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Government of the People's Republic of Bangladesh
Ministry of Commerce
Trade Support Measures Wing
www.mincom.gov.bd

Record Number: 22.00.0000.026.06.011.21.22

Date: 05/06/2022

NOTIFICATION

Pursuant to the ERD's letter no. 09.00.0000.225.46.00119.193, Dated 29 December 2021, the Ministry of Commerce has Reconstructed the Local Consultative Group (LCG) Working Group (WG) on private sector development with the following Composition and ToR:

Sl	Name/Designation	Position
1.	Director General (Additional Secretary), Trade Organization Wing, Ministry of Commerce	Chair
2.	Head/ Representative of the FCDO	Co-chair*
3.	Additional Secretary/Wing Chief, Trade Support Measures Wing, Ministry of Commerce	Member
4.	Joint Secretary, Trade Support Measures Wing, Ministry of Commerce	Member
5.	Representative of Prime Minister's Office (Not below the rank of Joint Secretary)	Member
5.	Member, National Board of Revenue	Member
6.	Representative of Finance Division (Not below the rank of Joint Secretary)	Member
7.	Representative of the Ministry of Foreign Affairs (Not below the rank of Joint Secretary/ Director General)	Member
8.	Representative of the Ministry of Industry (Not below the rank of Joint Secretary)	Member
9.	Representative of Bangladesh Bank	Member
10.	Representative of Bangladesh Investment Development Authority (BIDA), (Not below the rank of Joint Secretary)	Member
11.	Representative of Export Promotion Bureau (EPB), (Not below the rank of Joint Secretary)	Member
12.	Representative of FBCCI	Member
13.	Representative of BGMEA	Member
14.	Representative of DCCI	Member
15.	Representative of BIDS	Member
16.	Representative of Policy Research Institute	Member
17.	Representative from IFC, World Bank, GIZ, Japan, ADB, EIF, WTO, UNCTAD, KOIKA, EU, UN ESCAP, UN Resident Coordinator Office	Member
18.	Deputy Secretary (TSM-1), Ministry of Commerce	Member Secretary

*To be selected at the Organization Head level. In case of non-availability of the Organization Head, officer of immediate next rank would co-chair.

উইং-১ (সিএস ও অফিসার)	<input type="checkbox"/>
উইং-২ (সিএস ও অফিসার)	<input type="checkbox"/>
উইং-৩ (সিএস ও অফিসার)	<input type="checkbox"/>
উইং-৪ (সিএস)	<input type="checkbox"/>
উইং-৫ (এসিও)	<input type="checkbox"/>
উইং-৬ (সিএস ও অফিসার)	<input type="checkbox"/>
উইং-৭ (সিএস ও অফিসার)	<input type="checkbox"/>
উইং-৮ (এসিও ও অফিসার)	<input type="checkbox"/>
উইং-৯ (সিএস)	<input type="checkbox"/>
উইং-১০ (ডেপুটি সেক্রেটারি ইফেক্টিভনেস)	<input type="checkbox"/>
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ইস্যু নম্বর	স্মারক
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**LCG Working Committee can co-opt members if necessary.

2. This order is issued with the approval of the competent authority and will come into effect immediately.


06/09/2022
(Saif Uddin Ahammad)

Joint Secretary

Phone: 01777-929898

E-mail: js.ldc@mincom.gov.bd

Distribution: (Not in Accordance of seniority)

GoB:

1. Principal Secretary, Prime Minister's Office, Tejgaon, Dhaka.
2. Chairman (Senior Secretary), National Board of Revenue, Segun Bagicha, Dhaka.
3. Senior Secretary, Finance Division, Bangladesh Secretariat, Dhaka.
4. Senior Secretary, Ministry of Foreign Affairs, Segun Bagicha, Dhaka.
5. Senior Secretary, Prime Minister's Office, Tejgaon, Dhaka.
6. Honorable Governor, Bangladesh Bank, Motijheel, Dhaka.
- ✓ 7. Secretary, Economic Relations Division.
8. Secretary, Ministry of Industries, Motijheel, Dhaka.
9. Executive Chairman, Bangladesh Investment Development Authority (BIDA), E-6/B Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.
10. Vice Chairman, Export Promotion Bureau, 1, Kawran Bazar (2nd, 4th Floor & 9th Floor), TCB Building, 1 Hatirjheel Link Rd 2, Dhaka 1215.
11. Director General (Additional Secretary), Trade Organization, Ministry of Commerce.
12. Additional Secretary/Wing Chief, Trade Support Measures Wing, Ministry of Commerce.
13. Joint Secretary, Trade Support Measures Wing, Ministry of Commerce.

Private Sector Side:

1. President, FBCCI, 60, Motijheel, Dhaka.
2. President, BGMEA, BGMEA Complex, House NO-7/7 A, Block No-H-1, Sector, Uttara, Dhaka-1230.
3. President, Dhaka Chamber of Commerce and Industries (DCCI), Chamber Building, 65-66 Motijheel Commercial Area, Dhaka-1000.

Think Tank Side:

1. Executive Chairman, Bangladesh Investment Development Authority (BIDA), E-6/B Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.
2. Chairman, Policy Research Institute of Bangladesh, Express House, House 16 (4th Floor), Road 10/A, Block H Banani, Dhaka – 1213, Bangladesh

Development Partner Side:

1. Country Representative, FCDO Bangladesh, British Commission, 10 Gulshan, Avenue, Gulshan-1212, Dhaka.
2. Country Manager, Bangladesh, Bay's Edgewater, 3rd floor NE(N) 12 North Avenue, Gulshan 2, Dhaka-1212, Bangladesh.
3. Country Director, German Development Cooperation (GIZ), Gulshan 1, Dhaka-1212.
4. Ambassador, Embassy of Japan, Plot# 5&7, Dutabash Road, Baridhara, Dhaka-1212.
5. Country Director, Asian Development Bank (ADB), Plot-E-31, Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh.
6. Director General, World Trade Organization, Rue de Lausanne, 154 Case postale 1211 Geneve 2 Switzerland (Attention: Representative of Bangladesh).
7. Secretary General, UNCTAD, E-9042 Palais des Nations, 1211 Geneva 10, Switzerland.
8. Ambassador, Embassy of Korea, House No.-NW© 17, Road-55, Gulshan, Dhaka.
9. Ambassador and Head of Delegation, Delegation from European Union to Bangladesh, House-7, Road-84, Gulshan-2, Dhaka-1212.
10. Representative of UN Resident Coordinator Office, IDB Bhaban, Sher-Bangla Nagar, Agargaon, Dhaka.
11. Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific, The United Nations Building, Rajadamnern North Avenue Bangkok 10200, Thailand.
12. Representative of UN Resident Coordinator Office, IDB Bhaban, Sher-Bangla Nagar, Agargaon, Dhaka.

Copy for kind information/ information:

1. PS to Senior Secretary, Ministry of Commerce, Bangladesh Secretariat, Dhaka.
2. PO to Additional Secretary (Trade Support Measures Wing, Ministry of Commerce, Bangladesh Secretariat, Dhaka.

**Local Consultative Group (LCG) Working Group
on Private Sector Development & Trade**

Formation and Terms of Reference

I. Background:

Local consultative Group (LCG) comprising the government and all development partners provides the overall framework for cooperation in the areas focusing infrastructure development, human capital development finance, health and social protection. LGC aims to provide supports to Bangladesh in achieving its vision of promoting prosperity and fostering inclusiveness in overall socio-economic development aligned with the Sustainable Development Goals (SDGs). Increased private sector development is essential to meet the country's development needs as envisioned by the LCG. Bangladesh became a lower middle-income country in 2015 and is on the track to graduate from LDC status in 2026, having met the United Nations eligibility criteria in March 2018 and February 2021 respectively. Visualizing the present trends of spectacular success in growth and development, Government of Bangladesh envisions to transform the country from a lower middle income country to upper middle income country by 2031 and a high income country by 2041. The country's commendable achievements are the results of the untiring endeavors and hard work by the private sector players and favorable policy supports by the government. The private sector is doing 78% of the development work in Bangladesh and therefore, it is difficult to ignore private sector in attaining SDG goals and making the vision 2041 a reality. During FY 2016-2019, private sector investment was at 23.5% of GDP. Government estimates that the gross investment rate needs to rise from 30.5% in FY2020 to 36.6% by FY2025 to accelerate economic growth; 75% of the incremental investment needs to come from private sector. To implement SDG during FY2017-FY2030, financing of \$928.5 billion is estimated to be needed, with the private sector contributing 42% and public-private partnerships (PPP) 6%.

Bangladesh's progress to middle-income and high-income status will have to be largely driven by a more diversified and sophisticated private sector led high performing export sector that is diversified and competitive in a highly globalized world. However, export diversification faces two challenges: (a) problems with trade infrastructure, and (b) problems with trade policy and the incentives regime. Bangladesh lags behind its competitors in trade competitiveness due to high transaction costs relating to trade infrastructure services (ports, transportation infrastructure) as well as customs procedures. The trade policy is afflicted with anti-export bias of existing trade regime and the heavily skewed incentives system in favour

of few export goods and manufacturing production for domestic sales rather than exports. As the economy advances to middle income and high-income country level, the regulations and policy relating to trade demand reforms to transform trade more open with seamless import and export flows, coupled with low and uniform tariff. Moving the country to the next stage of development will require a new round of reforms to strengthen and modernize private sector that can grow, export and create quality jobs at scale.

II. Objectives

The over-arching goal of the LCG on private sector development & trade is to progress towards more robust export-led trade regime for export diversification. It underscores the need for the reduction or removal of anti-export bias, correcting the incentive structure that favours export diversification on the basis of comparative advantage.

The objective of the LCG is to improve the business enabling environment, strengthen regulatory framework, ensure easy access to readily available formal finance as well as reduce transportation and energy infrastructure gaps and access to electricity for flourishing export-led trade regime and export diversification.

III. Terms of Reference (ToR)

The overall specific scope of work for the LCG working group on private sector development & trade include:

- A. **Sharing of information** on activities, projects and studies undertaken by different agencies to address the trade related challenges of LDC graduation of Bangladesh.
- B. **Identifying avenues for collaborative work to promote productive capacity and product sophistication** targeting the Bangladeshi private sector.
- C. **Developing modalities for working effectively together** to facilitate a soft landing and minimizing the impacts of loss of preferential market access and exemptions after graduation.
- D. **Strengthening the capacities of the private sectors to meet the post graduation era-**
 - I. Increase competitiveness (how? Product development, product and market diversification (R&D), quality enhancement, signing trade agreements/FTA, EPA, RCEP..., innovation, skill development, integration in local and global value chains).
 - II. Skill development/HRM: product development, designer, merchandiser, industrial engineer and food chemist.
 - III. Embrace demand-oriented modern technology/ Fourth Industrial Revolution (Robotics, Artificial Intelligence, 3D Printing)
 - IV. Access to finance (venture capital funds, challenge funds, skills training funds).

- E. **Integrating key cross-cutting trade related issues** in work/ activities to address the challenges and prospects of Bangladesh's LDC graduation through:
 - I. Inter-ministerial coordination and PSE (Private Sector Engagement).
 - II. Harmonization and alignment of activities on trade matters as per directions given by the national committee on LDC graduation.
- F. **Sharing International best practices** (including lessons learnt from the successes of our key competitors in trade) and customizing them
 - I. **building regulatory capacities** of the government to face the fierce challenges of international trade and competition.
- G. **Strengthening the government institutions:**
 - I. **Ensure adherence to international compliance standards**, covering sanitary, phytosanitary and product standardization issues.
 - II. Improvement of the functionality of quality institutions in the national quality system (Quality infrastructure; BSTI, laboratories, accreditation bodies, Food Safety Authority).
 - III. Policy Stability (we need long term tariff/tax policy instead of policy that changes every year).
 - IV. Enabling business environment (regular supply of gas, electricity, fuel..)/shipping connectivity (efficient ports, deep sea port).
 - V. Reforms of the regulatory bodies (BB, BSEC) and development support agencies, such as EPB, BIDA to make them efficient and dynamic.
 - II. **Undertaking studies and commissioning projects to ease doing business in Bangladesh** for both local and international businesses.
 - I. **Teaming up with the development partners for making new technology commercially viable** for Bangladeshi enterprises.
 - J. **Starting work to establish a research center**, connecting research with practice and policy, to addresses trade related challenges of LDC graduation.

IV. Institutional and Administrative Arrangement:

i) Chairmanship

Local Consultative Group (LCG) on Private Sector Development & Trade will be chaired by the Director General (Additional Secretary), Trade Organization Wing, the Ministry of Commerce and co-chaired by the high ranked representative of FCDO.

ii) Organizational Set-up

The group will be chaired by the Senior Secretary, Ministry of Commerce and co-chaired by a high-rank representative of FCDO for a recommended period of one or two years and can be extended as needed by the consensus of the members of the working group. The group comprises of public sector engaged in private sector development, industrialization and export-led trade regime (Relevant Ministries/Divisions, Department and Agencies), relevant development partners working on the development of private sector, relevant resource persons, academia, representatives of the private sector, and NGOs working on the



development of private sector. In addition, the group may invite or co-opt relevant national and/or international resource persons and prominent NGOs to contribute to the achievement of the specific needs when deemed necessary by the working group. The formation of the working group is presented below:

GOB Side

Sl	Name/Designation	Position
1.	Director General (Additional Secretary), Trade Organization Wing, Ministry of Commerce	Chair
2.	Additional Secretary/Wing Chief, Trade Support Measures Wing, Ministry of Commerce	Member
3	Joint Secretary, Trade Support Measures Wing, Ministry of Commerce	Member
4.	Representative of Prime Minister's Office (Not below the rank of Director General)	Member
5.	Member, National Board of Revenue	Member
6.	Representative of Finance Division (Not below the rank of Joint Secretary)	Member
7.	Representative of the Ministry of Foreign Affairs (Not below the rank of Director General)	Member
8.	Representative of the Ministry of Industry (Not below the rank of Joint Secretary)	Member
9.	Representative of Bangladesh Bank	Member
10.	Representative of Bangladesh Investment Development Authority (BIDA)	Member
11.	Representative of Export Promotion Bureau (EPB)	Member
12.	Deputy Secretary (TSM-1), Ministry of Commerce	Member Secretary

Private Sector Side

SL	Name/Designation	Position
1.	Representative of FBCCI	Member
2.	Representative of BGMEA	Member
3.	Representative of DCCI	Member

Think Tank Side

SL	Name/Designation	Position
1.	Representative of BIDS	Member
2.	Representative of Policy Research Institute	Member

Development Partner Side

SL	Name/Designation	Position
1.	DP Coordinator, Foreign Commonwealth and Development Office (FCDO), British High Commission	Co-chair
2.	Representative of IFC, World Bank	Member
3.	Representative of GIZ, German Embassy	Member
4.	Representative of Japan	Member
5.	Representative of Asian Development Bank	Member
6.	Representative of EIF, WTO	Member
7.	Representative of UNCTAD	Member
8.	Representative of KOIKA, Korea	Member
9.	Representative of EU	Member
10.	Representative of UN ESCAP	Member
11.	Representative of UN Resident Coordinator Office	Member

V. Functioning of LCG Working Group

i) Work Plan

The chair and co-chair in consultation with all WG members will prepare an annual or bi-annual work plan in which the intended goals, targets and topics of the meetings will be outlined. The work plan is considered as a living document and can be adjusted anytime in accordance with the requirements of the Working Group that might arise.

ii) Meetings

The LCG Working Group will strive to meet three times a year. The Senior Secretary/Secretary will chair the meeting and Head of FCDO will co-chair the meeting. The chair can call an extraordinary meeting to discuss a specific agenda.

The chair and co-chair will be responsible for organizing the meetings, setting the agenda, preparing documentation, writing the minutes and any other tasks deemed necessary. After



each meeting, the co-chair will prepare and sign the minutes and submit it to the Ministry of Commerce for final approval of the Chair. The final approved minutes will be posted on the LCG website and the minutes will be shared to all Working Group members including ERD (via hard copy/email,

iii) Reporting Lines

The Development Cooperation Effectiveness WG chaired by ERD with the assistance of virtual secretariat will oversee the functionalities and effectiveness of the LCG on Private Sector & Trade and ensure coordination for whole system.

iii) Monitoring and Implementation

The Working Group can prepare a framework for monitoring the implementation and functioning of the Working Group in consultation with the members of the Group as well as with the advice from the ERD.

A handwritten signature in black ink, appearing to be 'ERD', is located to the right of the text block.