission producers and contribute to environmental degradation.

## 3.2 Recommendations for Within 180 Days

### Governance and Institution

- The NBR should make it **mandatory for all businesses** to submit **tax returns digitally**, eliminating manual submission.
- The government should maintain **citizen engagement in the budget process** and strengthen the involvement of the Cabinet and **Parliament by requiring each minister** to present annual development targets and assess whether the proposed resources are adequate to achieve them.
- The Ministry of Education should introduce **mandatory dedicated classes in schools**, colleges, and universities to educate students about the process of tax return submission.

## 3.2 Recommendations for Beyond 180 Days

### Financing Development

- **The National Board of Revenue (NBR)** should reform the **current flat, reduced corporate tax rate for all listed companies with performance-based or conditional incentives**, such as tax benefits linked to capital investment, export growth, or employment generation.
  - Globally practised alternatives, such as tax credits for IPO-related costs, temporary tax holidays for newly listed firms, or reduced audit scrutiny, can offer more targeted and equitable support.

### Regressivity in Taxes

- Revenue generated from the **streamlined VAT system** should be used to fund direct transfer programmes or subsidies for low-income households, a more effective and equitable approach than generalised reduced VAT rates.
- Introduce a **package of compliance incentives** for new and small taxpayers, including a voluntary registration window with simplified filing procedures, quarterly return options, and access to free digital tools (e.g., accounting software or mobile apps) to facilitate accurate record-keeping.

## 3.2 Recommendations for Beyond 180 Days

### Leaking Revenue

- The government should prioritise the prompt recovery of money laundered over the past decade by strengthening its legal, investigative, and diplomatic efforts.
- The government should actively **seek to sign agreements with global tax evasion prevention initiatives** and align its laws with international standards, such as the OECD's BEPS (Base Erosion and Profit Shifting) framework, to combat tax evasion and ensure compliance with global tax regulations.
- Rather than relying solely on human resources, the government should set a clear goal of **building an integrated ecosystem where tax-related information is increasingly** audited and monitored using **data analytics and artificial intelligence**
- The Bangladesh Bank, commercial financial institutions and the NBR should have a secure, bidirectional data-exchange framework to allow **for the automated cross-referencing of declared income with bank transaction data to swiftly identify discrepancies and non-compliant taxpayers.**

### Governance and Institution

- The NBR should reform its governing structure to streamline the **appointment process and broaden the scope** for including **independent directors** on its highest policymaking board.
- The NBR should establish a **dedicated digital tax dispute resolution system** to handle tax disagreements swiftly. This system should be staffed by trained professionals to resolve disputes within a reasonable timeframe, ideally within 30-45 days.
- The decision to separate tax policy **making from tax collection within the NBR should be implemented** and maintained in the coming years to ensure greater efficiency, transparency, and accountability.
- Enhance data **integrity and transparency by modernising the NBR's data management systems** to eliminate reporting inconsistencies and ensure the regular, reliable publication of tax statistics.

## **Section 4:**

**Enabling Business Environment - *Reducing Cost of Doing Business***

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.1 Overall Assessment of the Business Environment

- Bangladesh's business environment has been **plagued by long-standing structural issues**, which poses significant risk tied to the Bangladesh economy's LDC graduation preparedness.
- The issues can be broadly categorized into the following areas: (1) Infrastructure (Transport-Logistics and Utilities), (2) Institutions and Governance (Regulatory Environment, Corruption and Informal Payments), (3) Human Capital (Education and Skills, University-Industry R&D Collaboration) and (4) Finance (Limited Access to Funds & High Interest Rates, Banking Sector Fragility)
- Knowledge-based decision making (Fig 5) is **severely weak** in terms of **transparency and accountability and implementation efficiency of the executive body**
  - **Corruption in the** administrative process is the most constraint factor for ensuring enabling business environment

Figure 5: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Issues	Data & Evidence	Analysis & Evaluation	Transparency & Accountability	Stakeholder Engagement	Ethical & Legal Compliance	Implementation & Efficiency
Transport Logistics	Data exist but are often fragmented or outdated.	Evaluations lack long-term vision and are driven by ad-hoc adjustments	Decision making are often driven by political influence	Fragmented and mostly top-down approach	Legal framework exists but lack compliance	Severe congestion and poor coordination persist
Utilities	Data exist but are often fragmented or outdated.	Locked-in their existing systems; less consideration of alternatives	Lack of competitive bidding	Local firms and experts have little input into energy policies,	Regulatory enforcement is inconsistent and politically influenced.	High capacity payments and idle power plants
Regulatory Complexity	Data exists, but it is not comprehensive or consistently used for reform prioritisation.	Largely reactive, not analytically structured	Regulatory rationales are not always documented publicly.	Engagement exists, but not deeply institutionalised.	Legal framework exists, but compliance in weakened by complexity.	High transaction costs and procedural delays
Corruption/ Informal Payments	Corruption statistics is undocumented/underreported	Anti-corruption reforms exist but focuses more on enforcement rather than systemic redesign.	Lacks end-to-end tracking mechanism	Grievance mechanisms are weak and underutilised	Legal framework exists but severely lax enforcement	Digital reforms partially reduce corruption, but not systemic rent-seeking.
Education & Skills	Labour market data exists but lacks contextual relevance and comprehensiveness for aligning education with business needs.	Alternatives (i.e. STEM expansion) are discussed, but limited impact assessment is done	Formal structures exist, but performance monitoring is not strong.	Persistent skills gaps due to weak engagement with industry needs.	Framework for education governance exists; equity outcomes remain imperfect.	High youth unemployment
University-Industry R&D Collaboration	Comprehensive and reliable data on collaboration is largely absent.	Some policy rhetoric exists; rigorous evaluation is limited.	University research funding allocation processes are not always transparent.	Engagement between academia and industry is structurally weak.	IP laws and university regulations exist but operational clarity is limited	Declining in innovative and productive growth
Limited Access to Financing & High Interest Rates	Data exists, but contextual relevance for diagnosing credit constraints are weak.	Some analysis occurs, but systems thinking and evaluation of alternatives remain limited.	Credit allocation decisions (especially large loans) lack transparency	Engagement exists, but influence on final decisions is limited.	Formal legal framework exists, but fairness in application is weak.	Implementation mechanisms do not efficiently lead policy intent to broader credit access.
Banking Sector Fragility	Extensive audits to detect concealed bad loans.	Policy Analysis Unit exists for quarterly policy evaluations	Limited enforcement against willful defaulters.	Direct participation of SMEs in reform discussions is limited	Revised various laws and strengthened guidelines to reduce depositors' risk	High volume of NPLs weakens efficiency

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.2.1 Context: *Infrastructural*

- Bangladesh's infrastructure challenges **primarily include weak transport-logistics performance and unreliable utilities, which significantly increase the cost of doing business.**
  - The interim government implemented the Laldia Container Terminal Agreement, Maheshkhali Integrated Development Authority (MIDA) and an integrated Bangladesh National Port Strategy aiming to modernise and ensure efficient management of ports. Additionally, were implemented by the interim government.
  - **BNP's Manifesto** mentions building a **national expressway grid**, connecting to the Asian Highway Network monorail system, a **second Padma Bridge, Jamuna Bridge**, and launching a **national logistics digital platform** for integrated cargo tracking, booking and route planning.
- **Businesses face production disruptions from unreliable gas, electricity supply.** The problem is persistent due to volumes of unpaid capacity payments **and** insufficient **accountability mechanisms** to evaluate distribution losses and service delivery efficiency.
  - The Interim Government **repealed the Quick Enhancement of Electricity and Energy Supply** (Special Provision) Act, 2010 (amended 2021).
  - **BNP pledged** in their manifesto to provide an **uninterrupted electricity and gas supply** to industries.

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.2.2 Context: *Institutional and Governance*

- **Regulatory complexities** in the forms of **frequent policy changes, overlapping licenses/mandates across agencies, and inefficient dispute settling mechanisms**, make complying with regulations burdensome for businesses
  - The challenge persists because business-related rules are often introduced or **amended without structured impact assessment, systematic stakeholder consultation**, or publication of clear implementation guidelines
  - The **Interim Government** has **streamlined certain licensing** processes through the partial operation of "**BanglaBiz**" (a unified platform for business registration and services portal), activating **Bangladesh Single Window System** to digitally obtain certificates, licenses, permits, formulation of comprehensive tax audit guidelines, expansion of digital payments for VAT, tax, and implementing **Commercial Court Ordinance 2026** for efficient dispute settlements
  - **BNP manifesto** commits to easing the complexities of doing business **through deregulation policies**. It also commits to continuing the **Single Window Clearance and One Stop Service initiatives**
- **Corruption and informal payments (i.e. for import/exports, tax payments, public contracts, favourable judicial decisions and public utilities)** persist due to weak transparency and accountability mechanisms, fragmented and underutilized digital data systems, inconsistent enforcement of legal safeguards, and ineffective grievance redress processes
  - **BNP Manifesto** proposes the **appointment of an Ombudsman** and the **publication of a comprehensive white paper** on money laundering, acknowledging governance gaps and signaling intent toward institutional accountability.

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.2.3 Context: *Human Capital*

- Businesses often struggle to find skilled labour due to **education quality gaps, resulting in skills mismatch** with industry demand, and weak R&D collaboration between academia and industries
- The existing education curriculum for all levels of education are widely considered as **insufficient** in meeting the needs of a competitive business environment due to weak **integration of labour market demand into curriculum design**, limited **evaluation of training outcomes**, and insufficient **structured engagement between education institutions and the business industry**.
  - Moreover, collaboration between firms and universities remains limited, slowing innovation and productivity growth due to weak funding incentive in quality research and a lack of institutional linkage between industry and academia.
- **The BNP Manifesto**, on the other hand, pledges to **modernise the education curriculum** by providing **training and career centers, mandatory third language learning** and **offering digital skills learning development programmes**.
  - It put special emphasis on research in education institutions, such as introducing **joint university-industry research labs**, expanding **industry-academia collaboration through internships** and **providing competitive seed funding or innovative grants** for ensuring growth in innovation.

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.2.4 Context: *Finance*

- Loans were given out without **rigorous supervisory risk assessment**, insufficient **transparency in loan classification and recapitalization decisions**, and weak **accountability for management failures** within financial institutions. As a result, businesses' access to funds have become restricted.
  - Bangladesh Bank during the Interim government regime undertook vast initiatives, such as board and management changes and tighter supervision. Banks were instructed to pursue the recovery of NPLs.
    - The interim government passed **the Bank Resolution Ordinance, 2025, Microfinance Bank Ordinance, 2026 Deposit Protection Ordinance, 2025, establishment of a new Islamic Shariah-based bank through the resolution of five distressed ones**
    - Alongside, the government mentioned in its manifesto that an "**Economic Reform Commission**" will be formed consisting of various stakeholders (including expert economists, researchers, experienced bankers, corporate leaders, etc), **the central bank's autonomy and power will be strengthened** and the **Banking Division within the MoF will be abolished**, and steps to **resolve the issue of NPLs** will be taken.
- Many SMEs and start-ups struggle with **collateral requirements, high borrowing costs, and lengthy approval processes** because of limited data-based credit assessment models, inadequate evaluation of interest rate transmission mechanisms, and weak implementation efficiency in loan processing systems.
  - **BNP Manifesto** highlighted its pledges to **support SME entrepreneurs** by providing them **low-interest loans, including offering them guarantee schemes, cash-flow based loans, venture capital, crowdfunding, and insurance coverage**
  - **For innovative start-ups**, the party manifesto mentions developing **national crowd-funding platforms** and **awarding start-up funds, training and technical support** through innovative idea competitions.

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.3.1 Recommendations for the Next 180 Days

- **Ease of Compliance with Regulations:** The Ministry of Commerce, in collaboration with the Bangladesh Investment Development Authority (BIDA), should ensure effective functionality of a **unified digital interface by integrating existing databases**.
- **A unified document management framework** should be developed by regulatory bodies (such as NBR, DIFE, RJSC, etc) to prevent duplication of business-related required documents for licenses.
- **Corruption and Informal Payments:** Government should initiate the process to establish a **Tax Ombudsman**
- **The Ministry of Education/Department of Technical Education/NSDA** should **collaborate** with private sector trade bodies to ensure that educational institutions **align their curricula and activities** with business and market demands to better equip students with relevant skills, such as RMG, textile and SMEs, etc.
- **Limited Access to Financing: Bangladesh Bank and Commercial Banks** should **streamline the loan application and approval process** with more flexible lending criteria
  - **The Bangladesh Bank**, in collaboration with the **SME Foundation**, should develop broader and more inclusive financing options for SMEs with lower collateral demands
  - The **Government** should legislate the **establishment of a Banking Ombudsman**

## 4. Enabling Business Environment - Reducing Cost of Doing Business

### 4.3.2 Recommendations for Beyond 180 Days

- **Access to Financing: Financial Institutions**, under the guidance of the Bangladesh Bank, **should innovate credit assessment models to boost credit access for SMEs and start-ups.**
  - **Bangladesh Bank** should approach interest rate reduction decisions with caution, given the risks of inflationary pressure.
- **Transport Logistics: The Ministry of Road Transport and Bridges** can **institutionalise Building Information Modelling (BIM) technology** in the construction management of roads and highways. The size of roads and highways should be determined through research
  - **The Ministry of Road Transport and Bridges, the Ministry of Shipping, Ministry of Railways** should effectively collaborate and conduct pre-feasibility tests before implementing the multimodal transport projects mentioned in BNP's Manifesto
- **Power Utilities: The Ministry of Power, Energy and Mineral Resources (MoPEMR) and BPDB** should **invest in robust infrastructure** for a consistent power supply and ensure infrastructure policies are periodically reviewed to maintain relevance and efficiency.
  - **MoPEMR, Bangladesh Bank** should establish a comprehensive framework to **enable and incentivise renewable energy adoption among businesses**
- **University-Industry Collaboration in R&D:** The Ministry of Education, UGC and Bangladesh Association of Software and Information Services (BASIS) should collaborate to create **innovation hubs or incubators** within universities that facilitate joint projects and provide resources for start-ups.

## **Section 5:**

**Trade and Investment Agreements - *Need Balanced and Win-Win Deals***

## 5. Trade and Investment Agreements - Need Balanced and Win-Win Deals

- Bangladesh is **ready for LDC graduation** – hence it is highly important to focus on implementing ‘smooth transition strategies (STS)’
- **STS has prioritized** – (a) **Initiating FTA/CEPA negotiations** with major trading partners; (b) Enhancing **negotiation** capacities; (c) Engaging with the **WTO** on various specific issues
- STS has also prioritized – (a) **Improving productivity** through technological upgradation and innovation; (b) Advancing **green transformation** for future competitiveness and readiness; and (c) **Attracting FDI** and revitalizing domestic investment
- It **was expected** that the interim government moved for trade negotiation keeping in mind of its STS strategies considering its STS pillars.
  - **Two major agreements** are signed by the interim government made gross deviation from the above-mentioned STS pillars
  - These agreements are- (a) Agreement between the United States of America and The People’s Republic of Bangladesh on Reciprocal Trade; and (b) Economic Partnership Agreement (EPA) between Bangladesh and Japan
- **Agreement between the United States of America and The People’s Republic of Bangladesh on Reciprocal Trade**
  - **Discriminatory articles:** Import licensing, technical regulations, standards and conformity assessment
  - **Preferential market access** for US goods against reciprocal tariff on Bangladeshi goods: **Gradual elimination and reduction** of customs duties on US originated goods while imposition of additional tariff if Bangladesh becomes non-compliant as per the agreement

## 5. Trade and Investment Agreements - Need Balanced and Win-Win Deals

- **Unclear and restrictive clauses:** SPS measures cannot be operated as disguised restrictions on bilateral trade and need to remove unjustified SPS barriers. Bangladesh **will not be allowed to enter into agreements with third countries** that non-scientific, discriminatory or preferential technical standards – not compatible with US standards
  - **Geographical indications:** Bangladesh will bound to use terms in connection with US goods if sufficient indicative evidence is not available;
  - **Cheese and meat** prepared by ham cannot be restricted in Bangladeshi market
- **Services:** Bangladesh needs to open its domestic service markets for US service providers and services
- **Border measures:** Bangladesh needs to **comply with US border measures**; Bangladesh cannot impose taxes against US goods as a retaliatory measure. Bangladesh will not be **allowed to use VAT against US goods**
- **Digital trade and technology:** Bangladesh will not be **allowed to impose digital service taxes** or similar taxes on US companies. Bangladesh is not **allowed to go for a digital trade agreement** with a country that jeopardizes essential US interests
  - **Electronic transmissions:** Bangladesh will **not be allowed to impose customs** duties on electronic transmissions
- **Market entry conditions:** Bangladesh will **not be allowed to impose any condition on US persons** engaged in commercial activities

## 5. Trade and Investment Agreements - Need Balanced and Win-Win Deals

- **Complementary measures:** Bangladesh needs to **comply with US's border measures** through complementary restrictive measures.
  - Bangladesh **needs to take measures** against companies owned by third countries **if it results in reducing US export** to Bangladesh or reduction in US export to third country markets
- **Export controls:** Bangladesh needs to **comply with US export controls** especially related with technologies and goods. Bangladesh needs to **cooperate in providing** information on inbound investment
  - **Duty evasion agreement:** Bangladesh needs to **sign duty evasion agreement**. Restricted Bangladesh's import of **nuclear goods**
- **Investment:** Bangladesh needs to allow **direct investment in critical minerals** and energy resources where international law to be kept at minimum standards
- **Textiles:** Certain textiles and apparels goods from Bangladesh would **receive zero reciprocal tariff** on a to-be-specified volume.
- The above-mentioned clauses **completely restrict Bangladesh's independence and autonomy** in terms of trade, investment in goods and services with third countries.
- If implemented, Bangladesh's **implementation of STS** will be severely jeopardized in terms of signing FTA/EPA, trade and investment from the most suitable sources, limiting trade negotiations, **restricted FDI and technology transfer** from the most suitable sources
- Government should immediately take measures to **withdraw from such an agreement** since no notification has yet to be exchanged
- Government should also **need to revisit other agreements** such as **EPA with Japan** as it allow duty-free import of LNG from Japanese sources which further **delay energy transition** in the country

## Section 6:

# Foreign Direct Investment (FDI): *Strengthening Investment Facilitation*

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.1 Major Structural Challenges in Attracting and Retaining FDI

- Bangladesh's foreign investment ecosystem faces six major structural challenges.
  - **Investment approvals** remain fragmented despite progress toward a single window system,
  - **Policy predictability and capital repatriation** processes have historically been uncertain, creating exit risk perceptions.
  - Institutional mandates across multiple investment promotion authorities overlap, reducing scale and clarity.
  - Commercial dispute resolution remains slow and lacks specialized enforcement mechanisms.
  - **Land access, infrastructure readiness, and utility reliability** continue to affect project implementation timelines.
  - FDI data systems and strategic monitoring remain underdeveloped relative to the country's ambition
- Weakest part of knowledge-based decision making is found in **transparency and accountability** (Fig 6)- **land and infrastructure** is the major areas of discontent for attracting FDI

Figure 6: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Challenges →/ Indicators ↓	Fragmented Approval	Policy & Repatriation Risk	IPA Fragmentation	Dispute Resolution	Land & Infrastructure	FDI Data & Strategy
<b>Data quality &amp; evidence</b>	Siloed databases	FX & policy unpredictability	Dispersed data ownership		Incomplete land records	Limited sector intelligence
<b>Rigorous analysis</b>			Overlapping strategic mandates		Poor infrastructure planning	Inadequate sector benchmarking
<b>Transparency &amp; accountability</b>	Multiple opaque approvals	Sudden policy reversals	Unclear institutional authority	Judicial delay & opacity	Non-transparent land allocation	
<b>Stakeholder engagement</b>	No single investor interface	Investor confidence erosion	Entry points directed by BanglaBiz	Limited grievance channels	Local dispute risks	Limited investor consultation
<b>Ethical &amp; legal compliance</b>	Procedural inconsistencies	Treaty & guarantee concerns		Contract enforcement gaps	Land title disputes	Strategy disclosed
<b>Implementation efficiency</b>	sequential clearances delay reduced	Capital flow delays reduced	Duplication of functions	Slow adjudication	Utility & grid bottlenecks	Strategy yet to be implemented

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.3. Major Challenges in Attracting and Retaining FDI

- **One Stop Service and Approval Fragmentation:** Administrative procedures still remain sequential rather than parallel, backend integration across agencies is incomplete, investors continue to interface with multiple authorities despite digital front-end improvements, and real-time tracking across agencies remains limited.
  - Recent reforms include the **launch of BanglaBiz** with over 100 services, co-location of officials from key agencies at Biniyog Bhaban, digitalization of security clearance with a 21-working-day deemed approval mechanism and fast-track foreign loan approvals up to USD 10 million for export-oriented firms.
  - **BNP manifesto** commits to a **full single window** under the Bangladesh Investment Development Authority, **48-hour company registration, 7-day work permits**, full digitalization of approvals, VAT and customs refund digitization, and a 24/7 helpdesk.
  - **The reform direction is correct, but backend interoperability, and legally binding service guarantees remain incomplete.** Performance data on compliance with promised timelines is not publicly reported. This limits transparency, accountability, and measurable performance improvement.
- **Capital Repatriation and Policy Stability:** Foreign investors have historically faced delays in **profit repatriation, complex valuation procedures, documentation burdens**, and **uncertainty** during macroeconomic stress periods.
  - Reforms include the formation of a Capital Repatriation Committee, revised Bangladesh Bank guidelines in December 2025, introduction of service level agreements, 30-working-day resolution targets for complex cases, and increased approval thresholds.
  - BNP manifesto **promises profit repatriation within 30 days, stability in foreign exchange policy, prevention of sudden tariff and tax changes**, and **enactment of an Investor Protection Regulation.**
  - Procedural reforms exist but statutory guarantees are not yet fully embedded. Without legal enforcement and transparent compliance reporting, investor confidence remains dependent on administrative discretion. **A knowledge-based system requires predictable rules, clear documentation of decisions, and measurable adherence to declared timelines.**<sup>24</sup>

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.3. Major Challenges in Attracting and Retaining FDI

- **Institutional Fragmentation of Investment Promotion:** BIDA, BEZA, BEPZA, PPP Authority, and Hi-Tech Park Authority operate with overlapping responsibilities. **Data systems are separate.** Investor pipelines are not fully integrated. This limits coordinated promotion and evaluation
  - An **IPA unification roadmap has been finalized** with expected approval in early 2026 and implementation beginning thereafter, aiming to consolidate strategy, pool technical expertise, and integrate investment-related data.
  - **BNP manifesto** emphasizes institutional capacity enhancement and a **rule-based business** environment **but does not detail structural unification mechanisms.**
  - Institutional merger alone will not guarantee improvement **unless unified data architecture, common KPIs, and accountability chains are clearly established.** Evidence use, monitoring, and efficiency gains must be measurable. Otherwise restructuring may remain administrative rather than performance-driven.
- **Dispute Resolution and Investor Protection:** Commercial disputes can take years in the general court system, cancellation of Letters of Intent in certain sectors has created **reputational risk**, and implementation agreements are inconsistently applied.
  - **No fully specialized commercial court currently exists**, and arbitration enforcement capacity remains limited.
  - **BNP manifesto** proposes establishment of a **Bangladesh International Commercial Court**, encouragement of international arbitration, and enactment of an Investor Protection Regulation.
  - Without specialized adjudication and enforceable resolution timelines, improvements in facilitation may not translate into investor security. **Legal certainty, transparency of dispute handling, and fairness in contract enforcement are fundamental to a knowledge-based governance framework.**

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.3. Major Challenges in Attracting and Retaining FDI

- **Land, Infrastructure, and Logistics Readiness:** Land acquisition disputes, high land prices, limited pre-cleared industrial land, and utility connection delays continue to affect investment timelines.
  - **BNP manifesto** commits to uninterrupted electricity and gas supply, **rapid economic zone expansion**, renewable energy prioritization, and infrastructure modernization.
  - Without coordinated **land banking, transparent readiness dashboards, and forward infrastructure planning** linked with FDI targeting strategy, investment facilitation remains partially reactive rather than evidence-driven and efficiency-oriented.
- **FDI Data, Monitoring, and Strategic Targeting:** Sector prioritization has been introduced through an **FDI Heatmap** and categorization into priority sectors, and a **modernized website** provides structured sector information.
  - However, no centralized public FDI analytics dashboard exists, no quarterly **performance tracking against the FDI percentage of GDP target** is published, and pipeline transparency remains limited.
  - BNP manifesto articulates a **target and sector priorities** but **does not outline monitoring architecture**

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.4. Recommendation : *Investment approvals and Institutional Mandates*

#### Completing backend automation to replace sequential administrative processing

- **Action:** Mandating full **API-based integration** among BIDA, National Board of Revenue, Registrar of Joint Stock Companies, Customs, BEZA, and BEPZA **so that approvals are processed simultaneously** and tracked under one unified system.
- **Responsible and why:** **The Cabinet Division** should lead because inter-agency compliance requires central authority. The **ICT Division** should design the technical architecture because of digital integration expertise. The **BIDA** should coordinate implementation since it is the primary investor-facing institution.
- **Timeline:** **Within 180 days**, complete technical audit and interoperability design.
  - **Within 12–18 months**, implement integration for high-volume services including company registration, licensing, tax registration, customs clearance, and work permits.
- **Expected results:** Approval timelines reduced, reduction in administrative discretion, real-time tracking transparency for investors, and measurable improvement in implementation efficiency.

#### Converting repatriation and service commitments into binding legal standards

- **Action:** Evaluating the **updated BB repatriation guideline** and 48-hour registration commitment with defined exceptions and appeal mechanism.
- **Responsibility:** **Ministry of Finance & Bangladesh Bank** should lead because repatriation policy falls under them
  - **Ministry of Law and Parliament** must enact legislative amendments to ensure enforceability.
  - **BIDA** must monitor compliance as part of investor facilitation mandate.
  - **Primary Oversight Body:** Parliamentary Standing Committee on Ministry of Finance
- **Timeline:** **Evaluating the implementation of the updated BB guideline** within 180 days.
  - **Compliance monitoring and reporting system** operational within 12 months.
- **Expected results:** Higher legal certainty, reduced perception of exit risk, improved sovereign credibility, and stronger alignment between commitment and enforcement.

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.4. Recommendation: *Commercial dispute resolution*

#### Establishing time-bound specialized commercial dispute mechanism

- **Action:** Following the recently issued ordinance, designating **commercial benches** within **existing High Court** structure with statutory resolution targets, followed by phased creation of specialized international commercial court.
- **Responsibility:** **Ministry of Law** and **Supreme Court** administration must lead because judicial restructuring requires constitutional authority. Engagement with **business chambers** ensures stakeholder confidence and technical input. **Primary Oversight Body:** Parliamentary Standing Committee on Ministry of Law, Justice and Parliamentary Affairs
- **Timeline:** **Commercial bench** designation within 180 days. **Specialized court institutionalization** within 24 months.
- **Expected results:** Reduction in average dispute resolution time, improved contract enforcement credibility, and strengthened legal compliance framework.

#### Developing unified national FDI monitoring dashboard linked to GDP target

- **Action:** Creating **integrated database** consolidating **data from all investment agencies** and linking it to public dashboard tracking inflows against **2.5 percent GDP target** and sector priorities.
- **Responsibility:** **BIDA** should lead because it coordinates investment promotion. **Bangladesh Bureau of Statistics** must validate data to ensure reliability. **ICT Division** must build digital infrastructure. **Primary Oversight Body:** Parliamentary Standing Committee on Ministry of Commerce
  - **Supporting Committees:** Parliamentary Standing Committee on Ministry of Finance, Public Accounts Committee
- **Timeline:** **Design and inter-agency agreement** within 180 days. **Public dashboard operational** within 12 months.
- **Expected results:** Improved evidence-based policymaking, transparent monitoring for Parliament and public, and adaptive correction of investment strategy.

## 6. Foreign Direct Investment (FDI) - *Strengthening Investment Facilitation*

### 6.4. Recommendation: *Land access and infrastructure readiness*

#### Sequencing land and infrastructure readiness before plot allocation

- **Action:** Conducting a national readiness audit of all economic zones requiring **litigation-free land, completed trunk infrastructure, and confirmed utility capacity**. Launching a public dashboard showing real-time land and utility availability.
- **Responsibility:** **BIDA** should coordinate, as the national investment authority. **BEZA, BEPZA, Ministry of Land, Power and Energy Divisions** should verify land and utility readiness, since they control infrastructure and titling. **Primary Oversight Body:** Parliamentary Standing Committee on Ministry of Land
  - **Supporting Committees:** Parliamentary Standing Committee on Ministry of Industries
- **Timeline:** Within **180 days:** Complete audit and published preliminary dashboard. Beyond **180 days (12–18 months):** Fully operationalise land area and integrate utility demand forecasting.
- **Expected Results:** Reduced project implementation delays, improved investor confidence, better alignment between infrastructure planning and FDI targeting.

## **Section 7:**

# **Power and Energy Sector - *Reviving for Energy Transition***

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.1 Generation, Transmission & Distribution

- **Challenges:** a) Overestimated Projections & Spatial Planning Mismatch; b) Grid Constraints & Renewable Energy (RE) Stagnation; c) Fossil Fuel Lock-in & Stranded Asset Risks; d) Fiscal Imbalance: Capacity Payments & Tariff Pressure and e) Governance Gaps & Transparency Deficits
- Weakest part of knowledge-based decision making is observed (Fig 7) in case of **procedural transparency and accountability** and implementation and efficiency
  - **Overestimated demand projections** and spatial planning mismatch is the most challenging areas in case of knowledge-based decision making

**Figure 7: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process**

Challenges	Data-Quality and Evidence-Based Decision Making	Rigorous Analysis and Evaluation	Procedural Transparency and Accountability	Stakeholder Engagement and Inclusivity	Ethical and Legal Compliance	Implementation and Efficiency
<b>Overestimated Projections &amp; Spatial Planning Mismatch</b>	Uses inflated GDP-demand links rather than actual industrial consumption data	Lack of econometric modeling (VECM) to justify aggressive 40–50 GW targets	Methodologies are published but lack independent verification or peer review	Zero consultation with industrial hubs and other research organization	Using biased data to justify expensive infrastructure raises fiscal ethics concerns	Over-projection leads to massive surplus capacity that is difficult to "un-do"
<b>Grid Constraints &amp; Renewable Energy (RE) Stagnation</b>	Basic potential mapping exists but is not integrated into regional transmission planning	No technical stability studies for integration of >20% Variable Renewable Energy (VRE)	Grid upgrade timelines are frequently deferred without technical or public explanation	Private RE developers face "bureaucratic mazes" for grid interconnection approvals	Policy targets are clear; the lack of a "Renewable Energy Act" is the only minor legal gap	Technical inability to absorb high VRE directly stalls the entire green transition
<b>Fossil Fuel Lock-in &amp; Stranded Asset Risks</b>	Fuel cost data is available, but long-term price volatility impacts are systematically downplayed	Insufficient assessment of "stranded asset" risks for new LNG and Coal terminals	Most fossil fuel projects were signed under the non-competitive Special Provision Act	Expert warnings about the "LNG trap" were ignored during master plan drafting	Reliance on imported fuels contradicts climate NDC targets and creates fiscal debt	Infrastructure is moving forward, but technical/financial hurdles slow coal phase-out
<b>Fiscal Imbalance: Capacity Payments &amp; Tariff Pressure</b>	Total payment amounts are well-documented; data availability is not the issue	Subsidy models exist but prioritize IMF conditions over local consumer affordability	Plant-by-plant payment details and the logic behind 2024–2026 hikes are opaque	Tariff hikes are executive-driven; BEREC public hearings have been largely bypassed	Legal "lock-in" of payments for idle plants is a transfer of public wealth to private IPPs	Renegotiating rigid "Take-or-Pay" Power Purchase Agreements (PPAs) is legally complex
<b>Governance Gaps &amp; Transparency Deficits</b>	Operational data exists but is fragmented across BPDB, PGB, and Power Cell	Governance is a structural failure, not a lack of data or technical analysis	Widespread use of unsolicited bids and a lack of open, competitive tendering processes	Weakening of BEREC has silenced the voice of consumers and industrial stakeholders	Use of the Special Provision Act 2010 shielded major projects from judicial review	Reforms are starting (e.g., suspending the Act), but institutional resistance remains

Source: Prepared by authors

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.1 Generation, Transmission & Distribution

### 7.1.1 Context

- **Current master plans (IEPMP/EPSP 2025)** project an aggressive **40–50 GW demand** by 2040, whereas independent (CPD) estimate a more realistic **~30 GW**.
  - **Unrealistic demand escalation** for **Dhaka** (5–6 GW current) vs. lower projections for **industrial hubs** like Chattogram/Sylhet despite EPZ expansions.
  - Existing master plans continue to rely on inflated demand projections that risk creating **massive surplus capacity**, the Interim Government has initiated a review of these "over-ambitious" plans to align them with realistic growth
  - **BNP Manifesto's** pledge to **again overestimated** scientifically raise generation to **35GW** by **2030** through "**least-cost**" **planning**
- **Grid absorption for Variable Renewable Energy (VRE)** is capped at **20%**; **Smart Grid implementation** is currently deferred to **2040–2050** in EPSP.
  - Lack of **region-wise RE potential mapping** and a structured consideration **National Solar Rooftop Programme**.
  - Interim Government's approval of the "Renewable Energy Policy 2025" to accelerate clean energy, the grid's technical inability to absorb high VRE remains a barrier
  - **BNP Manifesto** seeks to address by **modernizing the national grid** into a "**Smart Grid**" to support a **20% RE mix** by **2030**.
- Absence of a **coal phase-out roadmap** leads to "**stranded asset**" risks and heavy **fiscal pressure** from **imported LNG/Coal dependency**.
  - Fuel mix projections remain skewed toward thermal power without climate misalignment safeguards.
  - Bangladesh faces a high risk of stranded assets and fiscal instability due to continued reliance on imported fossil fuels;
  - Interim Government has begun phasing out inefficient "Quick Rental" plants
  - **BNP Manifesto's** resonated the initiative and promise to **eliminate non-transparent rental contracts** and boost **domestic gas exploration** to reduce **import dependence**.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.1 Generation, Transmission & Distribution

### 7.1.1 Context

- Structural "**capacity payments**" remain embedded despite last **tariff hikes** (Tk 8.95/unit in 2024); **subsidy phase-outs** risk **consumer backlash** without **structural reform**.
  - Subsidy withdrawals are currently driven by IMF conditions rather than operational efficiency gains.
  - The structural burden of capacity payments and rising tariffs continues to strain the economy, prompting the Interim Government to move toward automated pricing and contract renegotiations
  - **BNP Manifesto** pledges to revisit **capacity charge policies** and **pricing mechanisms** to ensure "**affordable energy**" and **equitable distribution**.
- Absence of an **Independent System Operator** and limited use of **GIS-based planning** or **real-time data analytics**.
  - Historically opaque procurement under special provisions led to high-cost, non-competitive agreements.
  - Weak ex-post parliamentary scrutiny has allowed non-transparent procurement and contract decisions to persist without legislative accountability.
  - Institutional inefficiencies and opaque procurement processes have historically hindered sector performance, yet the Interim Government has suspended the "Special Provision Act 2010" to restore transparency
  - **BNP Manifesto's** in alignment with the commitment to "**open and competitive**" **agreement processes** and a full **regulatory review** of major projects like the **Rooppur Nuclear Power Plant**.
  - Weak ex-post parliamentary scrutiny has allowed non-transparent procurement and contract decisions to persist without legislative accountability.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.1 Generation, Transmission & Distribution

### 7.1.2 Recommendations for Next 180 Days (Immediate Priorities & Stabilization)

**Focus: No new fossil fuel-based power plants, Stabilizing fuel supply, restoring transparency, and managing immediate fiscal pressures, and institutionalizing parliamentary oversight.**

- The **Parliamentary Standing Committee on Power & Energy** should review all the power generation related decisions through debates and arguments to ensure **statutory compliance** and **transparency**.
- **BPDB and Power Cell** should adopt rigorous forecasting methods to ensure a realistic **demand cap by 2050**, and the revised demand projections should be independently validated and reviewed by the **Standing Committee**.
- **BPDB** should introduce a “**No Electricity, No Pay**” clause in all future **PPAs** to eliminate unconditional **capacity charges**, and the **Standing Committee** should review compliance in all new contracts.
- The **Government** should adopt a clear “**No New Fossil Fuel-Based Power Generation**” policy.
- **SREDA & Ministry of Commerce** should engage **BGMEA/BKMEA** in designing the **National Solar Rooftop Programme** for export competitiveness, and the **Standing Committee** may convene hearings to monitor implementation and **grid integration readiness**.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.1 Generation, Transmission & Distribution

### 7.1.3 Recommendations for Beyond 180 Days (Long-Term Structural & Technical Reforms)

**Focus: Grid modernization, institutional restructuring, fuel mix rationalization, and legislative-backed accountability.**

- **PGB** should perform a **Technical Grid Stress Test** to determine upgrades required to absorb **30% RE by 2030** and present the findings annually to the **Parliamentary Standing Committee**.
- **MoPEMR & PGB** must establish an **Independent System Operator (ISO)** to separate **grid management** from **BPDB**, and this reform should be enacted through **Parliamentary approval** to ensure **institutional neutrality**.
- **PGB and SREDA** should conduct a **Zonal Energy Audit** to correct **demand-supply mismatches** between **Dhaka** and industrial hubs such as **Chattogram and Sylhet**, with audit outcomes submitted to **Parliament** for oversight.
- **SREDA & Meteorological Department** should establish a **Resource-to-Grid Data Hub** to map real-time **Variable Renewable Energy (VRE) potential** across districts and ensure **public data transparency** under **parliamentary monitoring**.
- **MoPEMR** should implement a **“No New Coal” pathway evaluation**, including reassessment of planned coal projects such as **Matarbari Phase 2**, and any major **fuel mix shift** should undergo **Parliamentary debate** to ensure **fiscal and climate accountability**.
- **PGB** should launch **Smart Grid Phase 1** in selected clusters for initial **VRE integration**, and progress milestones should be periodically reviewed by the **Standing Committee**.
- **MoPEMR & PGB** should scale up **regional power trading** with **Nepal and Bhutan** for **hydropower imports** to balance solar intermittency, and cross-border agreements should be reviewed by **Parliament** to safeguard long-term **energy security**.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.2 Primary Energy System

- **Current Challenges:** a) **Gas shortage** is at all times high, a daily shortage of 1200 mmcfd can be observed; b) **Overemphasis on LNG** import continues to rise further, with the construction of 1 FSRU and 1 in land LNG terminal; c) **Discussion on the domestic coal exploration** has been on the table
- Weakest part of knowledge-based decision-making is observed (Fig 8) in case of **data quality and evidence, rigorous analysis and evaluation, and stakeholder engagement and inclusivity issues**
  - Most challenging areas for decision making is **domestic coal exploration** followed by investment in construction of new LNG infrastructure

Figure 8: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Challenges	Data-quality and evidence-based	Rigorous analysis and evaluation	Procedural transparency and accountability	Stakeholder engagement and inclusivity	Ethical and legal compliance	Implementation and efficiency
Gas shortage is at all times high	High	Medium	Low	High	Low	Medium
Overemphasis on LNG import	Medium	High	High	Medium	Medium	Low
Interest in Construction of new LNG infrastructure	High	High	Medium	Medium	High	Low
Domestic coal exploration	High	High	Medium	High	High	Medium

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.2 Primary Energy System

- **Gas shortage is at all times high:** The shortage of gas supply has been long standing and increasing LNG import has failed to meet the national demand. Current gas demand stands at **3,800 million** cubic feet per day. Total supply, including LNG imports, averages **just over 2,600 million** cubic feet per day.
  - The problem is caused by the faulty policy, lack of analysis and inefficiency in planning .
  - Such issues **can hardly be solved by increasing LNG import** as it will create more financial burden to the existing debt cycle
  - Rather the focus should have been given to the **domestic gas exploration**
- **BNP** has emphasised the importance of ***Domestic gas exploration and strengthening BAPEX***
  - By strengthening BAPEX in **geological surveys and well drilling**, onshore and offshore gas exploration will be intensified, and a transparent, technology-based framework for resource management will be ensured
  - Distribution structure and pricing policy will be reviewed to ensure fair, uninterrupted, and affordable gas supply to households and industries
  - Additionally, it mentioned that National energy security will be strengthened through regional and **inter-country gas pipelines** and energy cooperation
  - In addition to the existing 5 surveys (including the main survey), **2 more surveys will** be conducted for BAPEX according to the manifesto
  - A plan has been prepared to **drill 150 wells** to increase domestic gas production. A roadmap has been prepared for the short-, medium- and long-term development of these wells in view of the election results
  - **Draft 'Bangladesh Onshore Model PSC 2026' and 'Bangladesh Offshore Model PSC 2026'** have been prepared to explore Bangladesh's vast and vast oil and gas reserves

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.2 Primary Energy System

- **Overemphasis on LNG import continues:** LNG import and establishment of further LNG import infrastructure is also mentioned in their manifesto. Such initiatives will rather delay the scope for domestic gas exploration and will continue to pile up the financial burden. Above all, the most concerning issue still prevails as the newly discovered need of coal exploration of the ministry.
  - **Even BNP in their manifesto** and the new government in their plan for 100 days have included domestic **coal exploration as a priority project** in the energy system
  - Doing so will just signal that **Bangladesh is moving backwards** in terms of energy transition

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.2 Primary Energy System

### 7.2.3 Plan for 180 days

- The new government **must put a stop** in over interest and over emphasis on **LNG import**. Continuing in the path of LNG will ultimately result in the repeating financial debt trap
  - In this year's budget, the **zero VAT imposition** on **LNG import** must be withdrawn
- MoPEMR should gradually **shift priority from LNG import** to domestic **gas exploration** to successfully drill 150 gas wells
  - ADP allocation from the budget to be increased and to be utilised to drill gas wells
- **No further discussion** on domestic **coal extraction** should be brought up by the newly elected government
  - The new government must **immediately put a hold on the discussion** and initiative as it will only put the energy transition of Bangladesh backtrack
- **LNG terminal plans** (FSRU and in land) must be put on a hold immediately by the ministry
  - **Building new FSRUs** specially the in-land LNG terminal will cost a fortune for Bangladesh
  - Such expensive projects are unnecessary and conflicting to energy security and energy transition

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.2 Primary Energy System

### 7.2.4 Beyond 180 days

- **Petrobangla** should strengthen its institutional capacity & invest its own resources in **gas drilling projects**
- Aligning with the manifesto, the elected government should focus on the **2-D and 3-D seismic surveys**
- In order to drill the 150 gas wells as per the plan of the new government BAPEX should use **gas development fund** or **even take loan to** allocate resources for gas exploration for the gas wells that are supposed to be explored
  - Even budgetary allocation from the other sectors can also be utilised in gas exploration
- BPDB should draft a **phase out plan with** the timeline of the **coal-based power** plants gradual phaseout
  - The new govt. should have a firm commitment to not build any **new coal power plant**

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.3 Renewable Energy Transition in the Power and Energy Sector

- The challenges in renewable energy transition can be classified according to specific elements
  - a) **renewable capacity addition**, b) **decarbonization and fossil-fuel phase out**, c) shift to market-based model, institutional and governance reform and just transition.
- Weakest part of knowledge-based decision making is observed (Fig 9) in case of **implementation and efficiency** followed by transparency and accountability
  - Main areas of concern is in case of **institutional and governance** reform followed by renewable capacity addition and just transition

Figure 9: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Renewable Transition Element	Data and Evidence-Based Decision Making	Implementation and Efficiency	Transparency and Accountability	Stakeholder Engagement and Inclusivity	Ethical and Legal Compliance
<b>Renewable Capacity Addition</b>	Limited resource mapping; weak demand forecasting; lack of project performance data	Delays in project execution; land acquisition barriers; grid integration constraints	Non-transparent project selection; unclear allocation criteria	Limited participation of local firms and investors; community resistance to projects	Unclear technical standards; compliance gaps in project approval and licensing
<b>Decarbonization and Fossil Fuel Phase-out</b>	Lack of emissions data; weak carbon accounting frameworks; limited transition modelling	Slow retirement of fossil assets; technological constraints; transition cost challenges	Limited disclosure of emissions targets and progress	Resistance from affected workers and regions; weak transition support mechanisms	Absence of binding emission standards; weak enforcement of environmental regulations
<b>Shift to Market-Based Model</b>	Limited market data; weak pricing signals; lack of demand and supply information	Inefficient tariff structures; incomplete competition; market design constraints	Limited transparency in tariff setting and power purchase agreements	Unequal market access; barriers for small producers and new entrants	Weak regulatory enforcement; unclear contractual obligations
<b>Institutional and Governance Reform</b>	Weak institutional monitoring systems; limited performance indicators	Bureaucratic inefficiencies; overlapping mandates; coordination failures	Weak oversight mechanisms; limited public disclosure	Limited stakeholder participation in policy design	Weak anti-corruption enforcement; unclear regulatory authority
<b>Just Transition</b>	Limited data on social impacts; weak labour transition assessments	Ineffective reskilling programs; inadequate social protection delivery	Limited reporting on distributional impacts of transition policies	Exclusion of vulnerable communities and workers from decision-making	Weak legal protection for affected workers and communities

Source: Prepared by Authors

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.3 Renewable Energy Transition in the Power and Energy Sector

### 7.3.2 Context

- The interim government undertook a renewable energy initiative titled **National Rooftop Solar Programme in 2025**, with the target to add 3000 MW of electricity from solar rooftops to be set on the government buildings, schools, and hospitals.
  - Moreover, the interim government expanded renewable energy projects in the national budget in the ADP which will add 419 MW with 3 RE projects by 2025. It also launched 55 packages of RE power plants totalling 5500 MWs. On the other hand, **it cancelled Letter of Intent (LOIs)** for 31 RE power plants totaling 3287 MW.
  - However, there has been **excessive allocation on fossil fuel in the budget with VAT exemption** on LNG import, and plans to increase coal-based generation which indicates the intensification of fossil-based generation.
  - The national target for renewable energy installed capacity was revised to 20% by 2030 and 30% by 2041, through the **Renewable Energy Policy 2025**. Previously, there were **conflicting targets across policy** documents and overly ambitious targets without visible progress.
  - The **draft Energy & Power Sector** Master Plan published by the interim government further projected investments in the fossil fuels while **diluting its RE energy mix with faux solutions** like hydrogen and ammonia

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.3 Renewable Energy Transition in the Power and Energy Sector

### 7.3.3 Governance Reform Context: BNP's Policy Commitments

- **Renewable Electricity Generation Target by 2030:** The manifesto of BNP pledges to ensure at **least 20 percent** of the country's electricity from renewable sources. It also mentions gradually reducing dependence on fossil fuels.
- **Energy Efficiency and Energy Audits:** BNP proposes the introduction of households, industries, and public-private sectors, along with incentives for using energy-efficient equipment.
- **Renewables in Inaccessible Areas:** Adoption of solar home systems, **micro-grids and biogas plants** in remote and inaccessible areas is mentioned in the manifesto.
- **Green Financing and Tax Incentives:** BNP has put forward an initiative to provide **tax breaks and low-cost** green financing facilities for renewable energy and energy efficiency.
- **Hydropower and Regional Cooperation:** The manifesto focuses on regional cooperation for water management and **low-cost hydropower generation**.
- **Waste to Energy:** The energy needs of cities, ports and urban areas are planned to be met by launching waste-to-energy projects as stated in the manifesto.
- **Electric Vehicle Operation in Dhaka:** As part of its regional development plan, BNP has suggested **piloting electric vehicles** in Dhaka city.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.3 Renewable Energy Transition in the Power and Energy Sector

### 7.3.4 Challenges

- The **monitoring and tracking** of institutional performance related to renewable energy transition are mostly self-reported and is not subject to rigorous breakdown or third-party verification.
  - The lack of coordination and **delays in the bureaucratic decision-making** causes inefficiencies in implementation of RE projects along with funding uncertainty.
  - Fossil-fuel **phase out** through decarbonizing industry and decommissioning legacy power plants has an **extremely slow pace**.
  - The **procedure of awarding** the contracts of the 55 RE power plants **are in limbo** with 33 plants with no bids and the rest not having their award announced yet.
  - The **incorporation of distributed renewable energy** is limited in the sector with the programmes facilitated by the government lack integration of consumer needs from the field and limited scaling and lack of proper repair and maintenance mechanism.
  - The large-scale government initiatives **lack adequate piloting and data-based assessment**. The monitoring structure is not linked with funding, risking tokenistic implementation.
  - At the policy level, **solar equipment still face taxes and tariffs** which inflate prices. The continuation of fossil fuel subsidies distort the market incentive preventing the acceleration of RE adoption

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.3 Renewable Energy Transition in the Power and Energy Sector

### 7.3.5 Recommendations for the Next 180 Days

- **Knowledge-based Reconfiguration of Institutions:** Introduce **performance metrics** for power sector institutions based on renewable energy integration with independent monitoring and incentive tied to performance.
  - **Establish data sharing** with civil society and academia for research and assessment collaboration. Incorporate stakeholder consultation into decision-making regarding renewable energy transition measures institutionally.
- **Overall and Sectoral Decarbonization:** Undertake a decarbonization plan which phases out previously contracted fossil-fuel power plants. Commit to not undertaking coal-based power generation expansion.
  - Focusing on **industrial decarbonization** with **targeted incentives** for energy efficient equipment and financing for greening initiatives.
  - **Make energy audits**, energy management system installation and emission data reporting mandatory for industries above a threshold.
- **Mainstreaming Distributed Renewable Energy: Review the facilitation model** of distributed renewable energy and establish a body for national coordination. Incorporate adaptability in programme design through evidence-based analysis.
  - **Establish a dedicated financing** window for renewable energy at Bangladesh Bank besides refinancing scheme and incorporate commercial banks in funding renewable projects by technical onboarding.
- **Optimizing the National Rooftop Solar Programme:** Under the jurisdiction of SREDA, the rollout of Rooftop Solar installations ought to be **piloted and analysed to provide potential issues** that may arise when implemented at scale.
  - There should be generation tied budgeting to prevent tokenistic implementation **with repair fund for CAPEX model** implementation. Incorporation of the private sector through OPEX model and incorporating sovereign or bank guarantees.
- **Resolving the fate of past RE projects:** The status of the **31 cancelled LOIs should** be reassessed and restored if the eligibility of the awards is proven.
  - The retendering of 33 RE packages among the 55 should be conducted immediately and the contract award of the rest should be announced without delay.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.3 Renewable Energy Transition in the Power and Energy Sector

### 7.3.5 Recommendations for the Next 180 Days

- ❑ **Fiscal Initiatives for RET: Increase budget allocation** in renewable energy projects with particular focus on preventing carryover projects. **Eliminate preferential subsidies and tax benefits to fossil fuel** sector. Eliminate tariffs and tax burden on renewable energy components.

### 7.3.6 Recommendations for the Beyond 180 Days

- **Incorporation of RE in Long Term Plans:** Provide a comprehensive Energy and Power Systems Master plan which breaks down renewable energy share targets according to type without coopting faux solutions like ammonia and hydrogen.
  - The plan ought to include **proper data-based demand forecasting** and milestones to track progress towards targets.
- **Electrifying Transportation Sector:** Initiatives needs to be taken on formalizing and scaling existing and newer electric vehicles nation-wide with scaling of **solar charging station infrastructure** along with batter storage system technology incorporation.
- **Organizational Reform in Power Sector:** Standardize the pay scale, scope for higher study, recruitment criteria of power sector institutions to incorporate renewable energy-based specialization.
  - Address the **pricing model and tariff or renewable energy for** it to be competitive with fossil-fuel, along adjustment in the pricing formula to be market based.
- **Legislative Oversight and Scrutiny:** Parliamentary standing committee on Power and Energy ought to establish regular hearings scrutinizing the financial solvency and the progress on renewable energy transition initiatives.
  - The **parliamentary estimates committee** ought to evaluate the consistency of activities and announced goals regarding renewable energy transition specifically.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.4 Policy, Law, Rules Regulation

### 7.4.1 Challenges

- The plans, policy, laws, rules and **regulations are more aligned towards fossil fuel** rather than renewable energy
- Draft EPSMP has **failed to address, accommodate and answer the critics**, concerns and questions raised in the IEPMP
  - In some cases, it might be proved to be more degrading than IEPMP
- Several policies need to be updated and revised as they are backdated (national energy policy, perspective plan)
  - Newly adopted policies and plans need to be implemented with the immediate urgency (Renewable Energy Policy 2025, Net Energy Meeting Guidelines 2025, National Solar Rooftop Programme)
  - Some new policies and guidelines needs to be drafted and adopted
- Weakest part of knowledge-based decision-making (Fig 10) is in case of **stakeholder engagement and inclusivity**, followed by **rigorous analysis and evaluation**
  - **Alignment of plans, policies, rules** and regulations are the most challenging area

**Figure 10: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process**

	Data-quality and evidence-based	Rigorous analysis and evaluation	Procedural transparency and accountability	Stakeholder engagement and inclusivity	Ethical and legal compliance	Implementation and efficiency
Lack of coherence within the policies, plans, laws, rules	High	High	High	Medium	Medium	Low
The plans, policy, laws, rules and regulations are more aligned towards fossil fuel rather than renewable energy	High	High	High	High	High	Medium
Draft EPSMP has failed to address, accommodate and answer the critics	Medium	High	High	High	Medium	Medium
Backdated and old policy, plan and laws		Medium		High		
Delayed implementation of newly adopted policies and plans	Low	Medium	Medium	High	Medium	Low

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.4 Policy, Law, Rules Regulation

### 7.4.2 Context

- Interim government has shown most significant shift in policies, laws and acts in the power and energy sector in their tenure
  - During August'24, **CPD had suggested the reform measures** needed to initiate for the existing policies/laws/acts/plans and what new plans, policies, laws can be drafted to ensure the reform
  - The government has **mostly repealed**, updated, amended or revised the policies/ laws/acts/plans which were hindering the sustainable energy transition and financial health of the sector
  - But there still persist limitations as the policies, plans, acts, law and rules are self conflicting and lacks coherence
  - While the policies appear to be contradictory, these laws, policies and rules seems more aligned towards fossil fuel than renewable energy
  - Even though the interim government has made an effort to revise the policies or plans, their last drafted plan Energy and Power System **Master Plan has raised serious questions and concerns**
    - The plan lacks methodological rigor, evidence-based policy formulation
    - The stakeholder's participation in formulation and revision of these plans is negligible
- In addition to the amendment of the existing laws/acts/rules/policies, the interim govt. has also launched a new National Solar **Rooftop Programme 2025 to achieve 3000 MW** of solar power
  - Another newly introduced policy titled "Enhancement of Private Participation in the Renewable Energy-based Power Generation", allows private firms to produce and sell power independently
  - Both these newly introduced policies require immediate implementation strategy
  - While other important documents such as **Nationally Determined Contribution 3.0** have been updated, revision and formulation of many crucial policies such as Perspective Plan, Mujib Climate Prosperity Plan, National Energy Policy, Energy Conservation Act has **not been initiated**.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.4 Policy, Law, Rules Regulation

### 7.4.3 Plan for 180 days

- The newly elected government **must execute and implement** the National Solar Rooftop Programme with utmost priority
- By doing so, at least 3,000MW of electricity will be generating from solar energy
- The recently published, **EPSMP 2025 cannot be passed** in the current state
  - The new government should scrape the plan and revise the IEPMP

### 7.4.4 Plan beyond 180 days

- In order to implement the merchant power policy, the competitive market structure needs to be established
- **Some new rules, laws and regulation needs to be established** to further ensure competitiveness in the sector
  - These include **Energy Conservation Act, Energy Audit**, Pricing and Investment Policy, Just Transition Policy, **FiT Scheme**, Request for Quote and Request for Proposal, **Auction Guidelines**

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.5 Operational and Institutional Issues

- **Challenges:** a) The institutions are **yet to be ready to facilitate the** energy transition in Bangladesh; b) The institutions are **still locked** in with the traditional idea of fossil fuel-based energy system
- Weakest part of knowledge-based decision-making is (Fig 11) observed in case of **implementation and efficiency** followed by procedural **transparency and accountability**
  - **SREDA and BPC** are the most challenging institutions for energy transition

**Figure 11: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process**

Institutions	Data-quality and evidence-based	Rigorous analysis and evaluation	Procedural transparency and accountability	Stakeholder engagement and inclusivity	Ethical and legal compliance	Implementation and efficiency
Sustainable and Renewable Energy Development Authority (SREDA)	High	High	Medium	High	Medium	High
Bangladesh Energy Regulatory Commission (BERC)	High	High	Low	Low	Medium	Medium
Bangladesh Petroleum Corporation (BPC)	High	High	High	High	Medium	High
Bangladesh Power Development Board (BPDB)	Low	High	Medium	Low	Low	Medium
Power Grid Bangladesh PLC (PGCB)	Low	Low	High	Medium	Low	Medium
Bangladesh Rural Electrification Board (BREB)	Medium	Low	High	High	Low	High

Source: Prepared by Authors

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.5 Operational and Institutional Issues

### 7.5.2 Context

- Another challenge for interim government was to perform significant operational reforms related to the government bodies. Such reforms were also suggested by CPD while the interim government took over.
  - **BPDB** has been **struggling to overcome** its financial crisis **even with the hefty subsidy received** from the MoPEMR
  - The only dedicated renewable energy authority **SREDA has been struggling with limited authority** and capacity from the very beginning
  - Such inefficiency and non-capacitated institutional set up has appeared to be one of the key challenges of delayed renewable energy expansion
  - The **lack of skilled manpower, their irregularity of the presence of BPC Dhaka** office and heavily depending on the operational issues from the Chittagong office has raised serious concerns regarding their successful operations
  - **BNP** plans to execute some reform measures to **make BPC efficient**
  - **BERC has regained its legal authority** to set the price of fuel oil, electricity and gas. BERC's institutional capacity has also been enhanced as it has expanded its institutional base by hiring more manpower
- PGCB is the only and most technically sound government body of this sector as it conducts the evidence based rigorous analysis on the grid stability and modernisation
  - On the contrary, **BERB is the least digitalized** and efficient institution
  - Even though no new energy transition focused institution has been established yet, **establishing a renewable energy wing in every sectoral organization** has been made mandatory by the interim government.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.5 Operational and Institutional Issues

### 7.5.3 Plan for BPDB

- In BPDB inter-agency coordination should be strengthened through the establishment of a digital platform and a task force mechanism to reduce duplication and delays
  - **Recruitment and training** systems should be redesigned to develop renewable-specialized human capital, supported by partnerships with academic and international institutions
  - Finally, **financial restructuring, including the renegotiation of fossil fuel purchase agreements** and the creation of renewable purchase obligations, is essential to ensure long-term viability.
  - These reforms would enable BPDB to evolve from a fossil fuel-oriented institution into a proactive system integrator capable of leading Bangladesh's renewable energy transition.

### 7.5.4 Plan for BERC

- Institutionally, BERC should align its mission with national renewable energy targets, embed renewable obligations into licensing and tariff frameworks, and accelerate approval of pending regulations to improve compliance
  - **Regulatory efficiency requires automation** of licensing, stronger inter-agency coordination, and streamlined approval processes, particularly for small-scale renewable projects
  - **Autonomy can be reinforced through transparent appointment** procedures, codified independence from ministerial directives, and a gradual phase-out of ad hoc legislative measures such as the Speedy Supply of Power and Energy Act.
  - **Structured training programmes on renewable tariffs, digital** regulation, and stakeholder engagement, complemented by international partnerships and research collaborations, would strengthen BERC's regulatory foresight
  - **Technological upgrades to grid codes, tariff models,** and data transparency are also essential to enable integration of distributed energy resources and storage solutions

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.5 Operational and Institutional Issues

### 7.5.5 Plan for SREDA

- SREDA must have **greater autonomy in decision-making** and a clearer mandate to lead on renewable energy.
  - Its role should be **aligned with national energy policies**, with balanced focus between energy efficiency and renewable energy development
  - More **resources are also required**, both financial and human, to support innovation, pilot projects, and collaboration with private sector actors
  - Finally, public **engagement and awareness** need to be made a central part of SREDA's work, so that renewable energy is not only a policy agenda but also a societal priority.

### 7.5.6 Plan for PGB

- PGB must overcome entrenched **dependence on centralized fossil-fuel planning** while preparing for decentralized, renewable-based systems
  - To address these challenges, a **four-pillar reform** agenda is proposed by CPD
    - **Strengthening institutional endowments** by modernizing transmission with 400–765 kV lines, advanced SCADA/EMS, and storage systems;
    - **Aligning agent interests** through better inter-agency coordination, a Transition Coordination Committee, and enhanced private participation;
    - **Improving regulatory and operational frameworks** by enforcing Grid Code compliance, real-time forecasting, and transparent HR and procurement practices; and
    - **Reducing path dependence** by granting financial autonomy and **gradually transitioning PGB into an Independent System Operator (ISO) model.**

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.6 Public Procurement Process in the Power Sector

### 7.6.1 Overall Assessment

- The reintroduction of competitive public procurement in the power sector during the interim **Government is much appreciated.**
- However, overall **procurement process faces challenges** in several areas, including tender design, procurement process, institutional oversight and coordination, and post-award activities.
- Weakest part of knowledge-based decision-making is observed (Figure 12) in case of **implementation and efficiency**
  - **Institutional oversight and coordination** is the weakest areas of public procurement

**Figure 12: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process**

	Tender Design	Procurement Process & Digitalization	Institutional Oversight & Coordination	Post-Award Procurement
Data and Evidence-Based Decision Making	Lack of sector-specific guidelines; unclear technical specifications; weak evaluation criteria	Limited digital data systems; inadequate information disclosure	Absence of sector-specific performance indicators; weak monitoring framework	Limited implementation monitoring and performance tracking
Implementation and Efficiency	Restrictive qualification criteria; unrealistic requirements; limited competition; slow evaluation	Manual procedures; partial digitalization; procedural inefficiencies	Multi-agency approvals; coordination gaps; administrative delays	Financing constraints; land acquisition challenges; grid connection delays
Transparency and Accountability	Non-disclosure of evaluation reports; limited evaluation transparency	Limited public access to procurement information	Conflict of interest in complaint handling; weak oversight mechanisms	Limited post-award reporting and disclosure
Stakeholder Engagement and Inclusivity	High entry barriers for local firms; restrictive financial requirements	Limited accessibility of procurement processes	Limited stakeholder participation mechanisms	Limited institutional support for developers/investors
Ethical and Legal Compliance	Absence of technical standards; unclear compliance requirements	Procedural compliance gaps	Weak anti-corruption enforcement; lack of independent monitoring	Contract enforcement and compliance challenge

Source: Prepared by Authors

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.6 Public Procurement Process in the Power Sector

### 7.6.2. Context

- Public Procurement Act and Rule (PPA and PPR) have been **reinstated** by the interim government for power sector's procurement through competitive bidding.
  - Under the PPA and PPR, the Ministry of Power Energy and Mineral Resources (MoPEMR) has invited tenders for 55 solar power plants of sizes ranging from 10 MW to 250 MW in four lots, from December 2024 to March 2025.
  - While reverting to the PPA and PPR framework was an important reform step, reverting to a competitive process was not sufficient to ensure real competition.
    - Of 55 packages, 23 packages received only single bids, and 13 did not receive any bids at all. On average, the number of bids received is just 1.4 bids per package.
  - In addition, updating the public procurement rule (2006), a new rule was enacted in 2025, which made the e-procurement mandatory for all public procurements.
- The **BNP's manifesto** emphasises **transparency, accountability, and rule of law** as the foundation of democratic governance.
  - The manifesto explicitly **supports open tendering systems and real-time audits** to ensure transparency in public procurement
  - BNP pledges to **strengthen anti-corruption measures and ensure institutional independence** of oversight bodies
  - BNP proposes the **establishment of a Single-Window Clearance system** to reduce bureaucratic delays and administrative barriers.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.6 Public Procurement Process in the Power Sector

### 7.6.4 Challenges

- Due to long absence of competitive procurement and the complexity of renewable energy projects, **BPDB and MoPEMR lacked stage-wise performance indicators & structured procurement data**, which later hampered tender design and implementation
  - There is **no dedicated renewable energy procurement guideline tailored to the specific nature of RE power plants**, and the existing guidelines are overly generic.
    - The absence of a specialised RE procurement guideline caused severe difficulties for 40.22 per cent of firms and significant difficulties for 39.13 per cent of firms.
  - The **fully offline procurement process created inefficiencies and delays** and raised concerns regarding transparency and accountability.
  - The **non-disclosure of the Tender Evaluation Report or its summary** reduced transparency and fairness in the procurement process.
- Although bidders can submit complaints, **the complaint mechanism is handled internally by BPDB**, the same authority that issued the tender, creating a conflict of interest and limiting impartiality.
  - **The binary pass-fail evaluation system under OSTEM lacks merit-based scoring**, thereby limiting objectivity and transparency in technical and financial evaluation.
  - BPDB failed to determine optimal package sizes, and **several packages were too large to attract sufficient competition**. Packages of around 50 MW received a greater response.
    - The stringent financial criteria disproportionately disadvantage local firms and reduce overall bidder participation.
  - **Absence of Implementation Agreement (IA) reduced the bankability of the power purchase agreement** for the packages, which made the bidders face severe difficulties in securing project financing.
  - The **entire responsibility to acquire lands (ranging from 125 to 625 acres) are on the bidders**. While the whole facility must be completed within 24 months, acquisition of this huge amount of land in this period is extremely difficult in context of our country.

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.6 Public Procurement Process in the Power Sector

### 7.6.4. Recommendations for the Next 180 Days

- **The MoPEMR or BPDB, in collaboration with support from BPPA, should create specific performance indicators for renewable energy.**
  - These should also focus on participation rates, bid responsiveness, contract award timelines, and compliance after contracts are awarded, along with the transparency, accountability and efficiency indicators.
- **BPPA and BPDB should develop a comprehensive Renewable Energy Procurement Guideline** to align with PPA and PPR while detailing methods, qualification criteria, institutional roles, and post-award management procedures
- To ensure transparency, accountability and bidders' trust in fair evaluation, **the BPDB must disclose the tender evaluation report**, outlining in detail each step of the evaluation process, including the justification for the award decisions.
- **The MoPEMR or BPDB should consider reducing project size to around 50-75 MW in future** (if the MoERMP goes for retendering of the packages that did not receive single bids or no bids), utility-scale solar power plant tenders to attract a broader range of bidders.
- **The working capital threshold should be reduced to USD 0.1–0.15 million per MW**, with flexibility based on project size, aligning with regional practices and promoting broader participation without compromising financial credibility

# 7. Power and Energy Sector Reviving for Energy Transition

## 7.6 Public Procurement Process in the Power Sector

### 7.6.4. Recommendations for the Next 180 Days

- An **independent appeal review board under CPTU or BPPA** should be established with clear timelines and decision-making authority to ensure fairness and accountability
- **BPDP must mandate IEC and ISO standards in tender qualification criteria** to ensure equipment quality, simplify evaluation, reduce disputes, and strengthen accountability.
- **BPPA and BPDP needs to introduce a merit point or scoring system** would improve objectivity and transparency

### 7.6.5. Recommendations for Beyond 180 Days

- **BPDP should reintroduce standardized IAs for renewable energy projects** to boost investor confidence, improve PPA bankability, lower financing costs, and encourage broader participation.
- Adopting a **fully digital e-GP system will** enhance procedural integrity, enable online submissions, real-time updates, document archiving, and automated bidder selection. The existing e-GP system is only partially digital.
- **MoPEMR must introduce a single-window clearance system** to streamline approvals, reduce coordination delays, and ease investors' administrative burden.
- The **BPDP must publish standard power purchase agreements for renewable energy**, especially the solar power plants

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.6 Public Procurement Process in the Power Sector

### 7.6.5. Recommendations for Beyond 180 Days

- In the long run, **developing solar parks would ease land, grid, and approval challenges, and accelerate development, and lowering tariffs.**
- The government should **establish a Renewable Energy Financing Fund using domestic and international sources** to provide concessional loans, guarantees, and bridge financing, thereby enhancing participation
- An **Independent Vigilance Commission**, including ACC, BPPA, and technical/financial experts should oversee renewable energy procurement.
  - The **Standing Committee on the Ministry of Power, Energy, and Mineral Resources can also play a vital role here.**

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.7 Energy Finance

### 7.7.1. Overall Assessment

- Bangladesh’s renewable energy transition is **constrained by structural finance** bottlenecks such as high cost of capital, off-taker risk, weak capital markets, fiscal misallocation, and regulatory uncertainty.
- Despite interim steps such as **clearing arrears, revising master plans, and extending tax holidays** for renewables, investor confidence **remains fragile** due to unaddressed challenges.
- Weakest part of knowledge-based decision making (Fig 13) include **rigorous analysis and implementation and efficiency**
  - **Underperformance of Bangladesh Bank’s renewable energy refinancing** scheme is the most challenging area in terms of renewable energy finance

Figure 13: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Challenges	Data Quality & Evidence Based	Rigorous Analysis	Procedural Transparency & Accountability	Implementation & Efficiency	Ethical & Legal Compliance	Stakeholder Engagement & Inclusivity
Underperformance of BB’s RE Refinancing Scheme	Performance metrics crucial to diagnose refinancing inefficiencies.	Requires financial modelling of uptake and repayment risks.	Governance gaps may contribute but not primary driver.	Operational bottlenecks directly determine scheme performance.	Compliance matters but rarely central failure cause.	Limited borrower-bank coordination reduces uptake effectiveness.
Misallocation of RE Public Finance	Accurate allocation data essential to detect misdirection.	Needs expenditure tracking and impact evaluation modelling.	Misallocation fundamentally reflects accountability breakdown.	Inefficient deployment wastes scarce public resources.	Potential violation of fiduciary and statutory obligations.	Limited consultation may distort funding priorities.
Underdeveloped Capital Market	Market data useful but structural gaps dominate.	Requires deep financial structure and liquidity assessment.	Disclosure standards moderately influence investor confidence.	Weak intermediation reduces capital mobilization efficiency.	Regulatory standards affect but don’t drive depth.	Market development less dependent on inclusivity mechanisms.
Banking sector Vulnerability and Risk Appetite for Green Projects	Balance sheet data crucial to assess vulnerabilities.	Risk modelling determines green lending capacity.	Governance influences confidence but secondary factor.	Credit transmission efficiency shapes project financing.	Prudential compliance relevant but not main constraint.	Dialogue influences risk perception moderately.
Funding Gap & Currency Volatility	Exchange rate and cost data critically required.	Needs macro-financial modelling of currency exposure.	Macroeconomic volatility not primarily governance-driven.	Directly alters project cash flow viability.	Currency risks rarely ethical or legal failures.	Engagement has minimal influence on exchange volatility.
Policy & Regulatory Uncertainty	Policy clarity needs data but not dominant.	Requires legal-financial risk scenario evaluation.	Uncertainty reflects opaque regulatory processes.	Inconsistent policies delay project execution.	Contract enforceability central to investor confidence.	Consultation gaps intensify regulatory unpredictability.

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.7 Energy Finance

### 7.7.2. Context: Challenges and Current Scenario following Interim and Current Government initiatives

- **Underperformance of Bangladesh Bank's RE Refinancing Scheme:** Limited uptake reflects weak data-driven calibration , while administrative bottlenecks and fragmented coordination reduce implementation efficiency.
  - No direct initiatives taken by the *interim* towards reforming the refinancing scheme but by 31 March 2025, Tk1,800 crore had been **disbursed to 63 clients across 20 banks** under the scheme.
  - *BNP* Will ensure **broad scale deregulation** which is also applies to energy sector
- **Misallocation of Renewable Energy Public Finance: Indirect and direct subsidies to fossil fuels** alongside subsidy and capacity payments crowd out fiscal allowance that could **de-risk green projects**, undermining RE investment despite central-bank green schemes.
  - *BNP* pledges to **Review rental/short-term power agreements** and reduce unnecessary costs

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.7 Energy Finance

### 7.7.2. Context: Challenges and Current Scenario following Interim and Current Government initiatives

- **Underdeveloped Domestic Capital Market:** Tenor mismatch between long term energy projects and short-term loans, lack of a deep, credible pipeline of long-term domestic instruments i.e bonds, Sukuk, pension/ insurance capital, and structured guarantees
  - **BNP Promises Sukkuks and Green Bangladeshi Bonds** worth BDT 50,000 crore by 2030, tax incentives and low-cost financing for green projects.
- **Banking-Sector Vulnerability and Low Risk Appetite:** Persistently high NPLs, short term deposit base, weak renewable project finance capacity, crowding out of green lending due to government security over exposure and off-taker risk premium due to weak payment capacity of BPDB.
- Limited technical expertise **weakens project finance based analytical credit appraisal** for renewable projects
  - **BNP aims to form an Economic Reform Commission** to regulate the banking sector. Support for SMEs, Startups and Exporters with relevant financial instruments
- **Financial Gap and Weak Private Participation:** Difficulty in mobilizing large-scale, low-cost capital for renewable energy because perceived risks including **currency volatility, permitting/land issues, and curtailment risk**
  - **BNP Plans to prevent electricity price** to increase from current levels through Tk42,000 crore subsidy plan.
  - They farther mentioned **the need to attract FDIs for key sectors** in the manifesto, renewable energy sector being one of them.

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.7 Energy Finance

### 7.7.2. Context: Challenges and Current Scenario following Interim and Current Government initiatives

- **Policy and Regulatory Uncertainty undermines Bankability:** Renewable energy policies are unstable, delayed and **undermined by distorted tariffs and project cancellations**, unclear procurement mandates, inconsistent net-metering/FIT signal and unsolicited tariff setting.
  - *Interim* has also expanded the tax exemption from 10 years to 15 years for RE based power plants. However, they revoked Letters of Intent for 31 RE projects which ultimately led to damaged investor confidence and heightened regulatory risk perception.
  - **BNP has pledged** in the manifesto to retirement of **inefficient quick rental contracts and capacity charges**, energy audits, **transparent tariff system** while revisiting old contracts that are a threat to energy sovereignty.

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.7 Energy Finance

### 7.7.3. Recommendations for Phase 1: First 180 Days

- **BB and MoF to establish a Green Credit Guarantee Facility:** A GoB + MDB-backed, partial credit guarantee that covers 30–40% first-loss for renewable projects, reduces capital charge burden on banks.
- **BB and BSEC to Fix Off-Taker Risk via BPDB Payment Discipline:** The MoF should mandate a ring-fenced, MDB-backed escrow account, supervised operationally by BB, that automatically prioritizes IPP payments from consumer revenue collections before funds reach Bangladesh Power Development Board's general accounts, enforce payment discipline at **BPDB** and publish quarterly arrears data
- **Sunset Clause for Old Renewable Projects:** Legislate an immediate termination or conversion to No Electricity, No Payment (NENP) for any plant over 15 years old that has recovered its initial investment.
- **Fossil Fuel Phase-Out Through Binding Mechanisms:** **MoPEMR** to set time-bound targets to gradually reduce financing for and use of fossil fuel-based projects.
- **BB + SREDA should Establish a Green Project Pipeline Registry** to catalog all bankable renewable and transition projects. Each project must include projected cash flows, risk profile, technology, off-taker, and tenure to lower due-diligence costs for investors
- **BB to issue a Green Bond & Sukuk Circular:** with standardize use-of-proceeds, reporting, and external review, aligned with ICMA
- **MoF/BSEC to approve a sovereign pilot green bond:** Use existing MDB / government partial guarantees. Bundle 3–5 small-medium RE projects into tradable securities.
- **GoB to conduct a Rapid Diagnostic Review:** Independent technical audit of uptake rates, disbursement delays, sector distribution and identification of bottlenecks.

# 7. Power and Energy Sector - Reviving for Energy Transition

## 7.7 Energy Finance

### 7.7.4. Recommendations for Phase 2: Beyond the First 180 Days

- **Establish a National RE Finance Facility in partnership with SREDA or with IDCOL** to mobilize domestic and international capital through low-interest loans, credit guarantees, and results-based co-financing for solar, wind, and waste-to-energy projects
- **MoF and MoPEMR to Institutionalize Fiscal Space Mapping & Planning:** Create a central Energy-Fiscal Dashboard that tracks all future payment obligations, subsidies, and contingent liabilities to guide evidence-based public finance allocation
- **Mobilize Domestic Institutional Long-Term Capital: Ministry of Law, Ministry of Finance and BB** to make changes so it can be established to legally require pension, insurance, and provident funds to invest a portion of long-term portfolios in verified green instruments.
- **BB to Improve Green Taxonomy and Standardize Eligibility Criteria:** Prevents misallocation and inefficiencies.
- **BB to Strengthen Monitoring of Commercial Banks and FIs:** Ensure that banks are following established guidelines.
- **Data Portal by MoF** mandating rigorous audited quarterly disclosures, arrears, payments and renewable pipelines.

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.1 Overall situation

- The **private sector’s renewable energy transition** has reached a critical phase, driven by the **LDC graduation** and the **EU’s strict carbon compliance** mandates. While large industries are successfully adopting solar to combat grid instability and rising costs, SMEs remain stuck, fearing that a lack of verified green energy data will trigger export tariffs and lock them out of global supply chains.
- Despite high motivation, the **transition is stalled by systemic knowledge and financial Gaps**. Implementation is currently hampered by delays in green loan disbursements, with hidden accessory taxes reaching 77%. The overall situation is one of high-stakes urgency where the technical will exist, but procedural friction remains the primary barrier to a total green transition.
- Weakest part of knowledge-based decision-making (Fig 14) is in case of **procedural transparency and accountability**
  - **Market demand and awareness** is the most challenging part of private sector engagement in energy transition

Figure 14: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

KBDM Area	High Initial Investment Costs	Regulatory Barriers	Access to Financing	Market Demand & Awareness
Data-quality & Evidence-based	Hidden accessory taxes are often missed in initial feasibility data.	Lack of centralised real-time data on Net Metering performance.		No national "Green Certification" standard to prove a product's carbon footprint.
Rigorous Analysis & Evaluation		Evaluation of grid-connected solar often fails to account for frequency stability		Consumers/Owners fail to analyse LCOE (Life-cycle cost) vs. upfront price.
Procedural Transparency & Accountability	Tax filing for RE exemptions is documented but remains manually intensive.	No "Single-Window" portal for project approvals; process remains manual & slow.	Lack of transparency in the BB's Refinance queue and priority.	
Stakeholder Engagement & Inclusivity	SMEs are largely excluded from "Green Incentives" due to high technical barriers.		Trade bodies are active but lack reach to smaller units.	Local communities are rarely educated on the long-term savings of RE.
Ethical & Legal Compliance			ESRM (Social Risk) guidelines are clear but difficult for SMEs to document.	Rising risk of "Greenwashing" claiming RE use without digital evidence.
Implementation & Efficiency			The 270-day wait for loan disbursement kills project cash flow.	Lack of knowledge on BESS (Battery) integration for night-shift production.

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.2 Context of the private sector's RE transition

- Bangladesh's export-oriented **industries face substantial hurdles** in adapting to renewable energy, constrained by high costs, infrastructure gaps, regulatory complexities, and acute knowledge deficits amid ambitious policy targets, such as 20% renewables by 2030 under the 2025 Renewable Energy Policy.
  - **High upfront costs** for solar systems and **financing mismatches burden SMEs**, with green funds like BDT 5,000 crore saturated and payment delays. While the import duty on solar panels and inverters was slashed to 1% in the FY2025-26 budget, accessories like mounting structures and DC cables still face duties ranging from 37% to 77%. This makes setting up a solar plant in Bangladesh 30–50% more expensive than in India.
  - Industries are panicking to adopt RE to meet EU "**Green Deal**" standards, and currently, RE accounts for a single digit of total national generation, far below **the 20% target originally set for 2030**.
- Though **Bangladesh Bank's Green Transformation Fund** offers concessional loans at **5–6%**. Still, the utilisation rate remains low because the "two-stage" approval process between commercial banks and BB often drags on for 270+ days, stalling projects.
  - As of early 2026, renewable energy accounts for approximately **5.2% to 5.8%** of Bangladesh's national energy mix, totaling **1,694.94 MW**, with the **private sector** driving **72%** of this generation to meet.

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.3 Challenges for the private sector's RE transition

- **High Initial Investment Costs:** The transition to RE requires significant upfront investment, which remains the primary deterrent for small and medium-sized exporters.
  - **Import Inflation:** While solar panels often have lower duties, "**Balance of System**" (BOS) components like mounting frames and high-capacity batteries are subject to total taxes ranging from 28% to 37%, inflating total project costs by nearly a third.
- **Access to Financing:** Financial institutions still perceive RE projects as high-risk, despite various "Green Refinance" schemes.
  - **Funding Gap:** The disbursement from the Bangladesh Bank's Green Transformation Fund remains sluggish due to strict collateral requirements.
  - **The Green Transformation Fund (GTF):** a specialised USD 200 million and recently expanded to Euro, a refinancing scheme specifically for export-oriented industries like Textiles, RMG, Leather, and Jute. While the fund exists, BB data from late 2025 shows that **only 15 out of 30 participating banks** have actively disbursed these funds.
  - **Implementation Barrier:** The "**two-stage**" approval process is a major bottleneck. A factory must first obtain a commercial-rate loan from a bank, which then applies to BB for the 5% refinance. This bureaucratic layer often delays **disbursement by 6–9 months**

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.3 Challenges for the private sector's RE transition (cntd.)

- **Regulatory Barriers:** Complex regulations and bureaucratic hurdles delay the adoption of renewable energy projects.
  - **Policy Incoherence:** The Renewable Energy Policy 2025 has been **criticised for being "fragmented"** and lacking a clear implementation roadmap.
- **Market Demand and Consumer Awareness:** There is a **"decoupling" between international brand demands** and the local market's ability to respond.
  - **Price Paradox:** Major global buyers like H&M, Inditex demand "Net Zero" production by 2030, yet **rarely offer a price premium** and are unwilling to share the cost of the "Green Transition."
  - **Sectoral Lag:** While RMG has over 200 LEED-certified factories, the Leather and Agro-processing sectors lag significantly, with less than **5% of units having any formal "green" certification.**

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.4 Interim Government's Initiatives related to the RE transition

- **Approval of Renewable Energy Policy 2025:** The interim government officially gazetted the **Renewable Energy Policy 2025**, which provides a framework for exempting RE components and raw materials from certain import duties and VAT to reduce upfront CAPEX.
- **Restoration of BERC Authority:** The Bangladesh Energy Regulatory Commission (BERC) Act was amended to restore BERC's full authority to fix tariffs, removing the "executive order" pricing that caused market volatility.
- **Streamlining Net Metering:** The Power Division is currently developing a digital "Single Window" for net metering applications to reduce the approval time from 12 months down to 45 days.
- **GTF Sector Expansion:** Bangladesh Bank expanded the scope of the USD 200 million Green Transformation Fund (GTF) to include all export-oriented sectors.
- **Single-Stage Approval Pilot:** To bypass the "two-stage" bottleneck, a "Single-Stage" approval process for rooftop solar projects under BDT 50 million, aimed at shortening the 6–9-month disbursement delay.
- **Green Credit Guarantee:** A new credit guarantee scheme is being finalised to support SMEs in the Leather and Tannery sector who lack the traditional collateral required for green loans.
- **International Buyer Dialogue:** The interim government held a high-level summit in late 2025 with brands like H&M and Inditex, formally requesting "Green Pricing" frameworks to share the cost of the transition.

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.4 BNP Manifesto Promises

- **Energy Mix Diversification:** Pledges to raise the share of renewable energy in the power mix to 20% by 2030 (up from the previous government's 16% target).
- **Investment Driven Economy:** They pledge to build a \$1 trillion economy by 2034 by **prioritizing industrial investment** over plunder.
- **SME Guarantee Schemes:** Pledges to expand **credit guarantee schemes** and introduce insurance coverage for climate-resilient investments.
- **Carbon Trading Market:** Pledges to launch a centralised **Carbon Trading Market** with a target revenue of \$1 billion per year, which would provide a new revenue stream for factories that adopt green energy.
- **"Made in Bangladesh" Brand Expansion:** The manifesto focuses on expanding the "Made in Bangladesh" brand globally by entering **new markets in South America** and Africa through preferential trade agreements.
- **Digital Connectivity:** Pledges to launch **PayPal** and **establish regional e-commerce** hubs to connect local green-certified producers directly with global consumers, bypassing intermediaries.

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.5 180-Day Recommendations for the private sector's RE transition

- **SREDA** can launch the **National Industrial Energy Dashboard**, a real-time digital platform that tracks the energy intensity and carbon footprint of every registered factory. By integrating smart-meter data, this dashboard will allow the government to identify energy-efficient industrial clusters and allocate grid resources more effectively.
- The **National Board of Revenue (NBR)** must expand the current 1% duty on panels to include the entire Balance of System (BoS) to drop project CAPEX by 20–30%.
- The **Ministry of Commerce** should host "Strategic Green Trade Dialogues" with EU and US diplomatic missions to align local RE progress with global compliance laws like CBAM. **BGMEA** and **LFMEAB** could lead these negotiations, presenting unified data to global brands to demand a Green Premium.
- The **Parliamentary Standing Committee on Commerce** should move a motion to recognise RE accessories as "Essential Industrial Capital Machinery."

# 7. Power and Energy – Reviving for Energy Transition

## 7.8 Renewable Energy Transition in the Private Sector

### 7.8.5 Beyond 180 Days Recommendations for the private sector's RE transition

- **Bangladesh Bank** should create a "**Fast-Track Window**" so that once the "**Technical Readiness Certificate**" is issued, the refinance should be released automatically within days of the project commissioning, rather than undergoing a new 6-month audit cycle.
- The **Association of Bankers, Bangladesh** (ABB) can train commercial banks to process refinances with Bangladesh Bank's Sustainable Finance Department to ease the compliance for SMEs to avail Green Transformation Funds (GTF), which will also increase their sustainability score.
- **Digital Disbursement Tracking** could be managed by **SREDA**, where the status of every refinance application is public. Starting from the Commercial Bank submission to the Bangladesh Bank's Treasury release, with an automated "Red Alert" will force officials to meet the target, reducing the chance of files being "lost" in the bureaucracy.
- **Bangladesh Bank** should mandate **50% of the Green Transformation Fund (GTF)** be reserved exclusively for SMEs.

**Section 8:**  
**Climate Change - *Ensuring Localised Solutions***

# 7. Climate Change : Ensuring Localised Solutions

## 7.1 Overall Assessment

- There is a **disconnect between environmental problems identified**, such as rising temperature and air pollution, and the solutions proposed, with **limited linkage to renewable energy use or fossil fuel phase-out**.
  - Development continues to be viewed **primarily through an infrastructural and employment lens**, while weak regulatory enforcement, limited local government empowerment, fragmented community engagement, and low willingness to bear the cost of eco-friendly practices constrain progress.
- The **challenges in ensuring localized** climate solutions are **assessed across four elements**: (a) environmental sustainability, (b) economic sustainability, (c) social equity and inclusion, and (d) local context and governance capacity.
- Weakest part of knowledge-based decision-making (Figure 15) is **implementation and efficiency** while local context and **governance capacity** is the main areas of concern.

Figure 15: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Element	Data & Evidence-Based Decision Making	Implementation & Efficiency	Transparency & Accountability	Stakeholder Engagement & Inclusivity	Ethical & Legal Compliance
<b>Environmental Sustainability</b>	Misalignment between diagnosed problems (heat, air pollution) and proposed solutions; renewable energy not linked to restoration; outdated solution perception	Overemphasis on tree plantation and infrastructure; fossil fuel phase-out ignored; weak practical integration of green solutions	Broad perception alignment but weak clarity on institutional responsibility (central vs local)	Voters prioritize basic environmental improvement rather than context-specific solutions	Weak environmental laws and poor enforcement undermine restoration efforts
<b>Economic Sustainability</b>	Stated preference for sustainable growth contradicts infrastructure-centric development perception	Resistance to absorbing costs of eco-friendly practices; prioritization of poverty and income over green transition	Development narrative lacks clarity on sustainability commitments	Limited readiness among citizens and parties to support economic restructuring	Weak policy enforcement for green economic transition
<b>Social Equity and Inclusion</b>	Social pillar under-recognized compared to economic/environmental dimensions	Fragmented and ineffective community-based awareness programmes	Risk of implementation gap due to mismatch between voter concerns and party narratives	Lack of empowerment and inclusion of vulnerable groups; limited community participation	Social protections and inclusion mechanisms not central to green society framework
<b>Local Context &amp; Governance Capacity</b>	Severe misalignment in Barind (drought-prone) region; lack of localized problem-solution mapping	Weak local government empowerment; centralized policy dominance	Lack of confidence in governance framework; weak laws and enforcement	Limited localized engagement; community discussions fragmented	Weak enforcement and unclear division of central-local authority

# 7. Climate Change : Ensuring Localised Solutions

## 7.2 Context

- Bangladesh faces severe climate vulnerabilities, including rising temperatures, frequent floods, cyclones, river erosion, and drought-prone areas like the Barind region, which threaten livelihoods and local ecosystems.
  - The government has recognized the urgency of climate action through national policies such as the Bangladesh Climate Change Strategy and Action Plan (BCCSAP) and its associated adaptation and mitigation programs.
  - Interim and caretaker governments have initiated short-term environmental programs, including tree plantations, river dredging, and small-scale renewable energy projects, to demonstrate immediate responsiveness to climate risks.
- Despite policy recognition, **local implementation remains fragmented**, with centralized decision-making limiting the capacity of union and upazila authorities to execute constituency-specific interventions.
  - **Efforts to promote a green society**, such as phasing out polluting industries, deploying renewable energy, and linking environmental initiatives to employment generation, are uneven and often donor-dependent.
  - **Community engagement mechanisms**, like union-level meetings and citizen consultations, are still limited, reducing local accountability and citizen participation in environmental planning.
  - **Social equity considerations**, including gender parity and inclusion of vulnerable populations, are rarely fully integrated into climate or green development programs, creating gaps in equitable access to green opportunities.
- Overall, Bangladesh's **climate governance demonstrates strong policy intent** but suffers from **weak enforcement, insufficient local empowerment**, and a lack of data-driven, evidence-based planning at the constituency level, hindering the transition to a sustainable, inclusive green society.

# 7. Climate Change : Ensuring Localised Solutions

## 7.2 Governance Reform Context: BNP's Policy Commitments

- **Blue Economy and Biodiversity Conservation:** The manifesto proposes sustainable exploration and utilization of maritime resources to promote the blue economy while ensuring biodiversity conservation and supporting a just transition toward environmentally responsible growth.
- **Plastic and Chemical Pollution Control:** The party commits to banning harmful plastics and toxic chemicals and promoting biodegradable alternatives through a circular economy model based on reduce, reuse, and recycle principles, with a target of reducing plastic waste by 30 percent.
- **River Restoration and Erosion Management:** The programme emphasizes reclaiming and de-polluting 20,000 kilometres of rivers and canals to restore ecological balance, alongside implementing rehabilitation and rescue measures to address river erosion.
- **Afforestation and Green Infrastructure Development:** The Green Mission aims to plant 250 million trees over five years to enhance ecological resilience, along with promoting green building certification to encourage environmentally sustainable construction practices.
- **Energy Sector Reform and Renewable Expansion:** The manifesto proposes abolishing quick rental indemnity provisions, prioritizing fuel-efficient power plants, and generating 20 percent of electricity from renewable sources by 2030 to reduce fuel import dependency and support low-carbon transition.
- **Renewable Energy and Waste-to-Energy Initiatives:** The party seeks to promote renewable energy production from agricultural waste and establish integrated waste management systems to generate energy and organic fertilizers.
- **Energy Efficiency and Smart Grid Development:** The programme highlights smart grid modernization, mandatory energy audits, and energy efficiency measures to improve system performance and sustainability.
- **Green Economy and Carbon Market Development:** The manifesto outlines plans to develop a green economy and introduce a carbon trading market with the objective of mobilizing climate finance and promoting low-carbon investment.
- **Climate-Resilient Agriculture and Regional Adaptation:** The programme prioritizes water-efficient rice cultivation methods, desertification prevention and water security in the Barind region, and salinity control and coastal protection measures to strengthen climate resilience.

# 7. Climate Change : Ensuring Localised Solutions

## 7.3 Challenges

- Environmental solutions at the local level are **often misaligned with diagnosed problems** such as heat, air pollution, and river erosion, and renewable energy initiatives are rarely linked to environmental restoration.
  - **Overemphasis on tree planting and infrastructure projects limits practical integration of green solutions**, while critical actions like fossil fuel phase-out remain neglected.
- **Weak clarity on institutional responsibilities**, coupled with centralized decision-making, reduces local governments' capacity to implement environmental and climate initiatives effectively.
- **Economic sustainability goals conflict with voters' and policymakers' prioritization** of immediate income and infrastructure development, creating resistance to eco-friendly practices.
- **Social equity and inclusion are under-recognized**, with limited empowerment of vulnerable groups and fragmented community participation in local climate and development projects.
- **Localized engagement and problem-solution mapping are insufficient**, particularly in climate-sensitive regions like the Barind area, resulting in ineffective and generic interventions.
- **Transparency and accountability mechanisms are weak**, with poor monitoring of policy implementation and limited community oversight of environmental and development projects.
- **Weak environmental and economic governance frameworks**, unclear legal enforcement, and poorly enforced policies undermine both climate restoration efforts and equitable green transitions.

# 7. Climate Change : Ensuring Localised Solutions

## 4. Recommendations for the Next 180 Days

- **Immediate Local Environmental Restoration:** Address pressing environmental concerns in constituencies such as air pollution, high temperature, and river erosion by **removing brick kilns and relocating polluting factories** from residential areas. Local government and city corporations should lead these efforts with MPs supporting policy and budget allocation.
- **Community-Based Accountability and Engagement:** Organize regular town hall meetings ('uthan boithok') at union, upazila, and constituency levels to **review local development and environmental projects**. Include voters in decision-making processes and introduce third-party monitoring mechanisms to track the fulfillment of electoral pledges.
- **Localized Manifestos and Constituency-Specific Policy Plans:** Require MPs and party candidates to prepare separate localized **manifestos for their constituencies, reflecting environmental, economic, and social priorities**. These manifestos should include clear objectives, strategies, responsible entities, financing mechanisms, and implementation plans.
- **Decentralized Funding and Resource Allocation:** Increase annual budget allocations for city corporations and local governments, **establish local revenue structures, and provide targeted environmental grants**. Ensure funds are tied to performance criteria such as reporting and community consultations to enable accountability and timely project execution.
- **Integration of Environmental and Economic Priorities:** Align environmental protection with local economic incentives, **ensuring that voters' economic needs are met while implementing environmental initiatives**. This includes linking green initiatives to employment generation and local market-based solutions.

# 7. Climate Change : Ensuring Localised Solutions

## 4. Recommendations for the Beyond 180 Days

- **Renewable Energy Deployment and Transition Planning:** Promote **distributed renewable energy** projects, including solar rooftops for schools, clinics, and local facilities, and phase out fossil fuel-based power generation. MPs should **advocate for renewable energy policies** in parliament and coordinate with energy committees for gradual fossil fuel replacement.
- **Climate-Resilient and Green Industry Development:** Phase out **polluting industries** and replace them with green industries that generate employment while **reducing environmental degradation**. Implement industrial zoning policies at local levels to control environmental impact and support green job creation.
- **Social Inclusion and Gender-Targeted Green Initiatives:** Mainstream social equity into environmental strategies, ensuring gender parity, inclusive participation, and equitable access to **renewable energy financing and training**. Integrate social indicators into green development pledges and allocate funds to address local inequalities.
- **Strengthening Local Governance and Institutional Capacity:** Amend the Local Government Act to vest more authority and budget **with union and upazila-level** authorities. **Establish specialized local offices** for environment and water management to enable chairmen and mayors to implement and enforce localized restoration initiatives.
- **Data, Monitoring, and Evidence-Based Policy Frameworks:** Develop constituency-level data collection and analysis systems to guide localized policy and planning. Establish parliamentary environment caucuses based on **climatic hotspots to facilitate region-specific monitoring**, create milestones, and tie policy commitments to measurable indicators.

## **Section 9:**

# **Labour Rights - *Ensuring Legal and Institutional Strengthening***

# 9.1 Context

- Persistent gaps in **labour rights enforcement** remain a defining challenge for the Bangladeshi workforce
  - The establishment of a **fair and living wage** remains an unfulfilled goal. Persistent inflation and the rising cost of living have outpaced wage adjustments, leaving many workers in a cycle of financial instability
  - While the Ready-Made Garment (RMG) sector has seen significant safety overhauls, **Occupational Safety and Health (OSH)** standards in non-RMG industries remain alarmingly inadequate, posing constant risks to worker well-being
- Significant barriers continue to obstruct the rights to **freedom of association and collective bargaining**
  - The process for **settling industrial disputes** is frequently marred by escalating violence
- An emerging challenge is **contraction of female workforce** amid an **overall slowdown** in employment generation
- Weakest part of knowledge-based decision-making (Fig 16) is **implementation and efficiency – right to organize**, participation committees and collective bargaining is the main area of concern

Figure 16: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Issues	Data-quality and evidence-based	Rigorous analysis and evaluation	Implementation and efficiency	Procedural transparency and accountability	Ethical and legal compliance	Stakeholder engagement
Wage and Appropriate Remuneration	Low	Medium	High	High	High	Medium
Occupational Safety and Health	Medium	Low	High	High	Medium	Medium
Right to Organise, Participation, Collective Bargaining	High	High	High	High	High	Medium
Industrial Disputes and Justice	High	High	High	High	High	High
Equality, Non-discrimination and Unique Community	Medium	Medium	High	Medium	Medium	Low
Right to Work, Employment Opportunities, Assurance, Inclusion, and Others	Medium	Medium	High	Medium	Medium	Low

Source: Prepared by Authors

## 9.2 Key Updates and Challenges

### Wage & Appropriate Remuneration

- Recent reforms have introduced **several positive updates**, including the expansion of the Minimum Wage Board to **additional sectors**, the reduction of the wage revision cycle from five to three years, and increased penalties for wage non-compliance.
  - However, significant structural challenges remain, as the **transition towards a living wage is slow**, minimum wages in Bangladesh are still **among the lowest in the Asia-Pacific region**, also remained largely unimplemented.
  - In addition, the **separate wage governance system** in Export Processing Zones, persistent judicial backlogs, the limited deterrent effect of revised penalties, weak enforcement in the informal economy, and continued price pressures from global brands continue to constrain meaningful wage improvements.

### Occupational Safety and Health

- Recent reforms have strengthened institutional capacity and legal protections, including **the ratification of all 10 ILO Fundamental Conventions** on fundamental rights and occupational safety and health, the expansion of the legal definition of “worker” with formal **recognition of domestic and gig workers**, the extension of the Employment **Injury Insurance pilot scheme** to the leather, footwear, and EPZ sectors, and the amendment of reducing eligibility for death compensation from two years of continuous service to one year.
  - However, structural and implementation gaps persist, as the **shortage of active inspectors continues** despite increased approved posts, and awareness regarding LIMA and its digital grievance and inspection system remains low among industries and workers. **Full unannounced inspection authority in EPZs** is still under negotiation, and enforcement capacity remains uneven across sectors.
  - Additionally, while legal recognition has expanded and international commitments have deepened, **practical coverage of informal workers**, SMEs, and non-RMG industries remains limited, preventive safety culture is still evolving beyond the RMG sector, and the **long-term financial sustainability** and nationwide implementation of the **Employment Injury Insurance scheme** have yet to be secured.

## 9.2 Key Updates and Challenges

### Right to Organise, Participation, Collective Bargaining

- Recent reforms have significantly **expanded trade union rights and dispute resolution mechanisms**, including the abolition of the rigid 20 per cent consent rule in favour of a factory size-based threshold, explicit legal recognition of domestic, agricultural, and gig-platform workers under trade union and social security provisions, criminalisation of blacklisting, establishment of a dedicated **Alternative Dispute Resolution Authority with district-level budget support**, stricter penalties for anti-union practices, review of strike thresholds in line with ILO Convention 87, and ratification of ILO Convention 190 to strengthen protection against violence and harassment.
  - However, structural and jurisdictional challenges remain, as majority support requirements for strikes are still under review, implementation of protections against retaliation depends heavily on enforcement capacity, and **awareness of new rights among** workers in informal and SME sectors remains limited.
  - Additionally, despite national-level reforms, the **dual legal framework persists** as the EPZ Labour Act 2019 continues to restrict workers in Export Processing Zones to Worker Welfare Associations instead of full trade unions, and although there is a **policy push to expand DIFE's unannounced inspection** authority within EPZs, BEPZA retains substantial jurisdictional control, sustaining the institutional divide.

### Industrial Disputes Settlement and Justice

- **Seven additional labour courts have been established** to improve the timeliness and effectiveness of dispute resolution, complemented by the introduction of an online case management system aimed at enhancing transparency.
  - The specialised Alternative **Dispute Resolution Authority is proposed** under amendments to the Labour Act of 2025
  - Although Section 348(g) proposes an Alternative Dispute Resolution Authority, **delays in operationalising it may weaken** confidence in the reform.
  - **Streamlining ADR in Bangladesh might face challenges** due to limited institutional capacity, shortage of trained neutral mediators, weak coordination among agencies such as the MoLE and DIFE, low awareness among workers and employers, resistance to dialogue-based practices, and inadequate monitoring and enforcement mechanisms

## 9.2 Key Updates and Challenges

### Equality, Non-discrimination, and Unique Community

- The Bangladesh Labour (Amendment) Ordinance 2025 marks a significant shift in **gender-responsive labour governance** by explicitly defining and **criminalising sexual harassment** in the workplace, thereby moving beyond the 2009 High Court guidelines into binding statutory law. All establishments are now legally required to constitute a five-member Complaint Resolution Committee, with a mandatory female majority and a woman Chairperson to reduce male-dominated bias in grievance handling. The Ordinance further introduced a strengthened anti-discrimination framework that shifts the burden of proof to the employer in cases involving alleged discriminatory dismissal or denial of promotion. In October 2025, **Bangladesh ratified Convention No. 190 of the International Labour Organization**, committing to align national legislation with global standards for a violence-free world of work. Complementing these reforms, over 347 childcare centres have been established in major garment and manufacturing hubs as of 2026 to support female workforce participation.
- Despite women constituting nearly 60 per cent of the ready-made garment (RMG) workforce, structural gender inequalities remain deeply entrenched, as women hold only around 1 per cent of managerial positions and approximately 8 per cent of trade union leadership roles, underscoring a persistent leadership gap. **Ongoing automation in cutting, sewing, and finishing** has reinforced a technology bias, with men disproportionately selected for technical upskilling while women remain concentrated in lower-paid finishing and packaging roles.
- At the same time, the continued **burden of unpaid care work, compounded by limited workplace** childcare coverage, sustains the double burden, constraining career progression and contributing to female labour force attrition. These structural disparities are further exacerbated by implementation gaps in anti-harassment protections, as although **Complaint Resolution Committees** are legally mandated, only a minority of factories maintain genuinely functional and accessible mechanisms, with many existing largely on paper, while limited worker awareness and managerial tendencies to equate harassment solely with physical assault, dismissing **verbal abuse or psychological intimidation** linked to production pressures, continue to undermine effective enforcement and reporting confidence.

## 9.2 Key Updates and Challenges

### Right to Work, Employment Opportunities, Assurance, Inclusion and Others

- According to reports from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and local police, roughly 353 factories closed across major industrial hubs like Savar, Gazipur, and Chattogram in the 14 months leading up to November 2025
- These closures have left over 100,000 to 119,842 workers jobless. Other estimates from labor union leaders suggest that job losses could be as high as 2-3 lakh (200,000–300,000) during this period
- Private sector credit growth hit a 22-year low in late 2025, **halting the expansion of factories and the creation of "entry-level" jobs for new graduates**

#### Key proposed amendment in the labour law

**Accelerated Wage Cycles:** Minimum wage structures will now be revised every three years instead of five, allowing for quicker adjustments to inflation

**Expanded Definition of "Worker":** Legal protections now extend to previously excluded groups, including **domestic workers, digital-platform (gig) workers, seafarers**, and those in aquaculture, horticulture, and livestock sectors

**Enhanced Maternity Leave:** Paid maternity leave has been increased from **112 days to 120 days**

**More Public Holidays:** Annual festival holidays have been raised from **11 to 13 days**

**Mandatory Provident Funds:** All establishments with **at least 100 permanent** workers must now implement a mandatory provident fund

**Universal Pension Integration:** Employers are exempt from the provident fund requirement if workers opt for the **Universal Pension Scheme (Progoti)**, utilizing a 50–50 contribution model

**Safeguards for Pregnant Workers:** Employers are strictly prohibited from assigning hazardous tasks to pregnant or lactating workers and must reassign them without reducing their wages

**Zero Tolerance for Harassment:** The law now includes clear definitions of **sexual harassment** to eliminate legal ambiguity in the workplace

**Anti-Discrimination Clause:** A comprehensive new clause prohibits workplace bias based on **gender, race, religion, disability, political opinion, or social origin**

**Standardised Terminology:** The term "woman" has been replaced with **"female"** to mirror global labour language and ensure consistency

**Simplified Union Registration:** Unions can now be registered based on fixed worker thresholds rather than percentages: **20–300 workers:** 20 members required, **301–500 workers:** 40 members required, **501–1,500 workers:** 100 members required, **1,501–3,000 workers:** 300 members required, **3,001+ workers:** 400 members required

**Increased Union Capacity:** The maximum number of unions allowed per factory has increased from **three to five**

**Ban on Blacklisting:** The amendment strictly prohibits the "blacklisting" of workers, ending the practice of denying employment to those who participate in protests

**Anti-Coercion Rules:** Employers are now legally barred from influencing union leadership, manipulating union formation, or using biased tactics to dismiss union members

**New Oversight Bodies:** The law establishes a **National Tripartite Council** (and sector-specific councils) and a **National Social Dialogue Forum** to foster structured communication

**Alternative Dispute Resolution (ADR):** A dedicated **Alternative Dispute Resolution Authority** has been created to resolve industrial conflicts more efficiently outside of the traditional court system

## 9.3 Government's promised 180 Days Agenda

- **Transform the Bangladesh Labour Ordinance, 2025**, into law by 31 March 2026.
  - **Finalise labour rules** under the Bangladesh Labour Act by 30 June 2026.
  - Enact laws to eliminate child labour and forced labour by 30 June 2026.
- **Operationalise the National Social Dialogue** Forum (tripartite mechanism) by 30 June 2026
  - Establish a Department of Employment and activate employment exchanges at district and upazila levels by 30 August 2026.
- **Finalise a National Employment Strategy** aligned with the National Employment Policy 2022 by 30 June 2026.
  - Complete an updated national employment survey by 30 July 2026.
- **Complete recruitment of 122 DIFE** personnel by 31 March 2026.
  - Complete recruitment of 69 posts in the Department of Labour and vacant posts in the Minimum Wages Board between February and May 2026.
- **Identify suitable informal sectors** (from 65 proposed sectors) for minimum wage determination by 30 May 2026
  - Announce and implement minimum wages for hotel and restaurant workers, tannery workers, and iron foundry workers by 30 June 2026
- **Launch a digital trade union** registration system by 15 July 2026.
  - Introduce Alternative Dispute Resolution (ADR) in labour courts by 30 June 2026.
- **Establish working women's hostels** in Kalurghat and Narayanganj. Form anti-harassment committees in all ready-made garment factories.
  - Expand workers' welfare coverage to 300 companies
  - Enhance financial assistance schemes for workers. Introduce a two-month maternity allowance following four months of paid maternity leave.

# 9.4 Recommendations

## Wage & Appropriate Remuneration

### Measures to be Completed Within the First 180 Days

- Introduce a **transparent procedure for selecting employer and worker representatives** to the MWB (MoLE and MWB).
  - Mandate **publication of minutes of all MWB tripartite meetings** (MoLE and MWB).
  - Ensure that wage-setting deliberations rely on publicly accessible data and clearly disclosed indicators (MoLE and MWB).
  - Create a formal mechanism for consultation with academia, labour economists, and civil society organisations during wage determination (MoLE and MWB).
  - Require DIFE to **publish a wage implementation assessment report within four months** of any new wage declaration, including disclosure of non-compliant establishments (DIFE, MoLE)
- Introduce **inspection risk allowances and performance-based incentives for DIFE inspectors** to strengthen enforcement credibility (DIFE, MoLE)
- Introduce **night banking facilities** in major industrial zones to facilitate worker access (MoF, BB, MoLE)
- Introduce a **statutory provision requiring additional compensation** for each day of delayed wage payment (MoLE; MoL)
  - Criminalise **deliberate non-payment of overtime wages**
  - Substantially increase penalties for repeated and **wilful minimum wage violations**
  - Convert wage allowances, such as housing and medical benefits, into **percentages of basic salary** rather than fixed amounts to protect against inflation erosion
  - Guarantee minimum wage **protection for contract-based and third-party** hired workers through statutory amendment
- Undertake a comprehensive revision of **sectoral minimum wages** that have not been updated for over five years, prioritising the oldest structures first
  - Incorporate provisions **supporting children's education** within wage calculation methodology

## 9.4 Recommendations

### Wage & Appropriate Remuneration

#### Measures to be Completed Beyond the First 180 Days

- Gradually establish a **national minimum wage** applicable across all sectors, including informal and previously uncovered sectors
  - Expand MWB coverage to industries with **limited trade union presence**
  - Grant MWB authority to regulate wage **settings within Export Processing Zones** in coordination with the Bangladesh Export Processing Zones Authority
- Enable **joint public-private inspection modalities in high-risk sectors** (DIFE, MoLE, Private Sector)
- Encourage banks and mobile financial service providers to **reduce transaction costs** for wage transfers as part of corporate social responsibility commitments (MoF, BB, MoLE)
  - Mandate **wage and benefit payments through formal banking channels** or regulated mobile and digital financial services (MoF, BB, MoLE)
- Consider a provision that mandates an interim "Dearness Allowance" if the National Consumer Price Index (CPI) exceeds a certain threshold (e.g., 10%) before the 3-year revision cycle is up
- Create a dedicated **Wage Monitoring and Analytics Unit** within MWB
  - Establish a **Wage Protection Fund** to ensure payment in case of factory closure, insolvency, or employer absconding
  - Ensure minimum wage calculations reflect **unpaid care burdens**
- **MoLE should issue 1-page**, simplified employment contracts in the local language for domestic and day labour, making it a "best practice" that can eventually be used as evidence in labour courts.

# 9.4 Recommendations

## Occupational Safety and Health

### Measures to be Completed Within the First 180 Days

- It should be made legally mandatory for every industrial establishment to appoint a qualified **Occupational Safety and Health (OSH) Compliance Officer** (MoLE)
  - A comprehensive **definition of "workplace accident"** must be inserted into the Bangladesh Labour Act (BLA), covering incidents occurring during work, during employer-directed travel, during employer-arranged commuting, and while on off-site assignments (MoLJP)
  - The law must require **mandatory digital reporting** of all work-related and commuting accidents (DIFE)
- The DIFE should be vested with **magisterial powers** to take immediate administrative actions, such as issuing closure orders and imposing on-the-spot penalties, against serious OSH violations
  - DIFE inspectors must **be permitted to conduct safety inspections** inside Export Processing Zones (EPZs) in coordination with the Bangladesh Export Processing Zones Authority (BEPZA).
  - Visual documentation, including **photo and video evidence**, should be made mandatory in every OSH inspection report (DIFE)
- The LIMA must be fully activated and utilised, alongside comprehensive awareness campaigns for stakeholders (DIFE)
  - A **joint annual safety inspection** report must be mandated, prepared collectively by DIFE, BFSCD, PWD, RAJUK, BSTI, OCIE, and DoE
- Emergency **budget allocations** for DIFE, BFSCD, and DoE must be significantly increased to enhance their operational capacity (MoF)
- Specially trained inspectors must be **dedicated to conducting inspections in high-risk sectors**, including Shipbreaking, Tannery, Chemical, Plastic, and Textiles (DIFE)
- Duties and **tariffs on certified safety equipment should be reduced** to make them more affordable. (MoF)
- A **Zero-Interest OSH Investment Fund** should be established specifically for Small and Medium Enterprises (SMEs) to help them finance safety improvements (MoF)

# 9.4 Recommendations

## Occupational Safety and Health

### Measures to be Completed Beyond the First 180 Days

- Establish a **Central Industrial Safety Coordination Authority** to coordinate inter-ministerial actions, monitor compliance, and consolidate safety data (MoLE)
  - Develop a **comprehensive industrial safety framework** clearly outlining the mandates of MoLE, DIFE, BFSCD, DoE, RAJUK, PWD, BSTI, and OCCE
- Develop **sector-specific OSH guidelines, including for chemical management**, climate change risk considerations, and gender-responsive risk mitigation. (DIFE)
  - Develop **dedicated OSH guidelines for the informal sector**. (DIFE)
  - Require compliance **with OSH standards as a condition of trade association membership** (MoLE)
- Introduce private **sector-based monitoring systems** under the supervision of the Industrial Safety Coordination Committee (CISCA)
- Develop a **time-bound relocation plan for hazardous** factories (chemical, plastic, etc.) from residential areas to designated industrial zones. Ensure relocation plans include a social impact assessment, worker protection measures, and SME transition support MoI)
  - Establish specialised medical facilities **near high-risk industrial clusters** (shipbreaking yards, tannery estate, chemical zones) (MoHFW)
  - Introduce emergency **street lanes near industrial clusters connected** to nearby fire stations (MoHPW)
- Design a **five-year inspection and remediation plan for non-RMG industries**, similar to the post-Rana Plaza RMG reform framework (DIFE)
- Develop a **dedicated national workplace safety statistics database**. (DIFE)
- Transition from an employer-based liability system to a **no-fault employment injury compensation regime** (MoLE)
- Integrate **safety-related subjects into the primary curriculum, secondary curriculum, and technical** and vocational education (MoE).
- Introduce mandatory safety modules in **engineering and industrial management programmes** (MoE)

## 9.4 Recommendations

### Right to Organise, Participation, Collective Bargaining

#### Measures to be Completed Within 180 Days

- Provide **strict legal definitions for subjective terms** like "unruly behaviour," "disorderliness," and "serious hardships to the community" to prevent these clauses from being used as tools for arbitrary dismissal or anti-union "blacklisting (MoLJPA)
- Redesign the online TU registration portal to include **a mandatory "Status Tracker"** that provides a detailed, written legal reason for any rejected application within **a 48-hour window** (DIFE)
- Launch a live, **public-facing database** that displays **trade union statistics by sector**, including the number of pending applications, successful registrations, and active Collective Bargaining Agents (DIFE)

#### Measures to be Completed Beyond 180 Days

- **Repeal the specialised EPZ Act** to ensure that the Bangladesh Labour Act (BLA) is the sole governing law across all zones, granting EPZ workers the same rights as those in the rest of the country (MoLJPA)
- Explicitly extend **the right to form and join trade unions** to currently excluded groups (MoLJPA)
- Mandate the immediate transition from Worker Welfare Associations (WWAs) in EPZs to **democratically elected**, autonomous trade unions with full collective bargaining power (BEPZA)
- Amend the BLA to allow workers to select **a percentage of their union executive committee** from outside the specific establishment to prevent employer intimidation of internal worker-leaders (MoLE)
- Strictly mandate that all members of factory **Participation Committees must** be elected **via secret ballot** by the general workforce, rather than being nominated **or selected by management** (MoLE)

# 9.4 Recommendations

## Industrial Disputes Settlement and Justice

### Measures to be Completed Within the First 180 Days

- Enact an operational directive strictly prohibiting Industrial Police from entering factory premises or participating in "negotiation tables" during active disputes. Their role must be restricted to **maintaining public order outside factory gates**, leaving internal mediation to **Elected Worker Representatives** and the **Participation Committee** (MoHA)
- Establish a permanent body to conduct quarterly reviews of **all "John Doe" (unnamed) and mass criminal cases filed** against workers. This commission should have the power to summarily dismiss "bogus" cases used as intimidation tactics (MoLJPA)

### Measures to be Completed Beyond the First 180 Days

- While the 2025 Ordinance introduced ADR as a mandatory first step (negotiation, mediation, and arbitration), the Alternative Dispute Resolution Authority (under the new Section 348g) **must be fully operationalised** to ensure specialised oversight of industrial conflicts (MoLE)
- Introduce clear legal provisions that limit the **definition of "essential services"** (where strikes are prohibited) to align with ILO standards, preventing the government from arbitrarily banning strikes in the RMG or manufacturing sectors (MOLJPA)
- Move beyond standard government hiring by forming a **Professional Selection Committee** for the highest-ranking BEPZA officials. This board should include representatives from the Ministry of Labour, industry experts, and ILO observers to prioritise technical expertise over political appointment (MoLE)
- In collaboration with the ILO and the Police Reform Commission, finalise a mandatory **Conflict De-escalation Certification** for all Industrial Police personnel, focusing on crowd psychology and human rights-compliant dispersal techniques (MoHA)

## 9.4 Recommendations

### Equality, Non-discrimination and Unique Community

#### Measures to be Completed Within the First 180 Days

- The law **should mandate 24 weeks (6 months)** of fully paid maternity leave across all sectors to support breastfeeding and maternal health. (MoLE)
- Mandate DIFE to publish an **Annual National Gender Labour Report**, including sector-wise gender pay gap rankings, promotion and leadership statistics, harassment complaint resolution rates, and compliance trends. (DIFE)

#### Measures to be Completed Beyond the First 180 Days

- Require companies **with 500+ employees to publish an annual "Gender Pay Transparency Report."** (MoLE)
- Introduce a statutory 30-day paid paternity leave to encourage shared caregiving responsibilities and reduce the **"motherhood penalty" in hiring.** (MoLE)
- Amend the Bangladesh Labour Act (BLA) to require that all factories **employing 300 or more workers appoint at least one registered female medical practitioner, in addition to any existing medical staff** requirements. (MoLE)
- Amend Section 94 of the BLA to abolish the current requirement **of a minimum of 40 female workers** to trigger mandatory childcare facilities. (MoLE)

## 9.4 Recommendations

### Right to Work, Employment Opportunities, Assurance, Inclusion, and Others

#### Measures to be Completed Within the First 180 Days

- Create a special government fund to protect workers from **human rights abuses by state-owned or state-controlled business enterprises**. (MoF)

#### Measures to be Completed Beyond the First 180 Days

- Ensure that every industrial zone with more than 50,000 workers **must have a Permanent OMS (Open Market Sale) Warehouse**. (MoF)
- Gradually make it mandatory for **businesses to publish human rights due diligence (HRDD) reports** to assess and address their actual human rights impacts. (MoLE)
- Encourage international brand buyers to take **full responsibility for ensuring HRDD in their** supply chains and incentivise their compliance through tax benefits and public recognition. (MoF)
- Make it **mandatory for every business association to adopt a policy statement** that ensures the implementation of HRDD among its members. (MoLE)
- Create more **robust laws to make any kind of discrimination in the workplace** based on race, colour, sex, religion, political opinion, or social background completely illegal. (MoLJP)
- Establish a dedicated agency for **evaluating HRDD reports** to identify gaps, ensure compliance with international standards, address violations, and facilitate the adoption of best practices. (MoLE)
- Establish a national platform to **provide guidance, mediate disputes, and coordinate efforts** among government agencies, workers' organisations, and employers to ensure that businesses adhere to international human rights standards. (MoLE)

## **Section 10:**

### **Child Labour - *Ensuring Effective Means of Elimination***

## 10. Child Labour - Ensuring Effective Means of Elimination

### 10.1 Overall Assessment of Child Labour Challenges

- Child labour issues are **not only confined to poverty**; social norms, low awareness, and parental **perceptions often normalise** child labour, as many parents & employers believe work is harmless or even beneficial for children, despite the long-term harm it causes. Besides, weak enforcement, poor documentation, and legal gaps that leave children unprotected beyond poverty

Figure 16: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Challenges	Data & Evidence	Rigorous Analysis & Evaluation	Transparency & Accountability	Stakeholder Engagement	Ethical & Legal Compliance	Implementation & Efficiency
<b>Household poverty and vulnerability</b>	Poverty data exist, but links to child labour are weak	Poverty programmes are not assessed for child labour impact.	Limited tracking	Some support to poor families, but not targeted to child labour.	Children work despite legal protection.	Support is insufficient to replace child income
<b>Education exclusion and dropout</b>	Dropout data miss working and migrant children.	Causes of dropout are not fully analysed.	Schools are not held accountable for dropouts.	Some coordination exists, but it is inconsistent.	Mandatory education is weakly enforced.	Education support is not suitable for working children.
<b>Informal and unregulated work</b>	Informal child labour is mostly unrecorded.	Little analysis of informal sector child labour.	Some recognition exists, but oversight is weak.	Informal employers are rarely engaged.	Laws do not cover most informal work.	Inspections rarely reach informal workplaces.
<b>Hidden female child labour</b>	Girls' work is largely invisible in data.	Gender aspects are poorly analysed.	Reporting on girls' work is limited.	Limited engagement with families on girls' labour.	Weak legal protection.	Support programmes do not reach the most.
<b>Hazardous and the worst forms of child labour</b>	Hazardous work is not well identified locally.	Risk analysis is limited.	Monitoring and penalties are weak.	Awareness exists, but employer compliance is low.	Bans on hazardous child labour are widely violated.	Enforcement and rehabilitation are weak.
<b>Gaps in laws &amp; policies</b>	Evidence is not regularly used to update laws.	Laws are not reviewed against current realities.	Enforcement responsibilities are unclear.	Limited consultation and coordination.	Legal gaps leave many children unprotected.	Enforcement capacity is weak.
<b>Gaps in social protection coverage</b>	No clear mapping of SSNPs to child labour areas.	Limited review of SSNP impact on child labour.	exclusion and leakage are poorly tracked.	Weak coordination with NGOs.	Most vulnerable children are left out.	Low benefits and complex access reduce impact.

## 10. Child Labour - *Ensuring Effective Means of Elimination*

### 10.2 Context

- Bangladesh failed to meet SDG 8.7 to end child labour by 2025 and has set a more limited target to eliminate hazardous child labour by 2030.
- Despite policy commitments, **child labour has increased** in recent years. Data from the **Bangladesh Bureau of Statistics** shows that **around 3.5 million children are working**, including **1.07 million in hazardous work**.
- These trends point to deep structural, policy, and implementation failures, particularly in prevention, enforcement, and social protection.
- During its tenure, the **interim government** initiated several measures, including:
  - Formation of a **25-member executive committee** to oversee child labour elimination
  - Improved coordination among ministries, NGOs, and development partners such as **UNICEF** and the **International Labour Organization**
  - Initiation of a new **National Plan of Action on Child Labour (2030)**
  - Training of labour inspectors and inclusion of child labour under broader labour reforms
- With the interim government stepping down, responsibility now lies with the newly elected government led by the Bangladesh Nationalist Party (BNP). The **BNP's election manifesto** commits to **ending child labour**, strengthening legal protection, and ensuring an enabling environment for children's development.

This section outlines key challenges and evidence-based actions to eliminate child labour.

## 10. Child Labour - *Ensuring Effective Means of Elimination*

### 10.2.1 Overview of Challenges

#### Household poverty and vulnerability

- Child labour in Bangladesh is closely linked to household economic vulnerability, where **poverty, unemployment, debt,** and **economic shocks** push families to rely on children's income.
- Children from single-parent, widowed, divorced, orphaned, and kinless backgrounds face higher risks child labour due to weak adult care and social insecurity. Existing SSNPs are mostly **household- and school-based**, leaving many vulnerable children unidentified.

#### Education exclusion and dropout

- Although school enrolment has improved, many working children drop out due to **hidden costs** like uniform and stationery, poor school quality, rigid attendance rules, and the lost income from not working.
- **Education stipends** are too **low and poorly targeted** to compensate for child wages, while older adolescents (14-17) and mobile/undocumented children are often excluded.
- Opportunities for education beyond primary level remain uncertain, increasing the risk of continued child labour.

#### Informal and unregulated work

- Over **90%** of the working children are working in informal jobs across urban and rural areas such as domestic work, small workshops, street vending, agriculture, and manufacturing, often in unsafe, unhealthy, and irregular conditions.
- Although laws and **policies exist on paper**, they rarely cover informal sector, enforcement is weak, also there is **no comprehensive database** to track children by sector or location

## 10. Child Labour - *Ensuring Effective Means of Elimination*

### 10.2.1 Overview of Challenges

#### Hidden female child labour

- According to BBS (2022), out of 3.54 million working children, **2.73 million are boys** and **0.80 million are girls**, with **0.89 million boys** and **0.17 million girls** engaged in **hazardous work**.
- Boys are more likely to work in physically demanding and risky jobs, while many girls perform **unpaid domestic or family work** that is not counted in official statistics.
- About 4.8 percent of female child labourers are married, compared to 0.5 percent of males, and many continue heavy work at home or in family businesses after leaving the formal labour force.
- Age falsification, weak monitoring, and hidden domestic work contribute to significant **underreporting of female child labour**, masking the real scale of the problem and weakening enforcement measures.

#### Hazardous and the worst forms of child labour

- Children, including younger and older adolescents, work in high-risk sectors such as domestic work, brick kilns, shrimp farming, garments, leather, transport, and informal industries.
- Enforcement of laws is weak, the official list of **43 hazardous activities is outdated**, and **many dangerous activities remain unregulated**.
- Worst forms, including commercial sexual exploitation, human trafficking, and forced labour, persist.
- Legal **penalties are minimal**, **implementation is slow**, and **gaps in the legal framework** leave children exposed to abuse, violence, and unsafe working conditions.

## 10. Child Labour - *Ensuring Effective Means of Elimination*

### 10.2.1 Overview of Challenges

#### Gaps in Laws and Policies

- Despite multiple laws and policies, significant gaps leave many children unprotected. **Penalties under the Primary Education Act are minimal (BDT 200)** and enforcement is weak.
- The Labour Act **mainly covers the formal sector**, leaving informal work including many hazardous sectors unregulated. Conflicting rules exist, e.g., Domestic Workers' Policy allows work from age 12, while NCLEP and Labour Act ban work under 14. Children aged 11-14 are not covered by compulsory education, exposing them to labour. **Adolescents continue risky work** due to weak enforcement, poor monitoring, and lack of age verification.
- Minimum wage laws, night work restrictions, and protections for hazardous work are poorly enforced, especially in informal sectors. Institutional gaps, low awareness among officials, lack of training, unclear roles, and inconsistent laws further weaken child protection.

#### Gaps in social protection coverage

- Many child-focused social safety net programmes, such as school feeding and rehabilitation initiatives, **cover only select urban or pilot areas**, leaving most working children unprotected.
- **Education stipends and food support are too low** to compensate for children's lost income, and conditional requirements like regular attendance or academic performance often exclude the most vulnerable.
- **Coordination among multiple ministries is weak**, with **no unified database** linking child labour identification, protection services, and household-level support, reducing programme effectiveness.
- **Older adolescents**, migrant families, and urban poor households **are frequently excluded** due to registration or documentation requirements, increasing the likelihood of continued child labour.

## 10. Child Labour - Ensuring Effective Means of Elimination

### 10.3.1 Recommendations: Next 180 Days

- The proposed “**Family Card**” scheme should **prioritise households with working children** and provide support on the condition that children withdraw from labour and return to school. The cash transfer should be higher than the child’s average monthly earnings to create a real incentive. Implementation should be coordinated by MoSW with NGO support for identification and monitoring
- **SSNP coverage** should be mapped **against child labour prevalence**, and location-specific child-focused programmes should be piloted with GO-NGO collaboration. Ministries of Finance and Social Welfare, and local governments should coordinate.
- **NGOs should act as facilitators** to verify eligibility, and strict attendance or academic requirements should be relaxed for working children. DSS and NGOs should implement this.
- **Stipends should be higher than average child earnings** and include school fees, uniforms, and learning materials. Ministries of Finance, Education, and DSS should coordinate.
- Older adolescents working in formal and informal sectors should be identified and included in **tailored SSNPs**. DSS, DIFE, Ministry of Labour, and local administrations should act on it.
- Awareness campaigns and “**Child Marriage Free**” **upazila/union initiatives** should be conducted, with **SSNP allowances for families with girls aged 11+**. Ministry of Women & Children Affairs, Union Parishads, and NGOs should coordinate.
- A **CCT programme** should provide **monthly cash for children under 14** or in hazardous work linked to school or technical training.
- **Clear targets, budgets, and monitoring should be set** for NCLWC, DCLWC, DCRMF, UCLMC, DIFE, Police, and Labour Courts. Ministries of Labour, Home Affairs, and Social Welfare should manage this.

## 10. Child Labour - *Ensuring Effective Means of Elimination*

### 10.3.2 Recommendations: Beyond 180 Days

- A **dynamic database** should be created capturing age, gender, location, type of work, and SSNP coverage, linked with birth registration. The Cabinet Division should lead implementation with support from Ministry of Social Welfare, District Administrations, and NGOs
- The **hazardous work list should be updated**, sectors monitored, violators penalized, and withdrawn children included in SSNPs. DIFE, district administrations, and Labour Courts should enforce.
- **The Primary Education Act should be amended** to make schooling compulsory up to age 14, with NGO support for enrolment of 10–14-year-olds.
- **Labour Act coverage should extend to informal sectors**, wage boards formalized, and conflicting laws harmonized to protect children under 14. Ministries of Labour, Law, DIFE, and Parliamentary Committees should oversee.
- Districts and upazilas should be declared **child labour-free** through time-bound campaigns involving local governments, NGOs, and communities. District administrations and Union Parishads should coordinate.
- A **monitoring system** should track agents, payments, facilities, and hazards in all sectors, with GO–NGO collaboration ensuring accountability.
- Child labour cases should be mapped, supply chains traced, and **long-term support for education or training until age 18** should be provided. Ministries of Social Welfare, Education, NGOs, and district administrations should coordinate.
- Child labour elimination should be made a **key priority in NSSS 2026**. Roles, budgets, and monitoring mechanisms should be clearly defined for all public and private agencies to ensure effective implementation and accountability.

## **Section 11:**

# **Cross-border Migration - *Ensuring Safe and Orderly Migration***

# 11. Migrants Welfare

- The migration ecosystem continues to face **in-depth structural and operational** constraints across the **pre-migration, employment, and reintegration stages**, with particularly acute weaknesses in the skills development and institutional support
- At the institutional level, migration governance suffers from **fragmented mandates across ministries and agencies**, weak coordination mechanisms, and limited whole-of-government integration into national development planning and budgeting.
  - **Budgetary allocations for migrant welfare**, skills development, and protection services remain disproportionately low relative to the scale of labour migration, constraining service delivery capacity, overseas mission support, labour attaché deployment, and welfare programme coverage
  - Public expenditure utilisation is further affected by **weak planning capacity, procedural delays**, and limited monitoring and evaluation systems, which reduce programme effectiveness and accountability
- The weakest part of knowledge-based decision making (Fig 17) is observed in **implementation and efficiency**- high proportion of migrants lack verified skills and certification and training and placement system misaligned with global labour markets

**Figure 17: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process**

Macro-Level Migration Challenge	Data-quality & Evidence-Based	Rigorous Analysis & Evaluation	Procedural Transparency & Accountability	Stakeholder Engagement & Inclusivity	Ethical & Legal Compliance	Implementation & Efficiency
1. High proportion of outbound migrants lack verified skills and certification	weak monitoring of skills & TTC data	limited evaluation of training relevance	open migration without verification	marginalisation of women, smallholders	fraudulent certificates and unverified skills	ineffective training-placement linkage
2. Fragmented migration governance and weak inter-agency coordination	incomplete data sharing across BMET, MoEWOE, embassies	lack of systemic impact assessments	unclear accountability across agencies	low engagement of migrants in policy design	partial compliance with labour standards abroad	procedural delays in emigration clearance and placement
3. Excessive migration costs and reliance on informal intermediaries	data on cost structures limited	insufficient analysis of recruitment chains	opaque fee structures & sub-agent accountability gaps	low representation of migrant voices	violations of contracts, human trafficking risk	delays and inefficiencies in recruitment processes
4. Insufficient protection and welfare mechanisms for migrants, especially women	incomplete welfare monitoring & incident reporting	weak evaluation of helpline and insurance effectiveness	unclear oversight of welfare funds	gender disparity in access and safety support	risks of abuse, exploitation, and fraud	limited reach of 24/7 helplines and insurance coverage
5. Low reintegration and productive use of remittances	fragmented returnee data and skill recognition	lack of systematic evaluation of reintegration programs	accountability for reintegration funding weak	poor engagement with returnee communities	limited legal frameworks for entrepreneurship support	delays in credit, entrepreneurship, and reintegration programs
6. Training and placement system misaligned with global labour markets	poor labour market feedback into training	limited evaluation of TTC outcomes for international migration	weak transparency in placement reporting	low industry collaboration & migrant representation	inconsistent compliance with destination-country requirements	outdated machinery, low trainer capacity, weak HR structures

Source: Prepared by Authors

# 11. Migrants Welfare

- **High migration costs** remain a persistent challenge driven by multi-layered intermediaries, weak enforcement against unauthorised sub-agents, opaque recruitment practices, and insufficient scaling of transparent government-to-government recruitment channels
  - Migrants often rely on **high-interest informal loans** to finance migration, creating pre-departure indebtedness that increases vulnerability to exploitation, wage theft, and contract substitution abroad
  - **Access to formal financial services**, affordable credit, and insurance products remains limited, particularly for low-income households, while remittance management systems and financial literacy programmes are insufficient to support productive investment or long-term asset creation
- **Poor technical training:** A major bottleneck lies in the technical training system, where outdated machinery, inadequate workshop facilities, and insufficient training materials significantly limit the quality of practical learning
  - **Training institutions suffer from a critical shortage** of qualified instructors, characterised by high vacancy rates, limited career progression opportunities, and heavy dependence on guest trainers
  - **Training of the Trainer (ToT) is infrequent**, and exposure to emerging technologies or destination-country standards remains absent
  - Overcrowded classrooms further reduce **training effectiveness**, while procurement delays, irregular funding flows, and poor equipment maintenance contribute to the rapid deterioration of training infrastructure
  - **Curricula across many training programmes** remain redundant, outdated, and poorly aligned with evolving overseas labour market demand, reflecting weak industry collaboration and minimal engagement of international employers or sector experts in curriculum development
  - **Practical training duration** is often insufficient relative to theoretical components, largely due to equipment shortages and limited workshop access

# 11. Migrants Welfare

- **Digital literacy, language competencies, and soft skills** preparation, which are increasingly critical for global labour market competitiveness, remain inadequate
  - **Institutional governance** within training centres is weakened by limited monitoring and evaluation systems, weak accountability structures, and absence of performance-based management
  - The **absence of mandatory skill certification** or competency testing prior to migration enables unverified skills, fraudulent certificates, and mismatches between worker capabilities and employer expectations, which increases vulnerability to exploitation and contract disputes abroad
- **Budget allocations** across regions are not aligned with migration trends, producing spatial mismatches between training centre locations and major migrant-origin districts
- Only a **small proportion of trainees**, often estimated at around five to ten per cent, ultimately migrate abroad, while a large majority of outbound migrants, approximately seventy per cent or more, depart without any formal training
  - **Training institutions are also positioned weakly** within the migration supply chain, with virtually no role in skill verification, visa processing support, job placement facilitation, or employer linkage
- **Job placement services** remain extremely limited, with only a small share of trainees receiving any placement support, mostly for domestic employment rather than overseas opportunities and that too without matching their skills
- **Protection mechanisms** abroad remain constrained by under-resourced labour wings, limited bilateral enforcement capacity, and insufficient welfare services, particularly for female migrants facing gender-specific risks
  - **Social protection coverage**, insurance availability, and portability of benefits remain inadequate, while welfare programmes funded by migrant contributions do not consistently translate into accessible services
- **Reintegration systems** also remain fragmented and underdeveloped, with limited recognition of overseas skills, insufficient entrepreneurship support, and weak labour market reintegration pathways for returnees
- **Migration data systems** remain fragmented across institutions, constraining evidence-based planning, monitoring, and policy coordination
  - **Migration is still insufficiently mainstreamed** within national development planning and budgeting processes, resulting in limited whole-of-government engagement despite the sector's macroeconomic importance

# 11. Migrants Welfare

## 11.3 Interim Government Reforms

- Formulated the **Reintegration of Returnee Migrant Workers Policy 2025** and expanded WEWB support for returnees
- Introduced mandatory life insurance for migrant workers and a 24/7 helpline for female migrants
- Legal reforms include the **Overseas Employment and Migrant Ordinance 2024**, Sub-Agent Regulation 2025, and revised management rules to reduce deployment time
- Institutional modernisation through the **Overseas Employment Platform**, decentralised emigration clearance, complaint management cells, and real-time analytics dashboards
- Expanded international partnerships via **Japan's SSW scheme**, **Takamol certification in Saudi Arabia**, CIDB accreditation in Malaysia, and language and nursing programmes for diversified labour markets

## 11.4 BNP Manifesto Pledges

- **Dismantle syndicates**, reduce migration costs, and eliminate fraud through strengthened legal and institutional oversight
- **Ensure mandatory contracts**, documented financial transactions, and strict enforcement against human trafficking
- Provide **internationally recognised certification** and align technical training with destination-country requirements
- Expand **foreign language programmes** and increase women's participation in overseas employment to 20% with enhanced protection
- Promote **market diversification** via bilateral agreements, improved embassy services, remittance modernisation, elimination of airport harassment, reintegration support, and incentives for expatriate investment

# 11. Migrants Welfare

## 11.5 Key Proposals for the New Government

- The government should **integrate certification, emigration clearance, and recruitment oversight** into a single digital compliance framework led by BMET and MoEWOE
  - This should operationalise the Overseas Employment Platform with mandatory digital skill verification linked to passports, visas, contracts, and financial transactions
  - Certification must correspond to job categories and destination requirements, with two pathways: training completion and competency testing for experienced workers
  - Enforcement provisions under the new ordinance and sub-agent regulations should be used to prevent bypassing certification
- TTCs should be **repositioned as migration-focused institutions** with three integrated functions: training, certification, and overseas placement
  - **Dedicated Overseas Placement Units** should be created within TTCs with professional staff trained in international recruitment standards, compliance systems, and employer engagement
  - These units should maintain **real-time vacancy databases linked to recruiting agencies**, foreign employers, and missions abroad

# 11. Migrants Welfare

- **Mandatory digital financial transactions** should be enforced across the recruitment process, including fees, training costs, medical expenses, and travel payments
  - A **ceiling on recruitment charges** should be monitored through automated analytics dashboards
  - Sub-agent licensing and guarantee deposit requirements should be implemented with strict penalties for violations
- The government should **establish country-specific skill pipelines** combining technical training, language preparation, certification, and placement agreements
  - **Pilot migration corridors** can be developed for Japan, Europe, East Asia, and specialised sectors such as nursing, caregiving, construction technology, and hospitality
  - Embassies and labour wings should play a proactive role in **employer engagement and labour market intelligence**
- **Women-focused training** should include safe accommodation during training, gender-sensitive grievance mechanisms, and dedicated migration counselling should be institutionalized
- A **national reintegration financing** window should be created, combining concessional credit, insurance payouts, skills recognition, and business incubation support for returnees
- Safe migration modules should be incorporated into school curricula at secondary level and embedded in all TTC courses
  - **Union Digital Centres** should function as verified migration information hubs providing job postings, cost information, and application support
  - A **monitoring unit should track online** misinformation and fraudulent recruitment advertisements

# 11. Migrants Welfare

- Create **inter-agency technical committees** with Foreign Affairs, Labour, and Law representatives to oversee skill standards, recruitment regulation, welfare, and bilateral agreements
- **Integrate OETCs, BMET, MoEWOE, and related agencies** into a **centralised digital platform** to track trainee registration, certification, placements, employer feedback, and skill verification
- **Standardise OETC curricula at NSDA Level 3 and 4** with destination-country co-design, covering technical skills, language, cultural orientation, and compliance
- Prioritise modern training infrastructure, equipment, and digital tools, with annual upgrades, digital inventory tracking, and maintenance protocols
- **Deploy year-long multimedia campaigns** on safe and skill-based migration, targeting high-risk districts and local languages, integrated into PDO courses and Union Digital Centres
- **Organise job fairs and seminars** with recruiting agencies, employers, and industry stakeholders to enhance international labour market matching
- Implement secure, cost-efficient **remittance channels, financial literacy training**, and livelihood support for dependants across the migration lifecycle

## **Section 12:**

**Agriculture- *Building Cost-Effective and Climate-Resilient Food Systems***

# 12. Agriculture

## 12.1 Macro Level Challenges

- Weak agricultural data and limited analytical capacity constrain evidence-based policymaking, often increasing input dependency, and slow productivity growth
- Institutional fragmentation and poor transparency in subsidies and procurement create coordination and accountability gaps
- **Limited farmer engagement**, particularly among smallholders, women, and tenants, sustains inequities in access to land, finance, and services, while regulatory weaknesses discourage private investment
- Implementation constraints, including **weak extension systems**, **reduce the effectiveness of public spending**, post-harvest losses, poor storage, and inefficient supply chain management
- **Climate adaptation remains under-coordinated** amid rising risks, labour shortages are increasing pressures, and continued policy emphasis on rice over diversification, alongside weak post-LDC trade preparedness, constrain long-term sectoral transformation
- The weakest part of knowledge-based decision-making (Fig 18) is **implementation and efficiency** – institutional fragmentation and **weak governance coordination** is the most important challenge followed by inadequate climate-adaptive policy and operation

Figure 18: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

Core macro challenges	Data & evidence	Analysis & evaluation	Transparency & accountability	Stakeholder engagement & inclusivity	Ethical & legal compliance	Implementation & efficiency
Weak agricultural data systems and limited analytical capacity	High	High	Medium	Low	Low	High
Institutional fragmentation and weak governance coordination	Medium	Medium	High	Medium	Low	High
Limited transparency and accountability in subsidies, procurement, and public investments	Low	Low	High	Medium	High	Medium
Inequities and weak stakeholder inclusion (smallholders, women, tenants)	Low	Low	Low	High	Medium	Medium
Implementation inefficiencies including weak extension, financing gaps, and market governance constraints	Medium	Medium	Low	Medium	Low	High
Climate, environmental, and structural transformation pressures with inadequate policy adaptation (diversification, labour shifts, post-LDC competitiveness) <b>Source:</b> Prepared by Authors	Medium	Medium	Low	Medium	Medium	High

# 12. Agriculture

## 12.2 Major Challenges in the Agriculture Sector

- Crop production estimates are dependent on periodic surveys with **limited integration of remote sensing, digital land records, or real-time market intelligence**, leading to delayed policy responses during shocks such as floods, pest outbreaks, or price hikes
  - This data fragmentation also constrains accurate subsidy targeting, climate risk mapping, and productivity standards across regions (CPD, 2023b; CPD, 2024).
- Major public expenditure, including **fertiliser subsidies, mechanisation incentives**, and irrigation support, is filled with **leakages**
- Agricultural projects frequently emphasise disbursement and infrastructure completion indicators rather than measurable productivity, income, resilience, or nutritional outcomes (CPD, 2023a; CPD, 2024)
- **Development projects** often experience procurement delays, cost escalations, land acquisition complications, and underutilisation of allocated budgets, **leading to slower delivery of irrigation infrastructure**, storage facilities, and research programmes (CPD, 2022; CPD, 2025)
- **Overlapping mandates among crop, livestock, fisheries, irrigation**, and rural development authorities lead to duplication of initiatives, poor service delivery, and **opaque responsibility for climate adaptation planning**, value-chain development, and technology dissemination
- Input subsidies, machinery distribution programmes, and public procurement for agricultural infrastructure often lack publicly accessible beneficiary databases, audits, and IMED evaluation (CPD, 2022; CPD, 2024)
- Policy design processes tend to be top-down, with limited participatory consultation mechanisms or feedback loops from farmer organisations or cooperatives
- **Women farmers frequently lack land titles required** for formal credit access, while tenant farmers remain excluded from many subsidy and financing programmes due to documentation constraints

## 12. Agriculture

- Weak enforcement of quality standards, inadequate storage and cold-chain infrastructure, and dominance of intermediaries reduce farm-gate prices and increase post-harvest losses
- Collateral-based lending models exclude smallholders and tenant farmers. Although directives are in place to loan farmers without any collateral, which is hardly followed by the banks
- **Agricultural insurance** remains underdeveloped. The BNP has committed to introducing agri insurance
  - Rising input costs combined with limited risk-sharing mechanisms increase farmer vulnerability to debt and income shocks
- Despite recognition of climate risks, **integration of climate-resilient crop varieties, water-efficient irrigation technologies,** and adaptive farming practices into mainstream agricultural programmes remains limited due to financing gaps, institutional fragmentation, and weak extension capacity
- **Agricultural labour shortages** driven by migration, ageing farmer populations, and declining youth engagement increase production costs and accelerate mechanisation demand without corresponding ecosystem readiness (CPD, 2023a; CPD, 2024)
- **Inefficiencies are noticeable in land and water** use, particularly utilisation in single to double and double to triple-cropped lands
  - Excessive and unregulated deepwater irrigation is depleting the groundwater level, leaving northern people without any drinkable water during the April to July season
  - Requiring drip water irrigation and use of surface-level water for irrigation
- Compliance with **sanitary and phytosanitary standards,** traceability systems, and **quality certification** required for export markets is insufficiently developed, limiting agricultural export growth after preferential trade access declines
  - The number of documents required from multiple offices is one of the key challenges to discourage agri exporters

# 12. Agriculture

## 12.3 Interim government-initiated reforms

- For MoA
  - Demand-driven input planning
  - A national farmer database under the PARTNER project, linked to the Farmer Smart Card Policy
- For MoF
  - OMS and Food-Friendly Programme Policies 2024
  - Digitised distribution via updated apps
  - Modernisation of the Safe Food Act 2013
  - Strengthened stock and market monitoring
- Fisheries and livestock reforms feature
  - New sectoral legislation
  - Preferential electricity tariffs
  - Increased VGF coverage
  - Ecosystem protection
  - Draft insurance and development policies

## 12.4 BNP Manifesto

- Key BNP commitments include
  - A secure **Farmer Card linked** to the union-level database
  - Subsidised inputs and credit
  - Partial loan waivers (**already implemented**)
  - Irrigation expansion
  - Canal restoration
  - Revival of the Barind project (**Organic crops cultivation plan in the Barind area mentioned by the minister**)
  - Cold storage expansion
  - **Fair-price procurement**
  - **Agricultural export zones**
  - Precision and climate-resilient farming, and strengthened research
- Livestock and fisheries priorities include
  - Insurance schemes
  - Safe feed regulation
  - Fishery reforms
  - Global shrimp branding
- Food governance pledges cover
  - Regulatory enforcement
  - Organic production (**Minister started working, targeting the Barind tract**)
  - Post-harvest infrastructure
  - Reduced imports
  - A Food and Drug Control Authority for transparency and safety

# 12. Agriculture

## 12.5 Proposals for the next 180 days

- The new govt should consolidate the **national farmer database, Farmer Smart Card, and proposed secure Farmer Card** into a single **digital agricultural registry** linked to subsidies, credit, insurance, procurement, and extension services
- Create an **integrated farmer risk protection system** merging subsidised credit, partial loan relief mechanisms, and nationwide crop, livestock, and fisheries insurance
  - Increase collateral-free seasonal credit using the farmer database, launch agricultural social insurance schemes with premium support from the government
- **Strengthen fair-price procurement**, cold storage expansion, and market monitoring to stabilise farmer incomes and reduce post-harvest losses
  - Increase **decentralised procurement** linked with digital farmer registration
  - **Invest in cold chains**, logistics hubs, and storage clusters in production zones
  - **Integrate OMS and Food-Friendly Programme procurement** with domestic production support
- Modernise the Safe Food regulatory framework implementation
- Establish roadmap for Food and Drug Control Authority
- Strengthen enforcement drives on food safety and feed regulation
- Improve transparency in food stock reporting

# 12. Agriculture

## 12.6 Proposals for beyond 180 days

- Combine irrigation expansion commitments (canal restoration, Barind revival, preferential electricity tariffs) with climate-resilient water governance, a drip water irrigation system and surface level water utilisation for reducing wastage and efficient use of water
- Establish **agricultural export zones** with processing, certification, and logistics facilities
- **Promote oilseeds, pulses, livestock**, fisheries, and horticulture production
- Strengthen compliance with international safety and quality standards
- **Establish a unified authority** for food safety, quality control, and market regulation
- Improve **transparency in stock monitoring** and supply chains using digital tools
- Align agriculture, food, fisheries, and livestock ministries through coordinated planning mechanisms

**Section 13:**  
**STEM Education - *Preparing Future Human Resources***

# 13. STEM Education - Preparing Future Human Resources

## 13.1 Overall Assessment

- **Challenges:** a) Frequent Curriculum Changes and Lack of STEM Pedagogy; b) Low Retention in STEM subjects and STEM-based Jobs; c) No International/Regular National Student Assessment; and d) Limited Access to Modern Technology and Digital Tools in Academic and TVET Streams
- The weakest part of knowledge-based decision-making (Fig 19) is **implementation and efficiency**- frequent **curriculum challenges**, lack of STEM curriculum, and **no national student assessment** are the main areas of concern

Figure 19: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

	Frequent Curriculum Changes and Lack of STEM Pedagogy	Low Retention in STEM subjects and STEM-based Jobs	No <i>International/Regular National Student Assessment</i>	Limited Access to Modern Technology and Digital Tools in Academic and TVET Streams
Data and Evidence-Based Decision Making	Weak learning outcome tracking, limited research on curriculum impact	Weak tracking of student progress, limited labor market data	Absence of sector-specific performance indicators; weak monitoring framework	Lack of technology usage data, no digital readiness assessment
Implementation and Efficiency	Unplanned rollout, poor teacher training	Inadequate mentoring, outdated teaching methods, poor workplace induction	Limited testing infrastructure, inadequate trained personnel	Inadequate IT infrastructure, slow integration in classrooms
Transparency and Accountability	Unclear decision-making process, lack of public rationale for changes	Unclear career pathways, lack of performance feedback	Irregular reporting, opaque results dissemination	Unclear procurement processes
Stakeholder Engagement and Inclusivity	minimal input from teachers, students, and guardians	Limited industry-school linkages, gender biases	Minimal involvement of schools, teachers, and communities	Minimal teacher training, unequal access for rural/poor students
Ethical and Legal Compliance	Politicisation of curriculum, disregarding old curriculum due to power change	Discriminatory practices	Absence of policies mandating regular assessment, weak enforcement mechanisms	No digital equity policies, weak enforcement of accessibility standards

# 13. STEM Education - Preparing Future Human Resources

## 13.2 Context

### Low Retention in STEM subjects and STEM-based Jobs

- According to the **World Bank's Human Capital Index**, a student in Bangladesh completing **12 years of school effectively learns** only what is expected by **Grade 7 internationally**.
- This learning deficit is reflected in **poor admission test outcomes** and the **lowest SSC pass rate recorded in 16 years**.
- In the 2024–25 admission cycle at the University of Dhaka, **only six per cent of candidates qualified for the science unit**; just **7,437 students passed out of 120,488 applicants competing for 1,896 seats**.
- Despite this apparent competitiveness, key STEM departments, including **Applied Chemistry, Electrical and Electronic Engineering, Leather Technology, and Physics**, **struggled to attract students**, leaving 505 of the university's 6,135 seats vacant that year.
- It is deeply concerning that **state-funded institutions continue to operate with a significant number of vacant seats**, especially when the **government allocates only around 2 per cent of GDP to the education sector**.

# 13. STEM Education - Preparing Future Human Resources

## 13.2 Context

### Frequent Curriculum Changes and Lack of STEM Pedagogy

- Following the political transition, the government scrapped the new curriculum initiated in 2021. Completely discarding previous curricular without assessing their value is not a rational approach. Experts argue that reverting to separate streams from class 9 is premature, as most countries avoid forcing early, irreversible career choices.
- Despite **changing the curriculum numerous times**, there was no initiative to integrate **STEM-based learning** like **critical thinking, problem-solving, and innovation through practical, inquiry-based learning (IBL)**.
- If curricula **force students to choose academic or vocational streams too early (e.g., in class 9)**, girls often face **societal expectations to prioritise “safe” or “traditional” paths**, limiting their access to **STEM or leadership-oriented subjects** (The consequences of these are shown in statistics).

### No International/Regular National Student Assessment

- Bangladesh currently does **not participate in global learning assessments like PISA or TIMSS**, which limits ability to **benchmark students’ performance** in mathematics, science, and reading literacy against **global standards**. While Bangladesh conducts the **National Student Assessment (NSA)**, the **inconsistent implementation** cannot inform any significant policy decisions.

### Limited Access to Modern Technology and Digital Tools in Academic and TVET Streams

- Many **TVET programs focus on traditional or outdated curricula**, which often do not align with the **current demands of employers or emerging industries**. As a result, **graduates may struggle to find relevant employment** even after completing technical training.

# 13. STEM Education - Preparing Future Human Resources

## 13.3 Recommendations: in 180 Days

- **Nationwide Audit and Science Lab Improvement:** A nationwide audit should be conducted to assess the condition of science laboratories at secondary and higher secondary levels. Many schools lack functional equipment, chemicals, or safe lab environments.
  - Based on the findings, the Ministry of Finance should prioritise a targeted budget allocation to make existing laboratories operational before approving new infrastructure projects.
- **Expanding Science Clubs, Fairs, and Olympiads:** Schools should be required to regularly organise science fairs/ICT fairs/olympiads and maintain active science clubs/ICT clubs. National directives and modest funds can be provided to ensure at least one annual science or ICT event per institution.
- **Ensuring Rigorous and Authentic Practical Examinations:** Instead of routinely awarding passing marks in practical exams, teachers should ensure that students physically perform experiments, record observations, and demonstrate conceptual understanding. Strengthening practical learning will rebuild foundational scientific skills and reduce rote memorisation.
- **Recruiting STEM Graduates as Laboratory and Teaching Assistants:** As most teachers in schools work with large class sizes, fresh STEM graduates can be recruited on a contractual or internship basis to assist teachers in conducting laboratory sessions and practical exams. MoE can pilot a contractual “STEM Teaching Assistant” programme in selected districts
- This approach would:
  - Improve student-to-teacher support during practical classes.
  - Enhance the quality of hands-on science education.
  - They can support teachers in planning and conducting science/ICT club sessions as well as science/ICT fairs.
  - Over time, this could serve as a pipeline for training future educators by creating employment opportunities for young professionals while simultaneously strengthening classroom delivery.

# 13. STEM Education - Preparing Future Human Resources

## 13.3 Recommendations: in 180 Days

- **Reconsider Rigid Early Academic Streaming (Science/Commerce/Arts) At The Secondary Level:** Introduce **interdisciplinary flexibility** that allows students to **combine science with humanities, business, or technical subjects**. This approach will **reduce early exclusion from STEM and support diverse career trajectories**.
  - The **MoE** (in coordination with **relevant ICT bodies**) should develop a **flexible subject-combination model** and **pilot it in selected institutions**. Before **introducing any new curriculum**, a well-structured implementation plan along with **proper teacher training and clear communication with guardians** must be ensured to guarantee effective execution.
- **Regulate The National Assessment and Adopt International Assessment:** MoE can **reactivate and strengthen the national assessment framework** and prepare for participation in selected international assessments.
  - This will not merely serve as **rankings** but as **diagnostic tools to identify learning gaps and inform curriculum reform, teacher training, and resource allocation**.
- **Reducing Private Coaching Dependency:** The heavy reliance on private coaching discourages rural and low-income students from pursuing science due to the **high additional costs**.
  - To curb this culture, MoE can introduce **stricter monitoring of coaching practices** and issue **regulatory guidelines** to reduce **conflicts of interest**. Schools must improve **classroom quality** so that students do not feel compelled to seek **external tutoring**.
- **Enhancing TVET Teacher Skills Through International Collaboration:** Engaging **TVET teachers in medium-term training programs**, such as **six-month collaborations** with experts from **technologically advanced countries** like **South Korea and Vietnam**, can significantly **elevate their instructional and practical skills**. Furthermore, linking such collaborations with **international apprenticeship opportunities** will **help students after graduation as well**.
  - **MoE**, in coordination with **science and technology authorities**, can initiate this **bilateral discussions**.

# 13. STEM Education - Preparing Future Human Resources

## 13.4 Recommendations: Beyond 180 Days

- **Selective Retention of Past Curriculum Components:** Rather than discarding the previous curriculum entirely, it is crucial to reconsider and selectively adopt the components that are valuable and relevant.
  - For instance, elements that strengthen STEM learning, promote critical thinking, integrate project-based or inquiry-based approaches, and incorporate foundational competencies in mathematics, science, and digital literacy should be retained.
- **Developing a Long-Term National STEM Roadmap:** Develop a long-term national STEM roadmap aligned with industrial policy, labour market demand, and technological transformation. This strategy should ensure continuity across political cycles and prevent abrupt curriculum reversals. Annual progress reports should be published to maintain accountability and transparency.
  - The MoE, in coordination with the Science and Technology Ministry and STEM experts, should draft the roadmap, while the Parliamentary Committee reviews and approves it.
- **Structured Industry-Linked Summer Internships:** Partner universities with ICT, renewable energy, pharmaceutical, and manufacturing companies to create structured summer internships. Students could be supported with stipends to make participation feasible for lower-income students.
  - The MoE and partner universities can identify pilot companies and finalise internship structures.
- **Expanding University Certificate and Training Programme:** The University of Dhaka (DU) already offers various certificate and training programmes for its students and others, and it can further enhance its STEM ecosystem by introducing industry-aligned certificates in high-demand fields such as data analytics, artificial intelligence (AI), the Internet of Things (IoT), and renewable energy.

## **Section 14:**

# **E-Governance - *Enhancing Transparent and Efficient Public Services***

# 14. E-Governance - Enhancing Transparent and Efficient Public Services

## 14.1 Overall Assessment

- **Challenges:** a) Unreliable Internet Supply and Digital Footprint at Local Level; b) Easing of the service procedures; c) Partial Digitalisation & Fragmented Systems Challenges; and d) Barriers and Scamming in Social Allowance Programmes Fraud in Social Allowance Systems
- Weakest part of knowledge-based decision-making (Fig 20) is **implementation and efficiency**- unreliable internet supply and digital footprint at local levels and partial digitalization and fragmented system challenges are the main areas of concerns.

Figure 20: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process

	Unreliable Internet Supply and Digital Footprint at Local Level	Easing of the service procedures	Partial Digitalisation & Fragmented Systems Challenges	Fraud in Social Allowance Systems
Data and Evidence-Based Decision Making	Lack of monitoring, poor reporting	Rollout of services before digitalising the whole process	Siloed data, inconsistent reporting, lack of interoperability	Incomplete NID-linked SIM registration, mismatched beneficiary data, weak monitoring of last-mile delivery
Implementation and Efficiency	Infrastructure gaps, low bandwidth, outdated hardware	Redundant steps, manual approvals, fragmented workflows	Multiple disconnected platforms, manual processes, duplication of same process	Technical issues with mobile financial services, inactive numbers,
Transparency and Accountability	No audit trails, unclear responsibilities, limited oversight	Unclear responsibilities, opaque decision-making, no tracking	No centralized monitoring, limited audit trails, unclear responsibilities	No real-time tracking of allowance transfers, limited/ineffective grievance redress
Stakeholder Engagement and Inclusivity	Limited training, low digital literacy, inaccessible platforms	Limited user feedback, poor communication, inaccessible procedures	Poor user experience, low adoption, limited training	Elderly, rural, or illiterate beneficiaries excluded, lack of guidance on mobile registration and MFS usage
Ethical and Legal Compliance	Absence of regulatory standards, weak enforcement, unclear data ownership	Inconsistent regulations, weak enforcement, overlapping authorities	Weak regulatory framework, unclear mandates, non-standardized data policies	Scams via PIN/OTP sharing, weak regulation of mobile financial services, inadequate safeguards against misuse

## 14. E-Governance - Enhancing Transparent and Efficient Public Services

### 14.2 Context

#### Unreliable Internet and Limited Digital Footprint at Local Level

- Union and Upazila offices often face **unstable internet, delaying government work and service delivery**. **Bangladesh Computer Council (BCC)-provide internet connections** to local government offices. So, many offices resort to **private ISPs**, which offer subpar services, leading to frequent server downtime and disruptions in public service delivery.
- There is no **direct mechanism** to address complaints about **BCC-provided internet services**. This creates a **persistent lag in e-service delivery**, forming a recurring cycle of delays and inefficiency.

#### Procedural Complexities Affecting Citizens

- Requirement of **parents' birth certificates** for **child's birth registration** creates barriers, **especially for women married or becoming mothers before 18**. Some women alter birth years to bypass restrictions, causing inconsistencies in official records.
- This practice indirectly contributes to data inaccuracies and creates the phenomenon of a **"missing child"**, where **actual age and birth information are obscured** due to the **indirect effects of child marriage**.

#### Fraud Vulnerabilities in Social Allowance Systems

- Government policy now requires beneficiaries to **receive allowances via mobile numbers registered against their own NID** to reduce misuse. However, many **elderly, rural, or illiterate beneficiaries** still do not have **SIM cards in their own name** or **struggle with biometrics needed for registration**, causing **delays or outright exclusion**.
- **Fraud and scamming through mobile financial services (such as bKash and Nagad)**, where beneficiaries gets deceived into **sharing PINs or OTPs**, resulting in the loss of their allowance funds.
- Despite **millions receiving digital allowances**, the **last-mile delivery quality remains weak**, with about **20 per cent** of cases facing **technical issues like inactive numbers or mismatches**, according to government officials.

## 14. E-Governance - Enhancing Transparent and Efficient Public Services

### 14.2 Context

#### Partial Digitalisation & Fragmented Systems Challenges

- Out of more than 700 government online services, none are fully end-to-end digitized, and most still require some level of physical interaction or manual verification. Moreover, these platforms are not interoperable, meaning data cannot flow seamlessly across ministries or agencies, which leads to duplication, inefficiency, and poor user experience.
- In land administration, for example, gaps between historical records, mutation registers, and digital ledgers complicate verification and slow down service delivery. These issues are not always apparent at the national level, but they are acutely felt by citizens who must return repeatedly to government offices to complete a single application.

#### Untrained/Underutilized ICT Staff and Digital Literacy of Citizen

- Shortages of trained ICT personnel and limited opportunities for continuous digital training weaken implementation capacity at local levels.
- Even where skilled ICT officers are stationed in upazila offices, they are often underutilised due to lack of clear mandates, inadequate technical authority, or outsourcing of digital tasks to private contractors.
- On the citizens' side, limited digital literacy and lack of awareness about procedures and correct official fees discourage direct use of digital services. Fear of making mistakes pushes many people towards informal intermediaries, undermining equity and transparency.

## 14. E-Governance - Enhancing Transparent and Efficient Public Services

### 14.3 Recommendations: in 180 Days

#### Assess and Streamline Digital Business Services

- Conduct a **rapid assessment of existing** portals across trade, licensing, tax, and land administration to identify duplication, manual workarounds, and inefficiencies.
  - **Responsible Bodies:** ICT Division (lead), Ministries of Commerce, Finance, and Land; Parliamentary Standing Committee on Commerce and ICT for oversight.

#### Launch Consolidated Social Allowance Profiles within 'Family Card'

- Along with the **family card initiatives, develop a consolidated digital family profile** linked to NID that aggregates all eligible allowances (maternity, elderly, disability, widow, etc.).
  - **Responsible Bodies:** Ministry of Social Welfare (lead), ICT Division, local government bodies.

#### Assess Accessibility and Usability of Digital Services

- Conduct a rapid **usability assessment of all government websites and mobile apps**, focusing on simplified Bangla language, audio/video guides, and offline/mobile-friendly accessibility.
  - **Responsible Bodies:** ICT Division (lead), Ministry of Social Welfare and Health for disability-related compliance.
- Integrate training on **government e-services into school ICT courses**, teaching students how to access and navigate online services. Students trained in digital skills can assist family members, **reducing reliance on paid intermediaries** and making e-services more accessible, affordable, and widely used.

## 14. E-Governance - Enhancing Transparent and Efficient Public Services

### 14.3 Recommendations: in 180 Days

#### Routine Monitoring and Complaint Mechanisms for Internet Performance

- Government should **routinely monitor internet performance**, establish **formal complaint mechanisms** (for government offices and citizens), and integrate internet quality indicators into **BCC's service delivery performance metrics**. Assess the reason behind unreliable internet in rural local government offices and make the provider accountable.
  - **Responsible Bodies:** ICT Division (lead), local government authorities
  - **Parliamentary Oversight:** The **Standing Committee on Local Government and ICT** can review progress and hold **service providers accountable** for repeated failures.

## 14. E-Governance - Enhancing Transparent and Efficient Public Services

### 14.4 Recommendations: Beyond 180 Days

#### Enact 'Single Digital Interface Act' and Central Integration Authority

- Before establishing 'Single Window-Clearing System' for Business and Commerce, a legally binding '**Single Digital Interface Act**' should be enacted that designates **one lead authority (for example, the Prime Minister's Office or ICT Division)** as the integration regulator with enforcement power. The major problem in Bangladesh is not lack of platforms but lack of authority to compel ministries to integrate databases.
  - Countries like **Singapore and Estonia** succeeded because central digital authorities had statutory power to mandate interoperability compliance. Without legal obligation, ministries will continue to protect data silos.
  - **Responsible Bodies:** ICT Division (lead), Cabinet Division, Ministry of Law; Parliamentary Standing Committee on ICT and Law to review and endorse legislation.

#### Invest in Reliable Power and Connectivity Infrastructure

- Prevent inconsistent internet and power in rural local government offices by deploying **solar-powered communication towers** and **hybrid energy systems**.
  - **Responsible Bodies:** ICT Division (lead), Local Government Division, Ministry of Finance
  - **Parliamentary Oversight:** The Standing Committee on Finance and ICT can periodically review fund utilisation and implementation progress.

#### Implementation of the Integrated Digital Land and Planning Portal in Phases

- Begin implementing the digital land and planning portal for **new land transactions only** and integrate **cleaned cadastral data**. Ensure digital records for new transactions are legally recognized.
  - **Responsible Bodies:** Ministry of Land (lead) , ICT Division, Local government offices

## 14. E-Governance - Enhancing Transparent and Efficient Public Services

### 14.4 Recommendations: Beyond 180 Days

#### Inclusive Digital Services

- Platforms must adhere to the **Web Content Accessibility Guidelines (WCAG)** to assist users with disabilities. Further accessibility enhancements should include **mobile-friendly apps with offline modes** for areas with poor internet connectivity, **voice-activated instructions**, and **AI-powered chatbots in Bangla** to guide users through services.

#### Public Dashboards and Full Transparency of Processing Times

- Develop publicly accessible dashboards showing average approval times by agency and district, using audit trail data. Enable citizens and stakeholders to see processing efficiency in real time.
  - Responsible Bodies: ICT Division (lead), Ministries responsible for each services.

**Section 15:**  
**National Parliament - *Strengthening Standing Committees***

## 15. Strengthening Parliamentary Governance

### 15.1. Context

- Evidence from the First to the Twelfth Parliaments reveals **persistent structural weaknesses in Parliament's role** as the supreme **law-making authority** and as a mechanism for **holding the executive accountable**. Although certain areas have shown limited improvement over time, significant deficiencies remain in core functions of scrutiny and oversight.
- These enduring challenges have gradually **reinforced executive dominance, reducing Parliament's effectiveness** and, at times, rendering it akin to a rubber-stamp institution. The following sections identify and analyse these specific areas of concern- (a) **Weak Legislative Scrutiny** and Committee Effectiveness; (b) **Government Dominance** in Bill Initiation; (c) Limited Effectiveness of Parliamentary Oversight (Questions & Motions); (d) **Weak Committee Oversight** of Government Activities; (e) **Executive-dominated Budget-Making** & Marginalised Parliamentary Scrutiny; (f) Weak Budgetary Oversight by Financial Committees (PUC & Estimates Committee); and (g) **Limited Post-Expenditure** Review by the Public Accounts Committee (PAC)

**Figure 21: Performance of Different Indicators of Knowledge-based Decision Making in the Administrative Process**

	Rigorous analysis and evaluation	Procedural transparency and accountability	Stakeholder engagement and inclusivity	Implementation and efficiency
Weak Legislative Scrutiny	Severely undermined depth & quality of legislative analysis	Limited accountability, institutional checks & balance, reduced transparency in legislative process	Stakeholder exclusion stems from bypassing legal provision	
Government Dominance in Bill Initiation		Heavily Centralised law-making in the executive, weakened parliamentary independence	Govt dominance marginalizes opposition & minority perspective in lawmaking	
Limited Parliamentary Oversight of executive	Non-substantive questions, long & evasive answers	Oversight is compromised by partisanship, PM's control over question selection		Oversight mechanism exists but not operational effectively due to political control
Weak Committee Oversight	Important issues delegated to subcommittees that fail to report	Irregular in reporting broader oversight activities to the house		Short meetings; low average number of meetings (8.6 per year)
Executive-dominated Budget-Making & Marginalised Parliamentary Scrutiny	Executive exclusively prepares budget; budget cannot be referred to committees for detailed scrutiny	Limited time (3 weeks) to scrutinize a budget prepared over 7 months;	Budget proposals rarely debated within party forums	Quarterly implementation reports rarely utilized during budget deliberation
Weak Budgetary Oversight	Focus on operational/management issues rather than systematic financial scrutiny	Committees operate beyond jurisdiction; examined institutions outside mandate;		Limited meetings ; low output related to meetings
Limited Post-Expenditure Review	Limited examination of appropriation accounts	Committee activities restricted to new & follow up audit reports; only one meeting appropriation accounts (2015-16); subsequent accounts not presented to parliament		Inconsistent member participation in meetings; Diverting focus from primary accountability matters

## 15. Strengthening Parliamentary Governance

### 15.2. Challenges

#### 15.2.1. Weak Legislative Scrutiny and Committee Effectiveness

- Bills often passed with **minimal deliberation; committee scrutiny historically weak. Despite ROP provisions for public consultation**, no parliament has ever formally sought public opinion on a bill.
- Ministers mostly demanded immediate consideration, **bypassing committees**. Many bills passed all three readings (**introduction, consideration, passage**) in a single day.
- Bills referred to committees sometimes scrutinised in a single meeting, e.g., **63% of 8th Parliament committee reports prepared after only one meeting**.
- **Decisions on 3–4 bills of different nature** sometimes taken in one meeting, reducing deliberation depth.
- **Committee chairs almost always from ruling party, limiting opposition influence.**

#### 15.2.2. Government Dominance in Bill Initiation

- Successive parliaments (First-Eighth) show overwhelming government control over bill initiation, limiting parliamentary independence.
- Between **1973–2013**, only **9** bills were introduced by private members, while the government moved the rest.
- In the Ninth Parliament, **268 government bills vs. only 3 private member bills were passed.**

## 15. Strengthening Parliamentary Governance

### 15.2. Challenges

#### 15.2.3. Limited Effectiveness of Parliamentary Oversight (Questions & Motions)

- Oversight tools **such as questions, call-attention motions, adjournment motions, and half-hour discussions exist, but their effectiveness is compromised by partisanship**, procedural misuse, and limited enforcement.
- Percentage of Answered questions in the 9<sup>th</sup> Parliament was **56.8%**, **Call-Attention Motions was around 0.9%**, **Short discussions/half-hour discussions and Adjournment Motions were 0%**
- 9th Parliament: **Ministers answered only 9% of oral questions in person**, though more answers were supplied in writing.
- 1st Parliament: **Essentially one-party (97.8% Awami League MPs)**, limiting oversight and public representation.
- Question time often abused by ministers **giving long-winded answers** and **MPs taking excessive time to ask questions**. Questions often used to **attack opposition rather than hold government accountable**.
- Questions are to be formally selected by Speaker, but in practice **controlled by Prime Minister**. **MPs often ask 'open' rather than substantive questions**.

#### 15.2.4. Weak Committee Oversight of Government Activities

- Committee meetings, when held, are often **short in duration**. **Committees frequently report on bills but are highly irregular in informing the House about their broader oversight activities**.

## 15. Strengthening Parliamentary Governance

### 15.2.4. Weak Committee Oversight of Government Activities

- Important issues are frequently **delegated to subcommittees**. **Nearly half of the subcommittees in the 8th Parliament failed to report back to their parent committees.**
- During the **7th Parliament, Standing Committees on Ministries (SCM) held an average of 8.6 meetings per year and submitted only 11 reports**
- During the **9th Parliament, SCMs held an average of 12 meetings per year and submitted 27 reports**, showing improved meeting frequency but fluctuating reporting performance.

### 15.2.5. Executive-dominated Budget-Making & Marginalised Parliamentary Scrutiny

- The **executive exclusively prepares the budget, and Members of Parliament have only a post-presentation opportunity** to formally deliberate on the proposals embodied in it.
- Despite elaborate procedural provisions, the entire budget cannot be **referred to any parliamentary committee for detailed scrutiny.**
- Provisions exist **requiring quarterly implementation reports from the finance minister**, but **MPs rarely utilise these reports during budget deliberations.**
- The **time allocated for parliamentary scrutiny of the budget is extremely limited**, with only about **three weeks for discussion** of a document prepared by **the executive over several months.**
- **Budget proposals are rarely debated within party forums.**

## 15. Strengthening Parliamentary Governance

### 15.2. Challenges

#### 15.2.6. Weak Budgetary Oversight by Financial Committees (PUC & Estimates Committee)

##### Public Undertakings Committee

- During the **11th Parliament**, the **Public Undertakings Committee** held only **21 meetings**, indicating **limited frequency of oversight engagement**. Of these meetings, **9** focused on reviewing **Comptroller and Auditor General reports on 19 organisations outside the scheduled public institutions**, suggesting deviation from mandated scope.
- The committee produced only **one report during the entire parliamentary tenure**. The **single report incorporated 81 recommendations derived from 11 meetings**, demonstrating low conversion of deliberations into formal outputs.
- The committee **examined several institutions beyond its assigned jurisdiction creating functional overlap** with other standing committees.

##### Committee on Estimates (EC)

- During the **11th Parliament**, the **Estimates Committee** issued only **two reports**. The committee focused **primarily on operational and management issues of public institutions rather than systemic financial scrutiny**.
- Committee recommendations frequently **extended beyond the jurisdiction defined in the Rules of Procedure**, reflecting **role ambiguity**.

## 15. Strengthening Parliamentary Governance

### 15.2. Challenges

#### 15.2.7. Limited Post-Expenditure Review by the Public Accounts Committee (PAC)

- PAC activities are **largely restricted to new and follow-up audit reports, leaving broader financial oversight incomplete.**
- **Only one meeting on Appropriation Accounts for 2015–16 was held during the 11th Parliament, as subsequent Appropriation Accounts have not been presented to Parliament, preventing thorough review.**
- Member participation in PAC meetings is inconsistent, as **some members actively contribute while others divert discussions, reducing focus on primary accountability matters.**

### 15.3. BNP's Commitments for Ensuring Accountability in the Parliamentary System-

- A new position for a **Vice President** will be established.
- A person can serve as **Prime Minister for a maximum total of 10 years**, regardless of previous terms, and they may also serve as their party's leader at the same time.
- There will be a set **balance of power between the President and the Prime Minister.**
- Each chamber of the legislature will have **two Deputy Speakers; one must be chosen from a party other than the one currently in power.**
- **Article 70 of the Constitution will be changed** so that Members of Parliament can speak freely on most topics, except for specific critical votes regarding national security, money bills, or changing the Constitution.
- **Members of the opposition party will lead key parliamentary committees** (like those for public accounts and finances)

## 15. Strengthening Parliamentary Governance

### 15.4. Interim Government's Initiative

- BNP proposed measures echoing with the interim government's initiatives such as limiting the Prime Minister's tenure to 10 years, setting a balance of power between President and Prime Minister, having two Deputy Speakers per chamber with one from the opposition, amending Article 70 to, giving opposition members leadership in key parliamentary committees.
- Apart from these proposals, two additional reforms were suggested for the parliamentary system: barring the Prime Minister from holding multiple positions and progressively increasing women's representation in the National Parliament to a total of 100 seats.
- Addressing the rising public expectations for accountability, the interim government to introduce the Governance Performance Monitoring System (GPMS) - an ICT-enabled, institutionalized mechanism to link planning with implementation, focus on measurable, outcome-oriented results, and improve governance effectiveness.
- The Chief Adviser's Office, in collaboration with the Cabinet Division, spearheaded the initiative, requiring each ministry and division to develop a three-year strategic plan with annual performance targets and a one-year rolling plan for each fiscal year.

## 15. Strengthening Parliamentary Governance

### 15.5. Recommendations for Strengthening Parliamentary Governance

#### 15.5.1. Recommendations within 180 days-

- Parliament should discuss about the position of a **Deputy Speaker considering** balanced parliamentary leadership.
- Appoint **Chairpersons for the Public Accounts Committee, Estimates Committee, Public Undertakings Committee, and Privileges Committee** to strengthen oversight and accountability.

#### 15.5.2. Recommendations beyond 180 days-

- **Amend Article 70 of the Constitution to reform the existing restrictions on floor crossing**, allowing Members of Parliament greater legislative democracy.
- Improve the **quality of committee scrutiny by allowing more time for deliberations, enhancing public participation, and ensuring greater independence in committee leadership.**
- Reduce **procedural barriers to allow private members to initiate bills and participate actively in legislation**, while relaxing rigid committee referral rules to ensure broader representation.
- **Strengthen parliamentary committees' scrutiny powers and enable opposition MPs to meaningfully challenge government proposals**, transforming the Jatiya Sangsad into a more balanced and accountable forum.

## 15. Strengthening Parliamentary Governance

### 15.5. Recommendations for Strengthening Parliamentary Governance

#### 15.5.2. Recommendations beyond 180 days-

- **Restructure PMQT so that questions are selected by ballot rather than the Prime Minister, strengthen the Speaker's authority to prevent long-winded or partisan replies, and guarantee opposition engagement with fixed questions for the Leader of the Opposition.**
- **Other parliamentary tools for oversight, like adjournment motions or call-attention motions, should be made more efficient so that the government responds quickly** instead of delaying answers.
- **Ensure committee meetings are held regularly and for sufficient duration, enforce strict reporting schedules, and establish clear guidelines to focus scrutiny** on the current government while still addressing relevant issues.
- **Increase the depth of committee oversight** by reducing **over-reliance on subcommittees** and strengthen powers to **compel attendance and production of documents to hold witnesses accountable.**
- **Expand the scope of the Public Accounts Committee (PAC) to address financial irregularities and review annual accounts, while setting clear timelines** to reduce the backlog of audit reports and ensure timely oversight.
- **Strengthen the engagement of the Public Undertakings Committee (PUC) and Estimates Committee (EC) with public institutions, align recommendations with government policies, encourage administrative reforms, improve inter-ministerial cooperation,** and adopt streamlined processes to enhance efficiency and public accountability.

## 15. Strengthening Parliamentary Governance

### 15.5. Recommendations for Strengthening Parliamentary Governance (Top Recommendations)

#### 15.5.2. Recommendations beyond 180 days-

- Establish an **Independent Parliamentary Commission for Democracy and Accountability**, ensuring institutional autonomy, financial independence, and appointment of highly professional members.
  - Mandate the Commission to **conduct pre-legislative scrutiny of draft bills, assessing constitutional consistency, democratic standards, fiscal implications, and institutional impact before parliamentary passage.**
  - Assign **post-legislative review functions, including evaluation of the implementation, effectiveness, and accountability outcomes of enacted laws.**
  - Provide **independent advisory opinions on constitutional amendments, executive actions, and major governance reforms, supporting Parliament with expert, non-partisan analysis.**
  - **Monitor executive compliance with parliamentary committee recommendations and audit findings, reporting periodically to Parliament.**
  - Undertake **comparative research, prepare guidelines, and publish annual reports on the state of parliamentary governance and democratic accountability.**

## 16. Conclusion

- New government **needs to start working parallelly** for 180 days and beyond 180s days for the next five years
- An approach taken to set priority for the first 180 days and to start working accordingly is a **welcome move**
  - This approach should **not be confined to ministry** it should also be applicable to local government institutions **beyond city corporations**
  - In this connection, **local government elections** at union parishad, pauroshava, municipality and city corporations should be immediately started in a participatory and inclusive manner
- A **major challenge** observed in most key sectors in case of 'knowledge-based decision-making is **lack of implementation and efficiency** in addressing sectoral challenges y respective ministries and departments
  - New government needs to take **transform the bureaucracy** from a 'law-policy making agency' to an effective **'implementing agency'**
- Public sector needs a major overhauling, and, in this regard, necessary reform initiative needs to be taken by the new government if it really wants to complete its term successfully, major **reform needs to focus on ministries, departments, local government offices located at unions, upazilas**, districts, divisions and central levels to be under the reform initiative. Key areas of reform should include
  - **Increase efficiency; enhance transparency; digital transformation**
  - **Necessary changes in regulatory, institutional, operational and financing will be required**
- In Bangladesh, government operates solely depend on executive branches - **in 'one-leg'**. New government needs to practice using **'another leg properly' – national parliament**
  - National Parliament through its standing committees which will help the ministries and departments, especially ministers and his/her executive branches transparent and accountable
  - Unfortunately, **executive branches often tried to avoid its** accountability responsibility to the parliament
  - **Strengthening parliamentary standing committees** will be an important task for the new government

# 16. Conclusion

- Knowledge-based decision making is often **neglected in the existing bureaucratic structure**
  - Six pillars are rarely used in policy drafting, preparing laws, rules and operational issues in public offices: (a) data quality and evidence-based; (b) Rigorous analysis and evaluation; (c) Procedural transparency and accountability; (d) stakeholder engagement and inclusivity; (d) Ethical and legal compliance; (d) Implementation and efficiency
  - In Bangladesh, bureaucracy **fears knowledge-based decision making** – New government needs to work on those reform related issues
- The study reveals that the challenges in different sectors are **much deeper and structural compared to what the new government is targeted in its election manifesto**- hence respective public sector organizations need deeper drive
  - **Unless new ministers apprehend the depth** of the challenges and depend on ‘business as usual’ solutions as prescribed by the bureaucracy, development partners, lobbyists, political parties and other pressure groups, little positive results would come out
  - **Deeper understanding of the problems**, thinking of alternate solutions, testing those solutions, ready to make necessary changes in institutional structure and decision-making process, assessing the impact of piloting are highly essential
  - **Ministers should come out from traditional approach** of ‘Dhaka-based solutions’ of all problems
  - **Strong decentralisation is needed** in most sectoral activities because of growing economy, nature and level of complexity, engagement of different stakeholders, different spatial dimensions of same problem
  - **Effective local government** could provide better solutions of those problems- hence further delegation of authority and resources from the ministries to departments , departments to local offices, ministries to city corporations, pourasava and union parishad are needed

# 16. Conclusion

- **Prime minister through his panel of advisors** could design how it will undertake major overhauling and reform in the public sector which will ensure a decentralized knowledge-based decision-making process which will make it accountable to the national parliament
- **Private sector, CSOs and other non-government entities** need to monitor whether the new government can show noticeable changes in its decision-making process and thereby make visible impact on country's development in next five years

**Thank you.**